

ORDINANCE NO. 1887

AN ORDINANCE PURSUANT TO THE KENTUCKY BUSINESS INVESTMENT ACT (KRS 154.32-010 — 154.32-100) GRANTING TOTAL CART MANAGEMENT USA, 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, Total Cart Management USA, Inc. (hereinafter, "Company") has expressed an interest in leasing approximately 100,000 SF in the TCI Logistics facility and creating new jobs located within the boundaries of the City of Danville, Kentucky, and the City wishes to induce the Company to finalize the leasing of this 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 fee 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;

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 Company's leasing of approximately 100,000 SF 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) full-time jobs, a statutory wage assessment pursuant to KRS 154.32-090, and does further authorize and grant new employees a corresponding credit against their occupational license fee equal to 1.5% of the wages of said ten (10) new Company employees created as part of this economic development project. This credit shall exist for a period of fifteen (15) years from the project's final activation date, or until Company recovers a total wage assessment in the amount of \$50,000.00, 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 ten (10) jobs, Company may accelerate its recovery of the wage assessment rebate so long as it does not exceed the limit of \$50,000.00. 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 leased facility within the City for a period ten (10) 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 90% 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 80% of those payroll taxes abated;

D. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of four (4) years, then Company shall be obligated to repay 70% of those payroll taxes abated;

E. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of five (5) years, then Company shall be obligated to repay 60% of those payroll taxes abated;

F. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of six (6) years, then Company shall be obligated to repay 50% of those payroll taxes abated;

G. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of seven (7) years, then Company shall be obligated to repay 40% of those payroll taxes abated;

H. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of eight (8) years, then Company shall be obligated to repay 30% of those payroll taxes abated;

I. If the Company fails to maintain continuously at least ten (10) new, full-time jobs to be created for a period of nine (9) years, then Company shall be obligated to repay 20% of those payroll taxes abated;

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

K. If the Company maintains continuously at least ten (10) new, full-time jobs to be created for a period of ten (10) 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 Total Cart Management USA, 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 _____.

G. MICHAEL PERROS, MAYOR
CITY OF DANVILLE

ATTEST:

DONNA PEEK, CITY CLERK
CITY OF DANVILLE

W:\Common File\City of Danville\Ordinances (2016)\Total Cart Management USA, Inc. -Wage Assessment (8-19-16).doc