

Sponsors: Commissioner Stewart

Commissioner Powell

Date Second Reading: 02/13/2017

Publication Date: 02/16/2017

ORDINANCE NO. 2017-001

AN ORDINANCE OF THE COMMISSION OF THE CITY OF FRANKLIN, KENTUCKY, AUTHORIZING THE GRANT OF AN INDUCEMENT FOR THE ACQUISITION AND CONSTRUCTION OF A PROJECT PURSUANT TO THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010 TO 154.32-100) WHEREBY THE CITY AGREES TO FOREGO THE COLLECTION OF THE ONE PERCENT (1%) CITY OCCUPATIONAL LICENSE FEE ON WAGES FROM INDUSTRIAL AUTOMATION OF KENTUCKY, LLC dba INDUSTRIAL AUTOMATION, LLC THAT WOULD OTHERWISE BE DUE WITH RESPECT TO PROJECT EMPLOYEES, WHICH AMOUNTS SHALL BE COLLECTED AND RETAINED BY SAID EMPLOYER OVER A TERM OF NOT LONGER THAN TEN (10) YEARS FROM THE ACTIVATION DATE ESTABLISHED BY SAID PROGRAM; AND TAKING OTHER RELATED ACTION

WHEREAS, it is the public policy of the City Commission of the City of Franklin, Kentucky ("City Commission" and "City") to encourage, promote, and support economic development, new job formation, and the development and growth of industry and commerce, and to preserve existing jobs in Kentucky for the public purposes of providing employment opportunities for its citizens and residents, alleviating conditions of unemployment, stabilizing and promoting the economy of Kentucky, and creating new tax bases and sources of revenue for the Commonwealth;

WHEREAS, the Kentucky Business Investment Program, Sections 154.32-010 through 154.32-100 of the Kentucky Revised Statutes ("KRS"), the ("Program"), authorizes and empowers the Commonwealth and certain local jurisdictions to promote economic development in Kentucky by inducing the creation of economic development projects by eligible companies, as more particularly described therein;

WHEREAS, KRS 154.32-090 authorizes an eligible company to deduct certain wage assessments from payments of wages to economic development project employees and each employee paying the assessment, in turn, to credit the assessment against their Kentucky individual income tax and, subject to the approval of the local levying authority or authorities, local occupational license fee or fees otherwise due;

WHEREAS, Industrial Automation of Kentucky, LLC dba Industrial Automation, LLC (the "Company") has proposed to acquire, construct and/or install within the City at the address of 75 Raines Drive, Franklin, Kentucky a project consisting of the facilities and properties described in Exhibit A attached hereto (collectively, the "Project");

WHEREAS, the Company has represented to the City that the acquisition, construction and installation of the Project, if constructed, will result in a substantial number of new job opportunities in the community, and the Company agrees to comply with the provisions of City of Franklin Ordinance No. 221.10-06-2014;

WHEREAS, the Company has filed an application with the Kentucky Economic Development Finance Authority (the "Authority") for approval of the Project for the Program as authorized in KRS 154.32-030;

WHEREAS, it is appropriate and in the public interest that the City Commission make a formal, binding commitment of financial resources in order to encourage and support economic development endeavors generally and the Project specifically if and when approved by the Authority pursuant to KRS 154.32-030; and

WHEREAS, the City Commission has approved the granting of an inducement to the Company for the Project, pursuant to the Program, whereby it would forego the collection of the one percent (1%) occupational license fee on wages that otherwise would be due the City, which fee shall be retained by the Company, with respect to Project employees whose jobs meet the criteria and requirements established by the Program (“Qualifying Employees”) for a term of not longer than ten (10) years from the date the Company properly activates the Program’s incentives pursuant to KRS 154.32-030 and any agreement relating to the Project that the Company has with the Authority (the “Activation Date”).

NOW, THEREFORE, IT IS ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKLIN, AS FOLLOWS:

Section 1. It is hereby found, determined and declared that the recitals set forth in the preambles to this Ordinance, which are incorporated in this Section by reference, are true and correct.

Section 2. Inducement. The City shall forego collection of, and Company shall be entitled to collect and retain the one percent (1%) City occupational license fee due on wages paid to Qualifying Employees for a term of not longer than ten (10) years from the Activation Date (the “Inducement Term”), as specified herein.

Section 3. Company to Deduct and Withhold Occupational License Fee on Wages. The Company when making payment of wages to Qualifying Employees earned with respect to the Inducement Term shall deduct and withhold upon the wages the one percent (1%) City occupational license fee. The Company shall report such withheld amounts on the forms and reconciliations required by KRS 67.783(4) and (5) and Sections 110.60(4) and (5), and comply with the provisions of Ordinance No. 221.10-06-2014 of the City Code of Ordinances.

