

ORDINANCE NO. 2017-021

**AN ORDINANCE OF THE CITY OF FRANKLIN, KENTUCKY
APPROVING AN INTERLOCAL AGREEMENT FOR THE
COLLECTION AND DISTRIBUTION OF REVENUES
GENERATED FROM AN INDUSTRIAL PROJECT
KNOWN AS THE "FRITZ-WINTER" PROJECT
AND AUTHORIZING THE MAYOR TO SIGN**

WHEREAS, the City of Franklin, the Simpson County Board of Education and the Franklin-Simpson Industrial Authority have reached an agreement with regard to the collection and distribution of revenues generated from an industrial project known as the "Fritz-Winter" project; and,

WHEREAS, the City of Franklin requires the passage of an ordinance approving said interlocal agreement and authorizing the Mayor for the City of Franklin to execute said interlocal agreement; and,

WHEREAS, it is in the best interest of the citizens of the City of Franklin that the City adopt this ordinance.

NOW, THEREFORE, be it ordained by the City of Franklin, Kentucky, acting by and through its Board of Commissioners as follows:

1. The Board of Commissioners of the City of Franklin, Kentucky hereby approves the terms and conditions of the Interlocal Cooperation Agreement for the Collection and Distribution of Revenues Generated from an Industrial Project Known as the "Fritz-Winter" Project by and between the City of Franklin, the Simpson County Board of Education and the Franklin-Simpson Industrial Authority, a copy of which is attached hereto and incorporated herein by reference.
2. The Mayor of the City of Franklin, Ronnie Clark, is hereby authorized to execute any and all documents necessary and appropriate to effectuate the intent of this ordinance and the interlocal agreement including, but not limited to the Interlocal Agreement.

If any section, subsection, sentence, clause, or 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 holding shall not affect the validity of the remaining portions.

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Second main paragraph of text, continuing the faint and illegible content.

Third main paragraph of text, with some faint structural markers like dashes or colons.

Fourth main paragraph of text, appearing as a block of very light characters.

Fifth main paragraph of text, showing some faint indentation or alignment.

Sixth main paragraph of text, continuing the overall faint and illegible text.

Seventh main paragraph of text, possibly ending with a faint signature or closing.

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

December 11, 2017

FIRST READING

January 8, 2018

SECOND READING

At a meeting held on January 8, 2018, on motion made by Commissioner Barnes and seconded by Commissioner Stewart, the foregoing ordinance was adopted, after full discussion, by the following vote:

Aye

LARRY DIXON

Aye

JAMIE POWELL

Aye

MASON BARNES

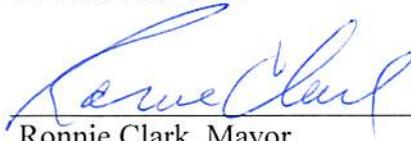
Aye

WENDELL STEWART

Aye

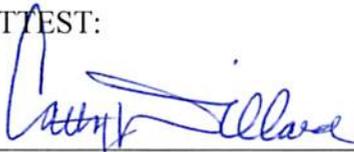
RONNIE CLARK, MAYOR

APPROVED BY:



Ronnie Clark, Mayor

ATTEST:



Cathy Dillard, City Clerk
City of Franklin, Kentucky

**INTERLOCAL COOPERATION AGREEMENT FOR THE
COLLECTION AND DISTRIBUTION OF REVENUES
GENERATED FROM AN INDUSTRIAL PROJECT KNOWN AS
THE "FRITZ-WINTER" PROJECT**

THIS INTERLOCAL COOPERATION AGREEMENT (The "Agreement") is made and entered into and deemed effective as of the ____ day of _____, 2017, by and between the CITY OF FRANKLIN, KENTUCKY (hereinafter referred to as "City"), P. O. Box 2805, Franklin, Kentucky 42135; SIMPSON COUNTY BOARD OF EDUCATION (hereinafter referred to as "School Board"), 430 South College Street, Franklin, Kentucky 42134; and the FRANKLIN-SIMPSON INDUSTRIAL AUTHORITY, a body politic and corporate of the Commonwealth of Kentucky (the "Authority") established by the County and the City pursuant to the provisions of Sections 154.50-301 to 154.50-346, inclusive, of the Kentucky Revised Statutes, as amended from time to time (the "IDA Act"); (each referred to herein individually as "Party", or collectively as "Parties", and each a "public agency" as defined by KRS 65.230).

WHEREAS, under the Interlocal Cooperation Act (the "Act"), Sections 65.210 to 65.300, inclusive, of the Kentucky Revised Statutes ("KRS"), as amended, any power or powers, privileges or authority exercised or capable of exercise by a public agency (including a city, county, or any other political subdivision of the Commonwealth) may be exercised jointly with another public agency under an agreement (an "interlocal cooperation agreement") for joint or cooperative action pursuant to the provisions of the Act; and,

WHEREAS, it is the public policy of the Board of City Commissioners (hereinafter "Commission") of the City of Franklin, Kentucky (hereinafter "City"), a home rule city validly existing under the laws of the Commonwealth of Kentucky, 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 Franklin, Simpson County, 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 (hereinafter "Program"), Sections 154.32-010 through 154.32-100 of the Kentucky Revised Statutes ("KRS"), 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 by allowing the companies to recover three percent (3%) from the Commonwealth's taxes and one percent (1%) of the occupational license fees from one or more local taxing authorities, as more particularly described in the KRS;

WHEREAS, alternatively, KRS 154.32-090(7) authorizes a local contribution in lieu of the local one percent (1%) match, and the Authority provided Fritz-Winter (hereinafter referred to as "the Company") land and a contribution for the pad ready site of \$1,500,000.00;

WHEREAS, the parties hereto have pledged all of the occupational license fees to be derived from the Company or from the construction of the Company's facility to pay the pad ready

site cost of \$1,500,000.00 and, thereafter, divide revenues generated all in accordance with this Interlocal Agreement.

