

Mayor Bart Castleberry

Clerk/Treasurer Denise Hurd

City Attorney Charles Finkenbinder



City Council Members

Ward 1 Position 1 – Andy Hawkins
Ward 1 Position 2 – David Grimes
Ward 2 Position 1 – Drew Spurgers
Ward 2 Position 2 – Shelley Mehl
Ward 3 Position 1 – Mark Ledbetter
Ward 3 Position 2 – Spencer Hawks
Ward 4 Position 1 – Theodore Jones Jr.
Ward 4 Position 2 – Shelia Isby

Special City Council Meeting
Tuesday, September 2nd, 2025, City Council Agenda
Conway Municipal Building, City Council Chambers

<u>6:00 pm:</u>	City Council Meeting
<u>Call to Order:</u>	Bart Castleberry, Mayor
<u>Roll Call:</u>	Denise Hurd, Clerk/Treasurer
<u>Minutes Approval:</u>	N/A
<u>Monthly Financials:</u>	N/A

A. New Business

1. Ordinance calling and setting a date for a special election to be held on Tuesday, November 18th, 2025, on the questions of the issuance of capital improvements bonds for various specific purposes and to levy a sales tax for Public Safety capital Improvements and Street & Drainage Improvements

Adjournment

ORDINANCE NO. _____

AN ORDINANCE CALLING AND SETTING A DATE FOR A SPECIAL ELECTION ON THE QUESTIONS OF THE ISSUANCE BY THE CITY OF SALES AND USE TAX CAPITAL IMPROVEMENT BONDS FOR VARIOUS SPECIFIED PURPOSES AND LEVYING LOCAL SALES AND USE TAXES FOR VARIOUS SPECIFIED PURPOSES; LEVYING A LOCAL SALES AND USE TAX AT THE RATE OF THREE-EIGHTHS OF ONE PERCENT (0.375%) FOR THE PURPOSE OF RETIRING SUCH BONDS; LEVYING A ONE-QUARTER OF ONE PERCENT (0.250%) LOCAL SALES AND USE TAX FOR PUBLIC SAFETY CAPITAL IMPROVEMENTS; LEVYING A ONE-EIGHTH OF ONE PERCENT (0.125%) LOCAL SALES AND USE TAX FOR STREETS AND DRAINAGE AND RELATED CAPITAL IMPROVEMENTS; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, Amendment 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 “Local Government Bond Act”) authorize the issuance of capital improvement bonds by municipalities, which bonds may be secured by the pledge of all of the receipts of the citywide sales and use tax described in the Local Government Bond Act; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the “Municipal Sales and Use Tax Act”) authorizes the levy of citywide sales and use taxes in increments of one-eighth of one percent (0.125%) for the purposes described in the Municipal Sales and Use Tax Act; and

WHEREAS, the City Council has determined that additional revenues are required in order to finance critical capital improvement needs of the City; and

WHEREAS, if approved by the electors of the City, the City has determined to issue (i) its capital improvement bonds in principal amount not to exceed \$52,950,000 for the purpose of financing the costs of an outdoor music venue, (ii) its capital improvement bonds in principal amount not to exceed \$30,965,000 for the purpose of financing the costs of a civic convention center, (iii) its capital improvement bonds in principal amount not to exceed \$11,060,000 for the purpose of financing the costs of restoration of the former Grand Theater into an indoor arts venue, and (iv) its capital improvement bonds in principal amount not to exceed \$11,060,000 for the purpose of financing a boardwalk and other park improvements in the Lake Conway area (collectively, the “Bonds”), which Bonds are to be secured by a pledge of and lien upon all of the receipts of a three-eighths of one percent (0.375%) citywide sales and use tax (the “Bond Tax”), all as authorized by Amendment 62 and the Local Government Bond Act; and

WHEREAS, it has been further determined by the City, if approved by the electors of the City, to levy (i) a one-quarter of one percent (0.250%) citywide sales and use tax (the “Public Safety Capital Improvements Tax”) for the purpose of paying the costs of capital improvements relating to public safety needs, and (ii) a one-eighth of one percent (0.125%) citywide sales and use tax (the “Streets and Drainage Capital Improvements Tax”) for the purpose of paying the costs

of streets, drainage and related capital improvements, all as authorized by the Municipal Sales and Use Tax Act; and

