

RESOLUTION NO. 2022 - 16

AN RESOLUTION EXPRESSING THE INTENT OF THE CITY OF SEARCY, ARKANSAS TO ISSUE REVENUE BONDS AND TO REIMBURSE FROM THE PROCEEDS OF THOSE REVENUE BONDS PRELIMINARY COSTS INCURRED IN THE ACQUIRING, CONSTRUCTING, EQUIPPING AND INSTALLING OF CERTAIN INDUSTRIAL FACILITIES GENERALLY DESCRIBED AS LAND, BUILDINGS, IMPROVEMENTS, MACHINERY, EQUIPMENT, AND FACILITIES RELATED TO BRYCE CORPORATION'S INDUSTRIAL FACILITIES LOCATED WITHIN THE CITY; AND SETTING FORTH OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City of Searcy, Arkansas (the "City") is authorized under the Constitution and laws of the State of Arkansas, including particularly Arkansas Code Annotated Title 14, Chapter 164, Subchapter 2 and Subchapter 5, in each case as amended (the "Authorizing Legislation") to finance the acquisition, construction, expansion, and equipping of industrial facilities; and

WHEREAS, the City intends to finance the acquisition, construction, expansion, and equipping of industrial facilities in the City (the "Project") to be operated by Bryce Corporation or a related entity (the "Company") through the issuance of industrial development revenue bonds (the "Bonds"); and

WHEREAS, the City and the Company intend to enter into a lease agreement or lease agreements relating to the real and personal property constituting the Project, which contemplates that the Project will be owned by the City and leased to and operated by the Company and that the rental payments due thereunder together with other moneys available therefor shall be sufficient to pay debt service on the Bonds and all related costs; and

WHEREAS, the City and the Company wish to express their intention to reimburse the City and the Company, as appropriate, for all qualifying expenditures related to the Project, including the acquisition of various capital improvements and equipment from the proceeds of the Bonds; and

WHEREAS, the City intends to issue bonds pursuant to a definitive Ordinance or Ordinances to be subsequently adopted authorizing the issuance of industrial development revenue bonds, in one or more series, in an aggregate amount not to exceed \$85,000,000 with respect to the Project; and

WHEREAS, the City and the Company intend that in connection with the issuance of the Bonds, the City and the Company will enter into one or more Payment in Lieu of Taxes Agreements ("PILOT Agreements") establishing a defined schedule of payments from the Company to the City for each series of bonds, and any other appropriate governmental authority in lieu of the real and/or personal property taxes that would otherwise be payable with respect to the Project if the Project assets were subject to *ad valorem* taxes; and

WHEREAS, the City and the Company mutually agree to cooperate in the City's submission of an application for a Community Development Block Grant in the requested amount of \$5,000,000 for the purpose of financing a specific and distinct portion of the Project; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Searcy, Arkansas:

Section 1. Description of the Project. Based upon the information provided by the Company, the City currently contemplates that the Project will include the acquisition, construction, equipping, improvement, and expansion of industrial facilities including, but not limited to, land, buildings, improvements, machinery, equipment, and facilities related to the Company's business in the City. The Project will also include the costs of issuing such bonds, including, but not limited to, the fees of the placement agent or underwriter, bond counsel, trustees fees, and other professionals engaged by the City and the Company to accomplish the Project, funding capitalized interest, if any, and other qualifying expenditures.

Section 2. Intent to Issue Bonds. The City, by the adoption of this Resolution hereby evidences its intent to issue its City of Searcy, Arkansas Taxable Industrial Development Revenue Bonds (Bryce Corporation Project), in one or more series, in an aggregate amount not to exceed \$85,000,000 (collectively, the "Bonds"), for the purposes of financing the costs of the Project and the costs of issuance related thereto. It is contemplated that the Bonds (i) will be issued pursuant to a mortgage, trust indenture, bond purchase agreement, or other security instrument, and (ii) may be issued in one or more series. No Bonds will be issued until the final terms of the proposed issuance have been presented to and approved by the City pursuant to Ordinance of the City Council.

Section 3. Intent to Enter Into PILOT Agreement. The City, by the adoption of this Resolution, further evidences its intent to enter into a PILOT Agreement with the Company in connection with issuance of each series of Bonds providing for annual payments that, when aggregated with all other such payments over the first 12 years of the Project's life, equal not less than 35% of the real and/or personal property taxes that would otherwise be payable with respect to the Project during such period if the Project assets were subject to *ad valorem* taxes. No PILOT Agreement will be signed until the final terms of the proposed document have been presented to and approved by the City pursuant to Ordinance of the City Council.

RESOLVED this 12th day of April, 2022.

APPROVED:

/s/ Kyle Osborne
Mayor of Searcy

ATTEST:

/s/ Jerry Morris
City Clerk/Treasurer

CERTIFICATE

The undersigned, City Clerk/Treasurer of the City of Searcy, Arkansas, hereby certifies that the foregoing is a true and perfect copy of a Resolution entered by the City Council of Searcy, Arkansas on the 12th day of April, 2022, which now appears of record in the records of the City of Searcy, Arkansas

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City this 12th day of April, 2022.

Jerry Morris, City Clerk/Treasurer