

ORDINANCE NO. 2525

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 ATLAS AIR, INC. UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM (K.R.S. 154.32-010 - K.R.S. 154.32-100).

WHEREAS, Atlas Air, Inc. will expend approximately \$34 million to expand their facility to Viox Road, Erlanger, Kenton County, Kentucky. Additionally, Atlas Air, Inc. is expected to create 593 full-time Kentucky resident jobs.

WHEREAS, Atlas Air, Inc. is soliciting support from the City of Erlanger for its application under the Kentucky Business Investment Program (KBI) under K.R.S. 154.32-010 - K.R.S. 154.32-100. The application of Atlas Air, Inc. received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) as an approved Economic Development project on July 25, 2019.

WHEREAS, K.R.S. 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 K.R.S. 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, agrees 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 May 24, 2019 and May 20, 2019, 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 Atlas Air, Inc. as part of this Economic Development Project for a ten-year period after project completion since Atlas Air, Inc. has decided to expand in the City of Erlanger, Kenton County, Kentucky. This **1% credit** is projected to be split between the City of Erlanger and Kenton County, Kentucky. The 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. The City of Erlanger will have the opportunity to support a **0.75%** credit of its Occupational License Fees for a ten-year period and Kenton County will have the opportunity to support a **0.25%** credit of its Occupational License Fees for a ten-year period, totaling a **1%** credit locally. This local credit will cause a **3% Kentucky Personal Income Tax Credit** on such new jobs under K.B.I. and thus a total **4% credit**.

WHEREAS, K.R.S. 154.32-010 also entitles each employee paying the wage assessment fee to an equal credit against their Kenton income tax and an equal credit against their local occupational license fee, both for ten (10) years. Atlas Air, Inc. under K.R.S. 154.32-010, will impose a 4% wage assessment as a condition of employment and shall be authorized to deduct the 4% assessment from each payment of wages to qualified employees,

with such assessment only to be utilized as permitted by K.R.S. 154-32-010 - K.R.S. 154.32-100.

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

Section One

The City authorizes a credit of its Occupational License Fee pursuant to the Kentucky Business Investment Program (KBI) (K.R.S. 154.32-010 - K.R.S. 154.32-100) for and throughout a ten-year period (beginning and ending as stipulated in the Wage Assessment Agreement executed between KEDFA and Atlas Air, Inc.) equal to **0.75%** on the wages of the new Atlas Air, Inc. Kentucky-resident employees created as part of this Economic Development Project.

Section Two

That if any section or part of any section or any provisions of this Ordinance shall be declared invalid, by a Court of valid 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 6th day of July, 2021

First Reading - June 1, 2021	Yes - N/A	No - N/A
Second Reading - July 6, 2021	Yes - 10	No - 0

City of Erlanger

Jessica Fette
Mayor

ATTEST:

Sherry Hoffman
City Clerk