WHEREAS, the purpose of this Ordinance is to call a special election on the issuance of the Bonds and the levy of the Bond Tax, the Public Safety Capital Improvements Tax and the Streets and Drainage Capital Improvements Tax by the City and for related purposes;

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

Section 1. That under the authority of Amendment 62 and the Local Government Bond Act and subject to approval by the electors of at least one of the questions on the issuance of Bonds set forth in Section 5 below, there are hereby levied (i) a sales tax at the rate of three-eighths of one percent (0.375%) on the gross receipts from the sale at retail within the City of all items and services which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (Arkansas Code of 1987 Annotated §26-52-101 *et seq.*), and (ii) an excise (or use) tax at the rate of three-eighths of one percent (0.375%) on the storage, use, distribution or other consumption within the City of tangible personal property or taxable services subject to taxation under the Arkansas Compensating Tax Act of 1949, as amended (Arkansas Code of 1987 Annotated §26-53-101 *et seq.*), on the sale price of the property or, in the case of leases or rentals, on the lease or rental price (collectively, the “Bond Tax”). The Bond Tax shall be levied, and the net collections received after deduction of the administrative charges of the State of Arkansas and required rebates shall be utilized only for the payment of debt service on those Bonds approved by the voters. The Bond Tax shall be levied and collected only on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time under Arkansas law, subject to rebates and limitation as required for certain “single transactions” as from time to time required under Arkansas law. The levy and collection of the Bond Tax shall commence on and as of such date as provided by Arkansas law, and shall cease upon retirement in full of those Bonds approved by the voters.

Section 2. (a) That under the authority of Municipal Sales and Use Tax Act and subject to approval by the electors of Question 5 set forth in Section 5 below, there are hereby levied (i) a sales tax at the rate of one-quarter of one percent (0.250%) on the gross receipts from the sale at retail within the City of all items and services which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (Arkansas Code of 1987 Annotated §26-52-101 *et seq.*), and (ii) an excise (or use) tax at the rate of one-quarter of one percent (0.250%) on the storage, use, distribution or other consumption within the City of tangible personal property or taxable services subject to taxation under the Arkansas Compensating Tax Act of 1949, as amended (Arkansas Code of 1987 Annotated §26-53-101 *et seq.*), on the sale price of the property or, in the case of leases or rentals, on the lease or rental price (collectively, the “Public Safety Capital Improvements Tax”).

(b) That under the authority of Municipal Sales and Use Tax Act and subject to approval by the electors of Question 6 set forth in Section 5 below, there are hereby levied (i) a sales tax at the rate of one-eighth of one percent (0.125%) on the gross receipts from the sale at retail within the City of all items and services which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (Arkansas Code of 1987 Annotated §26-52-101 *et seq.*),

and (ii) an excise (or use) tax at the rate of one-eighth of one percent (0.125%) on the storage, use, distribution or other consumption within the City of tangible personal property or taxable services subject to taxation under the Arkansas Compensating Tax Act of 1949, as amended (Arkansas Code of 1987 Annotated §26-53-101 *et seq.*), on the sale price of the property or, in the case of leases or rentals, on the lease or rental price (collectively, the “Streets and Drainage Capital Improvements Tax”).

(c) The Public Safety Capital Improvements Tax and the Streets and Drainage Capital Improvements Tax shall be levied, and the net collections received after deduction of the administrative charges of the State of Arkansas and required rebates shall be utilized only for the payment of debt service on those Bonds approved by the voters. The Public Safety Capital Improvements Tax and the Streets and Drainage Capital Improvements Tax shall be levied and collected only on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time under Arkansas law, subject to rebates and limitation as required for certain “single transactions” as from time to time required under Arkansas law. The levy and collection of the Public Safety Capital Improvements Tax and the Streets and Drainage Capital Improvements Tax shall commence on and as of such date as provided by Arkansas law.

