

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ERLANGER, KENTUCKY, PROVIDING FOR A CREDIT OF ITS OCCUPATIONAL LICENSE FEE FOR NEW EMPLOYEES AS PART OF AN ECONOMIC DEVELOPMENT PROJECT BY ARCHER DANIELS MIDLAND COMPANY UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010 - 154.32.100).

WHEREAS, Archer Daniels Midland Company has expending approximately \$8.6 million expanding their manufacturing facility at 1261 Pacific Ave., Erlanger, in Kenton County Kentucky. Additionally, Archer Daniels Midland Company has created 39 full-time Kentucky resident jobs.

WHEREAS, Archer Daniels Midland Company is soliciting support from the City of Erlanger for its application under the Kentucky Business Investment Program (KBI) under KRS 154.32-010 - 154.32-100. The application of Archer Daniels Midland Company received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) as an approved Economic Development Project on December 11, 2014.

WHEREAS, KRS 154.32-010 (3) (b) permits that the “approved company or, with the authority’s consent, an affiliate of an approved company may require that each employee subject to tax imposed by KRS 141.020, whose job is determined by the authority to be created as a result of the economic development project, as a condition of employment, agree to pay an assessment of up to four percent (4%) of taxable wages.”

WHEREAS, the Mayor of the City of Erlanger and the Kenton County Judge Executive indicated in writing on October 21, and October 17, 2014 their willingness to support a combined **1% credit** of the City of Erlanger and Kenton County Occupational License Fees on new Kentucky-resident jobs created by Archer Daniels Midland Company as part of this Economic Development Project for a ten-year period after project completion and since Archer Daniels Midland Company has decided to expand in the City of Erlanger. This **1% credit** is projected to be split between the City of Erlanger and Kenton County. This local credit of **1%** will be prorated based on the relative estimate of occupational license fees for the City of Erlanger and for the Kenton County Fiscal Court generated by this economic development project over a ten-year period and the City of Erlanger will have the opportunity to support a **0.94%** credit of its Occupational License Fees for a ten-year period and Kenton County will have the opportunity to support a **0.06%** credit of its Occupational License Fees for a ten-year period, totaling a **1%** credit locally. This local credit will cause a **3% Kenton Personal Income Tax Credit** on such new jobs under KBI and this a total **4% credit**.

WHEREAS, KRS 154.32-010 also entitles each employee paying the wage assessment fee to an equal credit against his/her Kentucky income tax and an equal credit against his/her local occupational license fee, both for ten years. Archer Daniels Midland Company under KRS

154.32-010, will impose a 4% wage assessment as a condition of employment and shall be authorized to deduct the 4% wage assessment from each payment of wages to qualified employees, with such assessment only to be utilized as permitted by KRS 154.32-010 - 154.32-100.

NOW THEREFORE BE IT ORDAINED BY THE CITY OF ERLANGER KENTUCKY:

Section One

The City authorized a credit of its Occupational License Fees pursuant to the Kentucky Business Investment Program (KRS 154.32-010 - 154.32-100) for and throughout a ten-year period (beginning and ending as stipulated in the Wage Assessment Agreement executed between KEDFA and Archer Daniels Midland Company) **equal to 0.94%** on the wages of the new Archer Daniels Midland Company Kentucky resident employees created as part of this Economic Development Project.

Section Two

That if any section or part of any section or any provision of this Ordinance shall be declared invalid by a Court of appropriate jurisdiction, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Ordinance. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent of said conflict.

Section Three

This ordinance shall be in effect and in full force from and after its passage, publication and recording, according to law.

Adopted this _____ day of _____, 2018

First Reading _____ Yes _____ No _____

Second Reading _____ Yes _____ No _____

City of Erlanger

**Tyson Hermes
Mayor**

ATTEST: _____
City Clerk