Section 4. Company Entitled to Credit for Withheld Amounts. The Company shall not remit to the City but shall retain the amounts withheld from wage payments pursuant to Section 3 of this Ordinance. The Company shall be entitled to an offsetting credit against its liability to the City under KRS 67.780 to 67.785 and Sections 110.059 to 110.61 of the City Code of Ordinances for withheld amounts equal to the amounts withheld from wage payments pursuant to Section 3 of this Ordinance.

Section 5. Qualifying Employees Entitled to Credit for Withheld Amounts. Each Qualifying Employee shall be entitled to a credit against his or her occupational license fee liability to the City under KRS 67.785(3) and Section 110.61(3) equal to the amounts withheld from his or her wages pursuant to Section 3 of this Ordinance. The Company shall create not less than twenty-six (26) new jobs and hire not less than a like amount of Qualifying Employees in order to qualify for the Inducement set forth herein.

Section 6. This Ordinance shall be in full force and effect from and after its adoption as provided by law.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holdings shall not affect the validity of the remaining portions of this Ordinance.

All ordinances or parts of ordinances in conflict herewith, are, to the extent of such conflict, hereby repealed.

January 23, 2017

FIRST READING

February 13, 2017

SECOND READING

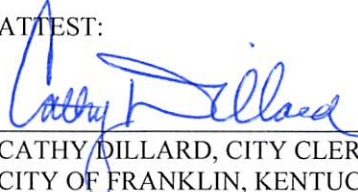
At a meeting of the City Commission of the City of Franklin, Kentucky, held on February 13, 2017 on motion made by Commissioner Powell and seconded by Commissioner Stewart the foregoing ordinance was adopted, after full discussion, by the following vote:

<u>Aye</u>	LARRY DIXON
<u>Aye</u>	JAMIE POWELL
<u>Aye</u>	MASON BARNES
<u>Aye</u>	WENDELL STEWART
<u>Aye</u>	RONNIE CLARK, MAYOR

APPROVED BY:

  
\_\_\_\_\_  
RONNIE CLARK, MAYOR

ATTEST:

  
\_\_\_\_\_  
CATHY DILLARD, CITY CLERK  
CITY OF FRANKLIN, KENTUCKY

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Franklin, Kentucky, and as such City Clerk I further certify that the foregoing is a true, correct and complete copy of an Ordinance (including Exhibit A) duly adopted by the City Commission of said City at a duly convened meeting held on February 13, 2017, on the same occasion signed by the Mayor, duly filed, recorded and indexed in my office and now in force and effect, and that all action taken in connection with such Ordinance was in compliance with the requirements of KRS 61.810 through 61.825, all as appears from the official records of said City Commission in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this 13<sup>th</sup> day of February, 2017.

(SEAL)