Section 3. That under the authority of Amendment 62 and the Local Government Bond Act and subject to approval by the electors of the City of at least one of the questions on the issuance of Bonds set forth in Section 5 below, there is hereby authorized (1) the issuance of the City’s capital improvement bonds in aggregate principal amount not to exceed \$52,950,000 for the purpose of financing all or a portion of the costs of an outdoor music venue as described in Question One under Section 5 below, (2) the issuance of the City’s capital improvement bonds in aggregate principal amount not to exceed \$30,965,000 for the purpose of financing all or a portion of the costs of a civic convention center as described in Question Two under Section 5 below, (3) the issuance of the City’s capital improvement bonds in aggregate principal amount not to exceed \$11,060,000 for the purpose of financing all or a portion of the costs of an indoor arts venue as described in Question Three under Section 5 below, and (4) the issuance of the City’s capital improvement bonds in aggregate principal amount not to exceed \$11,060,000 for the purpose of financing all or a portion of the costs of boardwalk and other park improvements in the Lake Conway area as described in Question Four under Section 5 below. If approved by the electors of the City, the aforementioned capital improvement bonds (collectively, the “Bonds”) may be issued in one or more series from time to time in an aggregate principal amount not to exceed the respective principal amount(s) approved by the City’s electors. Any Bonds so issued shall be secured by a pledge of and a lien upon all of the receipts of the Bond Tax, as authorized by the Local Government Bond Act.

Section 4. That there be, and there is hereby called, a special election to be held on Tuesday, November 18, 2025, at which election there shall be submitted to the electors of the City the questions of the issuance of the Bonds and the levy of the Bond Tax, the Public Safety Capital Improvements Tax and the Streets and Drainage Capital Improvements Tax.

Section 5. That the questions shall be placed on the ballot for the special election in substantially the following forms:

**SPECIAL ELECTION ON BOND ISSUANCE
AND CITY SALES AND USE TAX LEVIES**

There is submitted to the qualified electors of the City of Conway, Arkansas the questions of the issuance of the bonds described in Questions 1-4 set forth below. Upon approval of at least one of the Questions numbered 1-4, there shall be levied a three-eighths of one percent (0.375%) sales and use tax (defined as the Bond Tax in each of Questions 1-4 below) under the authority of Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated. Such Bond Tax shall commence on and as of such date as provided by Arkansas law and shall cease upon retirement of all of the approved bonds. The bonds described below that are approved may be combined into a single issue or may be issued in series from time to time and may be issued on a tax-exempt or taxable basis. The net collections of the Bond Tax remaining after the State of Arkansas deducts its administrative charges will be used solely to retire those bonds described below which are approved by the voters and obligations of the City with respect thereto. *Unless at least one of Questions numbered 1-4 set forth below are approved, none of the bonds described below will be issued and the Bond Tax will not be levied.*

There is also submitted to the qualified electors of the City of Conway, Arkansas the questions of the levy of (i) a citywide sales and use taxes at the rate of one-quarter of one percent (0.250%), and (ii) a citywide sales and use taxes at the rate of one-eighth of one percent (0.125%), each under the authority of Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated, and for the specific purposes described in Questions 5 and 6 set forth below. The Public Safety Capital Improvements Tax (as defined in Question 5) and the Streets and Drainage Capital Improvements Tax (as defined in Question 6) shall commence on and as of such date as provided by Arkansas law.

Question One (1) - Music Venue Bonds:

There is submitted to the qualified electors of the City of Conway, Arkansas, the question of the issuance of capital improvement bonds in principal amount not to exceed \$52,950,000 (the "Music Venue Bonds") pursuant to Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Local Government Bond Act") for the purpose of financing all or a portion of the costs of land acquisition, design, construction and equipping of an outdoor music venue, and which may include other ancillary improvements such as street and utility extensions and improvements, storage buildings, restrooms, concession areas, landscaping and parking. If the issuance of the Music Venue Bonds is approved, the Music Venue Bonds shall be secured by a pledge of and lien upon all of the receipts of a citywide sales and use tax at the rate of three-eighths of one percent (0.375%) levied pursuant to the Local Government Bond Act (the "Bond Tax").

Vote on the question by placing an "X" in one of the squares following the question, either for or against:

FOR the issuance of Music Venue Bonds in principal amount not to exceed \$52,950,000.....☐

AGAINST the issuance of Music Venue Bonds in principal amount not to exceed \$52,950,000.....☐

Question Two (2) – Convention Center Bonds:

There is submitted to the qualified electors of the City of Conway, Arkansas, the question of the issuance of capital improvement bonds in principal amount not to exceed \$30,965,000 (the “Convention Center Bonds”) pursuant to the Local Government Bond Act (as defined in Question One) for the purpose of financing all or a portion of the costs of land acquisition, design, construction and equipping of a civic convention center, and which may include other ancillary improvements such as street and utility extensions and improvements, landscaping and parking. If the issuance of the Convention Center Bonds is approved, the Convention Center Bonds shall be secured by a pledge of and lien upon all of the receipts of a citywide sales and use tax at the rate of three-eighths of one percent (0.375%) levied pursuant to the Local Government Bond Act (the “Bond Tax”).

