

ORDINANCE NO. 2016- 8

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF BRYANT, ARKANSAS ON THE QUESTIONS OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING AND REFINANCING ALL OR A PORTION OF THE COST OF CAPITAL IMPROVEMENTS; LEVYING A ONE-HALF OF ONE PERCENT (0.5%) SALES AND USE TAX FOR THE SOLE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

FILED
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P.A.

WHEREAS, the City Council of the City of Bryant, Arkansas (the "City") has determined that the City is greatly in need of park and recreational improvements, including particularly, without limitation, improvements at Mills Park and Bishop Park, improvements to The Center at Bishop Park, improvements to sports fields, a new park facility to be located north of Interstate 30 and any necessary land acquisition and parking, landscaping, signage, drainage, lighting, concession, street and utility improvements related thereto (collectively, the "Park and Recreational Improvements"); and

WHEREAS, the City Council has also determined that the City is greatly in need of firefighting facility improvements, including particularly, without limitation, two new fire stations and any necessary land acquisition, equipment, furnishings and parking, street, lighting and utility improvements related thereto (collectively, the "Fire Improvements"); and

WHEREAS, the City Council has further determined that the City is greatly in need of new streets, including any necessary land acquisition, new street and traffic signs and utility, lighting, curb, gutter and drainage improvements related thereto (collectively, the "Street Improvements"); and

WHEREAS, pursuant to a special election held July 11, 2006, the City has outstanding its Sales and Use Tax Bonds, Series 2006 and its Sales and Use Tax Bonds, Series 2007 (collectively, the "2006 Voter Approved Bonds"); and

WHEREAS, the 2006 Voter Approved Bonds are secured by and payable from collections of a 0.5% City-wide sales and use tax levied pursuant to Ordinance No. 2006-17 of the City adopted April 24, 2006 (the "2006 Tax"); and

WHEREAS, the City Council has determined that the Park and Recreational Improvements, the Fire Improvements and the Street Improvements (collectively, the "Capital Improvements") can be immediately financed without a tax increase if the 2006 Voter Approved Bonds are refunded; and

WHEREAS, the City Council proposes to finance all or a portion of the costs of the refunding of the 2006 Voter Approved Bonds (the "Refunding") and the Capital Improvements by the issuance of capital improvement bonds (the "Bonds") under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), allocated as follows: \$4,200,000 in maximum principal amount for the Refunding; \$4,500,000 in maximum principal amount for the Park and Recreational Improvements; \$5,500,000 in maximum principal amount for the Fire Improvements and \$15,700,000 in maximum principal amount for the Street Improvements; and

WHEREAS, the purpose of this Ordinance is to submit to the electors of the City the questions of issuing the Bonds for the Capital Improvements and the Refunding under Amendment 62 and the Authorizing Legislation at a special election to be called for that purpose and to replace the 2006 Tax with the levy of a sales and use tax at the rate of one-half of one percent (0.5%) on the receipts from the sales at retail within the City of all items which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, et seq.), and the receipts from storing, distributing, using or consuming within the City tangible personal property under the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et seq.) (the "2016 Tax" or the "Sales and Use Tax");

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. There is hereby called a special election to be held on August 9, 2016, at which election there shall be submitted to the electors of the City the questions of issuing the Bonds under Amendment 62 and the Authorizing Legislation to pay all or a portion of the costs of accomplishing the Refunding and the Capital Improvements in the maximum principal amounts described above, to be payable from collections of the Sales and Use Tax remaining after deduction of the administrative charges of the State of Arkansas and required rebates.

Section 2. In order to provide for the payment of the principal of and interest on the Bonds and all obligations of the City in connection therewith, there is hereby levied the Sales and Use Tax to replace the 2006 Tax. The levy of the Sales and Use Tax shall not become effective until the special election called in Section 1 above has been held and the issuance of the Bonds for one or more purposes is approved by the voters; provided, however, that no Bonds will be issued unless the issuance of the Bonds for the Refunding is approved. The effective date of the 2016 Tax will be the day following the date that the 2006 Tax expires. The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as from time to time required by Arkansas statutes for certain single transactions.

Section 3. The questions of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

If bonds for one or more purposes are approved and one of such purposes is the Refunding Bonds, the existing 0.5% sales and use tax levied in 2006 for the sole purpose of retiring bonds shall be replaced by the levy of a 0.5% sales and use tax, the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates, shall be used solely to retire the bonds and obligations of the City with respect thereto. The effective date of the new tax will be the day following the date the existing tax expires. The rate of taxation will not exceed 0.5% even if more than one purpose is approved. No bonds will be issued for any purpose unless the Refunding Bonds are also approved. The 0.5% sales and use tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes. The bonds described below that are approved may be combined into a single issue or the bonds may be issued in series at one time or from time to time.