  
\_\_\_\_\_  
Cathy Dillard, City Clerk



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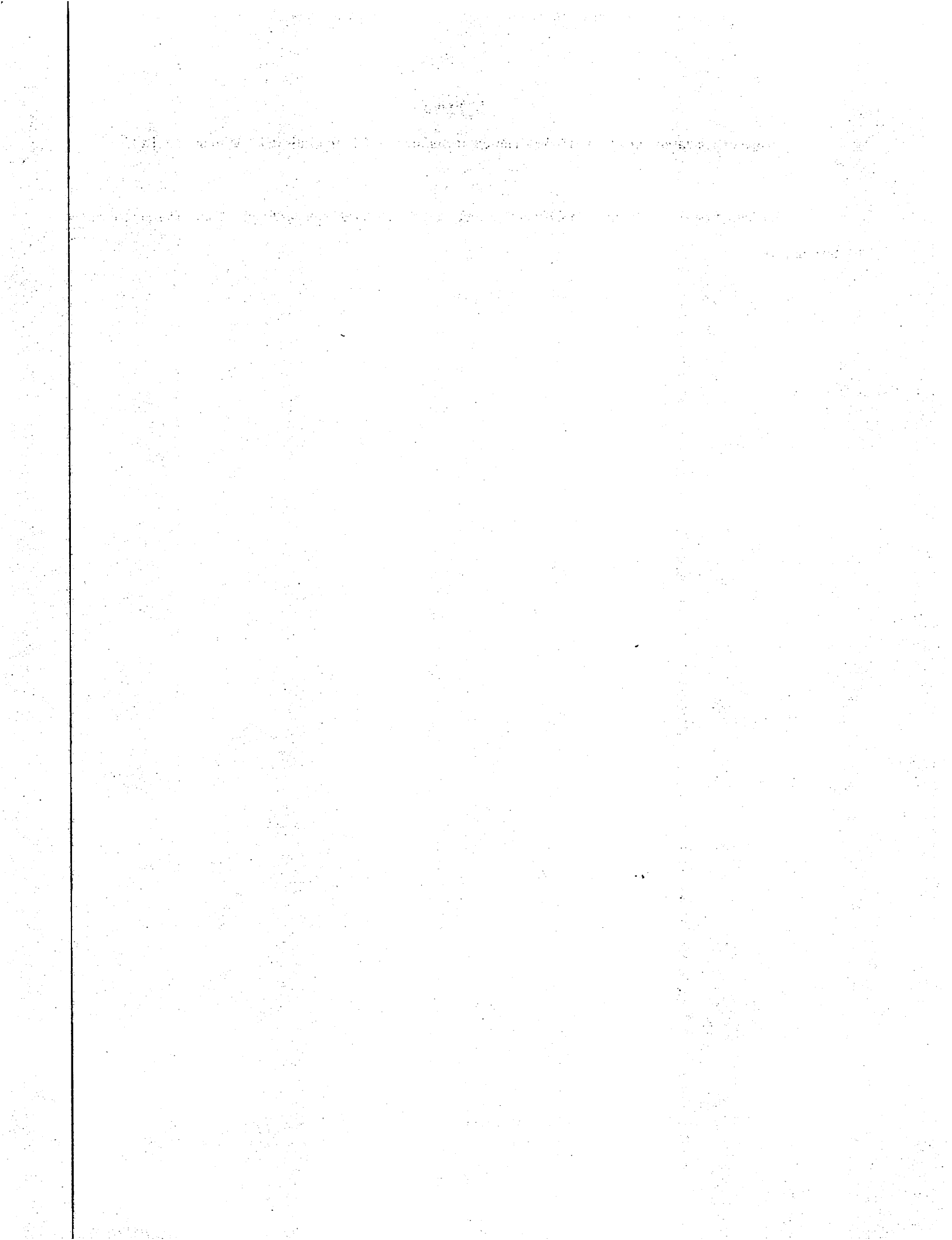
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**Exhibit A**

**Project Description for Industrial Automation of Kentucky, LLC dba Industrial Automation, LLC**

See letter from Mayor Ronnie Clark dated December 8, 2016, attached hereto as Exhibit 1 and incorporated herein by reference.





December 8, 2016


Deputy Commissioner John Bevington  
Kentucky Economic Development Cabinet  
300 West Broadway  
Frankfort, KY 40601

Dear Commissioner Bevington:

On behalf of the City of Franklin, Kentucky, I am writing this letter in support of the KBI application that has been submitted by Industrial Automation of Kentucky, LLC dba Industrial Automation, L.L.C. headquartered in Rochester Hills, Michigan. This company has moved into the former Cumberland Plastic Solutions Building which is located at 75 Raines Drive in our Sanders Interstate Industrial Park in Franklin.

The City of Franklin will participate in the KBI program for this company by remitting the one percent (1%) occupational tax for this project. We are excited about this company for our community and appreciate the Economic Development Cabinet's efforts in making this project possible.

Sincerely,



Ronnie Clark, Mayor  
City of Franklin, Kentucky

AFFP

Ordinance No. 2017-001

# Affidavit of Publication

STATE OF KY }  
COUNTY OF SIMPSON } SS

CITY OF FRANKLIN  
ORDINANCE NO. 2017-001

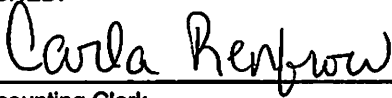
Carla Renfrow, being duly sworn, says:

That she is Accounting Clerk of the Franklin Favorite, a daily newspaper of general circulation, printed and published in Franklin, Simpson County, KY; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

February 16, 2017

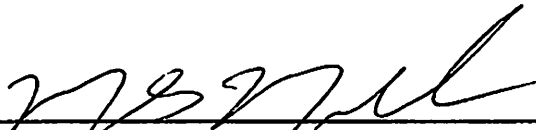
That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Accounting Clerk

Subscribed to and sworn to me this 16th day of February 2017.



Melanie Miller, , Simpson County, KY

My commission expires: September 26, 2019

00000196 00507663

Daniel Reetzke  
CITY OF FRANKLIN  
ATTN ACCOUNTS PAYABLE  
PO Box 2805  
FRANKLIN, KY 42135



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January 23, 2017 FIRST READING February 13, 2017

SECOND READING

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AYE LARRY DIXON  
AYE MASON BARNES

AYE JAMIE POWELL  
AYE WENDELL STEWART  
AYE MAYOR RONNIE CLARK

APPROVED BY:

/s/ Ronnie Clark  
Ronnie Clark, Mayor  
City of Franklin, Kentucky

ATTEST:

/s/Cathy Dillard  
Cathy Dillard, City Clerk  
City of Franklin, Kentucky