

ORDINANCE NO. 1874

AN ORDINANCE PURSUANT TO THE KENTUCKY BUSINESS INVESTMENT ACT (KRS 154.32-010 — 154.32-100), GRANTING MKP MANAGEMENT, INC. A WAGE ASSESSMENT; GRANTING CERTAIN EMPLOYEES OF COMPANY A PARTIAL CREDIT AGAINST CITY OF DANVILLE OCCUPATIONAL LICENSE TAX; AND PROVIDING PROVISIONS FOR RECAPTURE OF THESE BENEFITS IN CERTAIN EVENTS.

Whereas, MKP Management, Inc. (hereinafter, "Company") has expressed an interest in locating and constructing a Holiday Inn Express hotel with expanded convention center/meeting room space and create new jobs located within the boundaries of the City of Danville, Kentucky, and the City wishes to induce the Company to finalize the location and construction of its hotel facility and job creation within the City by granting a statutory wage assessment as well as granting to new employees a credit against their occupational license tax equal to 1.5% of the wages of the new Company employees hired as part of this economic development project, pursuant to the provisions of KRS 154.32-090 and other applicable law, and subject to the terms and conditions of this Ordinance; and

Whereas, KRS 154.32-090(2) permits that the "approved company or, with the authority's consent, an affiliate of the approved company may require that each employee subject to the 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 an assessment of up to five percent (5%) of taxable wages"; and

Whereas, KRS 154.32-090(8) also entitles each employee paying the wage assessment fee to an equal credit against his or her Kentucky income tax and his or her local occupational license fee;

Now, therefore, be it ordained by the Board of Commissioners of the City of Danville, Kentucky, as follows:

Section 1. As a consideration for and inducement to the location and construction of Company's hotel facility and workforce within the corporate limits of the City of Danville, Boyle County, Kentucky, the City does hereby authorize and grant Company, upon its creation and continuous maintenance of at least ten (10) new full-time jobs but no more thirty (30) new full-time jobs, a statutory wage assessment pursuant to KRS 154.32-090, and does further authorize and grant new full-time employees a corresponding credit against their occupational license tax equal to 1.5% of the wages of said ten (10) to thirty (30) new Company employees created as part of this economic development project. This credit shall exist for a period of three (3) years from the project's final activation date, or until Company recovers a total wage assessment in the amount of \$16,750, whichever occurs first, and shall be recovered by rebate from the City, quarterly or annually at the election of Company. If Company exceeds its projected job performance of thirty (30) jobs, Company may accelerate its recovery of the wage assessment rebate so long as it does not exceed the limit of \$16,750.00. This credit is extended pursuant to the provisions of KRS 154.32-090. A table specifying Company's maximum potential wage assessment is attached hereto as Exhibit A and incorporated herein by reference.

Section 2: In the event that Company fails to maintain continuously at least ten (10) of the new, full-time jobs created at its hotel facility within the City for a period of three (3) years, then Company shall be obligated to repay to the City certain portions of those abated taxes and waived fees in accordance with the following schedule:

A. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of one (1) year, then Company shall be obligated to repay to the City the full amount of those payroll taxes abated;

B. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of two (2) years, then Company shall be obligated to repay to the City 66.6% of those payroll taxes abated;

C. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of three (3) years, then Company shall be obligated to repay to the City 33.3% of those payroll taxes abated;

D. If the Company maintains continuously at least ten (10) new, full-time jobs to be created for a period of four (4) years, then Company shall have no obligation to repay any portion of those abated taxes and waived fees pursuant to this ordinance.

Section 3: The Board of Commissioners of the City of Danville shall verify Company's job creation performance quarterly by presentation or report from the Danville-Boyle County Economic Development Partnership, Inc. for each year of the performance term specified in Section 2.

Section 4: The incentive package provided herein is applicable only to MKP Management, Inc. and is not assignable or transferable to any other entity without approval of the City of Danville.

Section 5: If any section, sentence, clause or portion of this Ordinance is for any reason declared illegal, unconstitutional, or otherwise invalid, such declaration shall not affect the remaining portions hereof. To the extent that any section, sentence, clause

or portion of this Ordinance is in conflict with any other previous ordinance of the City, then the provisions of this Ordinance shall take precedence.

Section 6: This Ordinance shall be effective upon its final passage and publication, and the City Clerk is hereby directed to publish this Ordinance in the Danville Advocate-Messenger of Danville, Kentucky.

GIVEN FIRST READING AND PASSED _____.

GIVEN SECOND READING AND PASSED _____.

DATE OF PUBLICATION _____.

MIKE PERROS, MAYOR
CITY OF DANVILLE

ATTEST:

DONNA PEEK, CITY CLERK
CITY OF DANVILLE

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