REFUNDING BONDS

Bonds of the City of Bryant in the maximum aggregate principal amount of \$4,200,000 for the purpose of refunding the City's outstanding Sales and Use Tax Bonds, Series 2006 and the City's outstanding Sales and Use Tax Bonds, Series 2007 and, in order to pay the bonds, the levy and pledge of a 0.5% local sales and use tax within the City (the "2016 Tax"). The 2016 Tax will replace an existing 0.5% sales and use tax levied in 2006 for the sole purpose of retiring bonds.

FOR..... ☐

AGAINST..... ☐

PARK AND RECREATIONAL IMPROVEMENT BONDS

Bonds of the City of Bryant in the maximum aggregate principal amount of \$4,500,000 for the purpose of financing all or a portion of the costs of acquiring, constructing, furnishing and equipping park and recreational improvements, including particularly, without limitation, improvements at Mills Park and Bishop Park, improvements to The Center at Bishop Park, improvements to sports fields, a new park facility to be located north of Interstate 30 and any necessary land acquisition and parking, landscaping, signage, drainage, lighting, concession, street and utility improvements related thereto and, in order to pay the bonds, the levy and pledge of a 0.5% local sales and use tax within the City (the "2016 Tax"). The 2016 Tax will replace an existing 0.5% sales and use tax levied in 2006 for the sole purpose of retiring bonds.

FOR..... ☐

AGAINST..... ☐

FIRE IMPROVEMENT BONDS

Bonds of the City of Bryant in the maximum aggregate principal amount of \$5,500,000 for the purpose of financing all or a portion of the costs of firefighting facility improvements, including particularly, without limitation, two new fire stations and any necessary land acquisition, equipment, furnishings and parking, street, lighting and utility improvements related thereto (the "2016 Fire Improvement Bonds") and, in order to pay the bonds, the levy and pledge of a 0.5% local sales and use tax within the City (the "2016 Tax"). The 2016 Tax will replace an existing 0.5% sales and use tax levied in 2006 for the sole purpose of retiring bonds.

At an election held on November 12, 2013, the voters of the City of Bryant approved the issuance of sales and use tax bonds to finance all or a portion of the costs of firefighting facility improvements (the "2013 Approved Bonds"). The 2013 Approved Bonds were to be secured by a pledge of collections of an existing 0.375% sales and use tax. If the 2016 Fire Improvement Bonds are approved and issued, the City will not issue the 2013 Approved Bonds.

FOR..... ☐

AGAINST ☐

STREET IMPROVEMENT BONDS

Bonds of the City of Bryant in the maximum aggregate principal amount of \$15,700,000 for the purpose of financing all or a portion of the costs of new streets, including any necessary land acquisition, new street and traffic signs and utility, lighting, curb, gutter and drainage improvements related thereto and, in order to pay the bonds, the levy and pledge of a 0.5% local sales and use tax within the City (the "2016 Tax"). The 2016 Tax will replace an existing 0.5% sales and use tax levied in 2006 for the sole purpose of retiring bonds.

FOR..... ☐

AGAINST ☐

Section 4. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections unless otherwise provided in the Authorizing Legislation and only qualified voters of the City shall have the right to vote at the election.

Section 5. The results of the election shall be proclaimed by the Mayor, and the Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of publication.

Section 6. A copy of this Ordinance shall be filed with the Saline County Clerk at least 60 days prior to the date of the special election. A copy of this Ordinance shall be given to the Saline County Board of Election Commissioners so that the necessary election officials and supplies may be provided. A certified copy of this Ordinance shall also be provided to the Commissioner of Revenues of the State of Arkansas as soon as practical.

Section 7. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

Section 8. If the Bonds for the Refunding are approved by the voters and if such Bonds are issued, the 2006 Tax shall be abolished at the proper time so that the 2006 Tax and the 2016 Tax are not in effect at the same time. Collections of the 2006 Tax received after the date the Bonds are issued shall be used to provide for the payment of the Bonds.


Section 9. If the Bonds are approved, the City intends (a) to negotiate with Crews & Associates, Inc. and Stephens Inc., which has assisted the City in preparation of the Bond size and repayment structure, for the sale of the Bonds and (b) to work with Friday, Eldredge & Clark, LLP, as bond counsel, on the preparation of the documents authorizing the issuance of the Bonds.

Section 10. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Section 11. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: May 31, 2016.

ATTEST:


City Clerk

(SEAL)

APPROVED:


Mayor

CERTIFICATE

The undersigned, City Clerk of the City of Bryant, Arkansas, hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 2, passed at a regular session of the City Council of the City of Bryant, Arkansas, held at the regular meeting place of the City Council at 7:00 o'clock p.m., on the 31st day of May, 2016, and that the Ordinance is of record in Ordinance Record Book No. _____, Page _____, now in my possession.

GIVEN under my hand and seal this 31st day of May, 2016.



City Clerk

(SEAL)