

**ORDINANCE NO. 2550**

**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 GAP INC. UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010–KRS 154.32-100).**

**WHEREAS**, Gap Inc. will expend approximately \$4.48 million to expand their Global Supply Chain Logistics Center within Erlanger in Kenton County Kentucky at 1360 Dolwick Drive. Additionally, Gap Inc. is expected to create 10 full-time Kentucky resident jobs with an average wage of \$73,000 a year (exclusive of benefits).

**WHEREAS**, Gap Inc. is soliciting support from the City of Erlanger for its application under the Kentucky Business Investment Program (KBI) under KRS 154.32-010–KRS 154.32-100. The application of Gap Inc. received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) as an approved Economic Development Project on December 9, 2021.

**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 indicated in writing on September 22, 2021, her willingness to support a **1% credit** of the City of Erlanger Occupational License Fees on new Kentucky-resident jobs created by Gap Inc. as part of this Economic Development Project for a ten-year period after project completion and since Gap Inc. has decided to expand in the City of Erlanger. The City of Erlanger will have the opportunity to support a **1%** credit of its Occupational License Fees for a ten-year period. This local credit will cause a **3% Kentucky personal income tax credit** on such new jobs under KBI and thus 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. Gap Inc. under KRS 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 KRS 154.32-010–KRS 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 (KRS 154.32-010–KRS 154.32-100) for and throughout a ten-year period (beginning and ending as stipulated in the Wage Assessment Agreement executed between KEDFA and Gap Inc.) **equal to 1%** on the wages of the new Gap 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 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 4th day of October, 2022.**

<b>First Reading - September 6, 2022</b>	<b>Yes N/A</b>	<b>No N/A</b>
<b>Second Reading - October 4, 2022</b>	<b>Yes 9</b>	<b>No 1</b>

**City of Erlanger**

**Jessica Fette  
Mayor**

ATTEST:

Sherry Hoffman  
City Clerk