Vote on the question by placing an “X” in one of the squares following the question, either for or against:

FOR the issuance of Convention Center Bonds in principal amount not to exceed \$30,965,000.....☐

AGAINST the issuance of Convention Center Bonds in principal amount not to exceed \$30,965,000.....☐

Question Three (3) – Grand Theater Bonds:

There is submitted to the qualified electors of the City of Conway, Arkansas, the question of the issuance of capital improvement bonds in principal amount not to exceed \$11,060,000 (the “Grand Theater Bonds”) pursuant to the Local Government Bond Act (as defined in Question One) for the purpose of financing all or a portion of the costs of land and building acquisition, design, construction, reconstruction, restoration and equipping of the former Grand Theater located at 1101 Oak Street for use as an indoor arts venue, and which may include other ancillary improvements such as street and utility extensions and improvements, landscaping and parking. If the issuance of the Grand Theater Bonds is approved, the Grand Theater Bonds shall be secured by a pledge of and lien upon all of the receipts of a citywide sales and use tax at the rate of three-eighths of one percent (0.375%) levied pursuant to the Local Government Bond Act (the “Bond Tax”).

Vote on the question by placing an “X” in one of the squares following the question, either for or against:

FOR the issuance of Grand Theater Bonds in principal amount not to exceed \$11,060,000.....☐

AGAINST the issuance of Grand Theater Bonds in principal amount not to exceed \$11,060,000.....☐

Question Four (4) – Lake Conway Boardwalk Bonds:

There is submitted to the qualified electors of the City of Conway, Arkansas, the question of the issuance of capital improvement bonds in principal amount not to exceed \$11,060,000 (the “Lake Conway Boardwalk Bonds”) pursuant to the Local Government Bond Act (as defined in Question One) for the purpose of financing all or a portion of the costs of land acquisition, design, construction and equipping of boardwalk and other park improvements in the Lake Conway area, and which may include other ancillary improvements such as street and utility extensions and improvements, restrooms and other buildings, landscaping and parking. If the issuance of the Lake Conway Boardwalk Bonds is approved, the Lake Conway Boardwalk Bonds shall be secured by a pledge of and lien upon all of the receipts of a citywide sales and use tax at the rate of three-eighths of one percent (0.375%) levied pursuant to the Local Government Bond Act (the “Bond Tax”).

Vote on the question by placing an “X” in one of the squares following the question, either for or against:

FOR the issuance of Lake Conway Boardwalk Bonds in principal amount not to exceed \$11,060,000.....☐

AGAINST the issuance of Lake Conway Boardwalk Bonds in principal amount not to exceed \$11,060,000.....☐

Question Five (5) - Public Safety Capital Improvements Tax:

There is submitted to the qualified electors of the City of Conway, Arkansas, the question of the levy of a citywide sales and use tax at the rate of one-quarter of one percent (0.250%), under the authority of Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the “Municipal Sale and Use Tax Act”), and for the specific purposes described below.

FOR the levy of a citywide sales and use tax at the rate of one-quarter of one percent (0.250%) (the “Public Safety Capital Improvements Tax”), under the authority of the Municipal Sales and Use Tax Act, for the purposes of paying all or a portion of the costs of emergency operations center, police and/or fire station design, construction and improvements, which may include land acquisition, and the acquisition of emergency operations center equipment and police and firefighting vehicles and equipment, and providing for matching state and federal funds for such purposes☐

AGAINST the levy of a citywide sales and use tax at the rate of one-quarter of one percent (0.250%) (the “Public Safety Capital Improvements Tax”), under the authority of the Municipal Sales and Use Tax Act, for the purposes of paying all or a portion of the costs of emergency operations center, police and/or fire station

design, construction and improvements, which may include land acquisition, and the acquisition of emergency operations center equipment and police and firefighting vehicles and equipment, and providing for matching state and federal funds for such purposes□

Question Six (6) - Streets and Drainage Capital Improvements Tax:

There is submitted to the qualified electors of the City of Conway, Arkansas, the question of the levy of a citywide sales and use tax at the rate of one-eighth of one percent (0.125%), under the authority of Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the “Municipal Sale and Use Tax Act”), and for the specific purposes described below.