NOW, THEREFORE, IT IS MUTUALLY ACKNOWLEDGED AND AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. Official Action. 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.
2. Pad Ready Payments. The Parties acknowledge and agree that the Authority has paid a total of \$1,500,000.00 to the Company as an in lieu of local tax match payment. All parties hereto agree to forego collection of all occupational tax revenue that would be received from the Company or as a result of the construction of the Company's facility or, alternatively, collect said amounts and remit all of same to the FSIA until the sum of Four-sevenths (4/7) of the \$1,500,000.00 has been collected and remitted to the FSIA, plus any interest that is due and owing from any amounts financed to assist in the payment of the pad ready amount. The parties hereto acknowledge and agree that the remaining balance is to be paid by Simpson County, who is not a party to this Agreement. FSIA shall provide a then current balance due and owing to the FSIA to be paid on the above-referenced debt, including any accrued interest, to all parties to this agreement on a quarterly basis until said amount plus accrued interest has been paid in full. The FSIA shall also notify all parties hereto when the balance plus all accrued interest has been paid in full. In addition, all parties understand and acknowledge that, as part of the local tax incentives, the Company bonded payment for the facility and is currently performing a bond lease through the City in which the Company will not be required to pay any ad valorem taxes on the facility until the bonds are retired in approximately thirty (30) years.
3. Division of Company Tax Revenue Payable to City after Pad Ready Amount is Paid in Full. Once the pad ready payment amount of \$1,500,000.00 (of which the amount of \$857,142.86 shall be payable by and through the City's occupational tax revenue, which represents four-sevenths (4/7) of the total) has been reimbursed in full to the Authority, all future collections of City occupational tax/fee revenues collected which are attributable to employment or work performed at the Company shall be collected by the City and distributed as follows:
 - (a) Fifty percent (50%) of the occupational tax/fees paid to the City attributable to employment or work performed at the Company shall be retained by the City to be used for any lawful purpose; and,
 - (b) Fifty percent (50%) of the occupational tax/fees paid to the City attributable to employment or work performed at the Company shall be paid to the School Board by the City to be used for any lawful purpose.

The parties understand and acknowledge that these amounts are being divided due to the fact that Company will not be required to pay any ad valorem taxes to the School Board

during such time as the Company's bonds remain outstanding and unpaid. Once the municipal bonds are paid in full and/or retired, the School Board shall be allowed to charge the Company an ad valorem tax on the real property and, thereafter, City shall retain all occupational tax/fee revenue generated or levied on the Company.

4. Invoicing and Billing. The City shall be responsible for billing and collections of said party's tax revenue from the Company. Thereafter, the amounts received shall be remitted as follows:

(a) The City shall remit the School Board's portion of the revenue, as set forth in paragraph 3 hereinabove on a quarterly basis, with payments due and owing at the end of May, August, November, and February. Both City and School Board understand and acknowledge that this is thirty (30) days after said amounts should be received by the City from the Company.

5. General Terms and Conditions.

(a) This Agreement shall be effective on the date written hereinabove, and shall continue until the Company's municipal bonds are paid in full/retired or the Agreement is terminated, in writing, by all parties hereto. This Agreement may be amended by the parties by mutual agreement, in writing.

(b) The parties to this Agreement hereby designate the City Manager, School Board Chairman, and Authority Chairman or his or her designee(s) to be "co-administrators" of this Agreement, and charge same with the responsibilities to assure compliance with the terms and conditions set forth herein.

(c) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. If any provision of this Agreement is held to be in conflict with any applicable statute or rule of law, or is otherwise held to be unenforceable, the invalidity of such portion shall not affect any or all of the remaining portions of this Agreement.

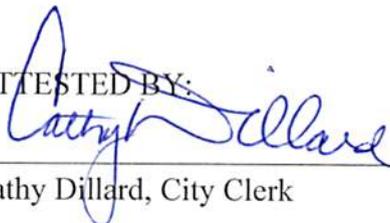
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and acknowledged by officers or officials as duly authorized by the respective managing bodies of the Parties hereto, effective as of the date first written above.

CITY OF FRANKLIN, KENTUCKY



Ronnie Clark, Mayor

ATTESTED BY:



Cathy Dillard, City Clerk

FRANKLIN-SIMPSON INDUSTRIAL AUTHORITY

Gary Broady, Chairman

SIMPSON COUNTY BOARD OF EDUCATION

David Webster, Chairman

*APPROVED AS TO FORM AND COMPLIANCE
WITH APPROPRIATE KENTUCKY STATUTES*

Office of the Kentucky Attorney General

By: _____

Its: _____