FOR the levy of a citywide sales and use tax at the rate of one-eighth of one percent (0.125%) (the “Streets and Drainage Capital Improvements Tax”), under the authority of the Municipal Sales and Use Tax Act, for the purposes of paying all or a portion of the costs of improving, constructing, repairing and widening of streets and for making drainage improvements within the City, which may include related planning and design, roundabouts, sidewalks and multi-use pathways, traffic signals and controls, curbing, guttering, right-of-way and other land acquisition and utility relocation, and providing for matching state and federal funds for such purposes□

AGAINST the levy of a citywide sales and use tax at the rate of one-eighth of one percent (0.125%) (the “Streets and Drainage Capital Improvements Tax”), under the authority of the Municipal Sales and Use Tax Act, for the purposes of paying all or a portion of the costs of improving, constructing, repairing and widening of streets and for making drainage improvements within the City, which may include related planning and design, roundabouts, sidewalks and multi-use pathways, traffic signals and controls, curbing, guttering, right-of-way and other land acquisition and utility relocation, and providing for matching state and federal funds for such purposes□

Section 6. That 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 Arkansas municipal elections unless otherwise provided in the Local Government Bond Act and/or the Municipal Sales and Use Tax Act, and only qualified voters of the City shall have the right to vote at the election. The City Clerk is hereby directed to give notice of the special election by one advertisement in a newspaper of general circulation within the City, the publication to be not less than ten (10) days prior to the date of the election.

Section 7. That a copy of this Ordinance shall be given to the Faulkner County Clerk and to the Faulkner County Board of Election Commissioners at least seventy (70) days prior to the date of the special election so that the necessary election officials and supplies may be provided. A certified copy of this Ordinance shall also be provided to the Director of the Department of Finance and Administration and to the Treasurer of the State of Arkansas as soon as practical.

Section 8. That the results of the special election shall be proclaimed by the Mayor, and the proclamation shall be published one time in a newspaper of general circulation within the City. The proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the Circuit Court of Faulkner County within thirty (30) days after the date of publication of the proclamation.

Section 9. That the Mayor and the City Clerk, for and on behalf of the City, be, and they hereby are authorized and directed to do any and all things necessary to call and hold the special election as herein provided and, (i) if the issuance of any of the bonds described herein is approved by the electors, to cause the Bond Tax to be collected in accordance with the Local Government Bond Act, (ii) if the levy of the Public Safety Capital Improvements Tax or the Streets and Drainage Capital Improvements Tax described herein is approved by the electors, to cause said tax to be collected in accordance with the Municipal Sales and Use Tax Act, and (iii) to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

Section 10. That the City considers this Ordinance to be its declaration of official intent to issue the Bonds and to make reimbursement to the City with a portion of the proceeds thereof for all original expenditures incurred by the City in acquiring, constructing or equipping any of the projects described herein between the date that is sixty (60) days prior to the date of this Ordinance and the date a series of Bonds is issued, plus a *de minimis* amount and preliminary expenditures, as such terms are defined in Section 1.150-2(f) of the Federal Income Tax Regulations.

Section 11. That Kutak Rock LLP is hereby engaged as Bond Counsel and Crews & Associates, Inc. and Stephens Inc. are hereby engaged as Underwriters with respect to the issuance of the Bonds. The fees and expenses of Bond Counsel and the Underwriters shall be a cost of issuance of the Bonds to be paid with Bond proceeds.

Section 12. That 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 13. That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 14. That it is hereby ascertained and declared that there is a great need to establish a stable source of revenue to finance improved municipal services and additional capital improvements within the City in order to promote and protect the health, safety and welfare of the City and its inhabitants. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of public peace, health and safety shall be in force and take effect immediately from and after its passage.

PASSED AND APPROVED this ____ day of _____, 2025.

APPROVED:

By: _____
Mayor

ATTEST:

By: _____
City Clerk

(S E A L)

CERTIFICATE

The undersigned, City Clerk of the City of Conway, Arkansas, hereby certifies that the foregoing is a true and correct copy of an Ordinance adopted at a special meeting of the City Council of the City of Conway, Arkansas, held at 6:00 p.m. on September 2, 2025.

DATED: _____, 2025

City Clerk