

ORDINANCE NO. 1910

AN ORDINANCE AMENDING CITY OF DANVILLE ORDINANCE NO. 1859 PREVIOUSLY ENACTED IN MAY 2015 PURSUANT TO THE KENTUCKY BUSINESS INVESTMENT ACT (KRS 154.32-010 — 154.32-100), GRANTING MEGGITT AIRCRAFT BRAKING SYSTEMS KENTUCKY CORPORATION 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; WHICH SHALL BE REVISED TO REFLECT AN ACCURATE PROJECTION OF JOBS, BEING TWENTY-EIGHT ADDITIONAL, SO AS TO MATCH THE INCENTIVES APPROVED BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY.

Whereas, Meggitt Aircraft Braking Systems Kentucky Corporation (hereinafter, "Company") has expressed an interest in expanding its operations and creating new jobs at a facility located within the boundaries of the City of Danville, Kentucky, and the City wishes to induce the Company to finalize such expansion and job creation plans by granting a statutory wage assessment as well as granting to new employees a partial credit against their occupational license tax equal to 0.625% 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 expansion of Company's operation and workforce at a facility 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 ~~forty-five (45)~~ seventy-three (73) 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 0.625% of the wages of up to ~~sixty-six (66)~~ ninety-four (94) 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 of its state incentives approved by the Kentucky Economic Development Finance Authority, or until Company recovers a total wage assessment in the amount of ~~\$250,000.00~~ \$368,723.30, whichever occurs first. 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 ~~45~~ 73 of the ~~66~~ 94 new, full-time jobs created at its distribution facility within the City for a period of fifteen (15) 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 ~~45~~ 73 jobs of the ~~66~~ 94 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 ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of two (2) years, then Company shall be obligated to repay to the City 93% of those payroll taxes abated;

C. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of three (3) years, then Company shall be obligated to repay to the City 86% of those payroll taxes abated;

D. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of four (4) years, then Company shall be obligated to repay to the City 79% of those payroll taxes abated;

E. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of five (5) years, then Company shall be obligated to repay to the City 72% of those payroll taxes abated;

F. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of six (6) years, then Company shall be obligated to repay to the City 65% of those payroll taxes abated;

G. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of seven (7) years, then Company shall be obligated to repay to the City 58% of those payroll taxes abated;

H. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of eight (8) years, then Company shall be obligated to repay to the City 51% of those payroll taxes abated;

I. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of nine (9) years, then Company shall be obligated to repay to the City 44% of those payroll taxes abated;

J. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of ten (10) years, then Company shall be obligated to repay to the City 37% of those payroll taxes abated;

K. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of eleven (11) years, then Company shall be obligated to repay to the City 30% of those payroll taxes abated;

L. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of twelve (12) years, then Company shall be obligated to repay to the City 23% of those payroll taxes abated;

M. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of thirteen (13) years, then Company shall be obligated to repay to the City 16% of those payroll taxes abated;

N. If the Company fails to maintain continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of fourteen (14) years, then Company shall be obligated to repay to the City 9% of those payroll taxes abated;

O. If the Company maintains continuously at least ~~45~~ 73 jobs of the ~~66~~ 94 new, full-time jobs to be created for a period of fifteen (15) 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 annually for each year of the performance term specified in Section 2 on the anniversary date of final activation of the Company's incentive by the City. A presentation of job creation performance by the Danville-Boyle County Economic Development Partnership, Inc., to the Board of Commissioners shall be used to verify the job creation performance of Company.

Section 4: The incentive package provided herein is applicable only to Meggitt Aircraft Braking Systems Kentucky Corporation 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:

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DONNA PEEK, CITY CLERK  
CITY OF DANVILLE

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**EXHIBIT A**

Danville - Boyle County  
**JOB DEVELOPMENT INCENTIVE**  
 Wage Assessment - OLF

Meggitt Aircraft Braking Systems  
 October 17, 2017

**EXHIBIT A**

Year	Jobs (FTE)	Annual Payroll	Total %	Danville (0.72%)	Boyle County (0.28%)	Total Assessment
Activation	73	\$2,099,000.00				
1	73	\$2,399,000.00	1.0%	\$17,272.80	\$6,717.20	\$23,990.00
2	81	\$2,684,000.00	1.0%	\$19,324.80	\$7,515.20	\$26,840.00
3	88	\$2,953,558.00	1.0%	\$21,265.62	\$8,269.96	\$29,535.58
4	94	\$3,042,100.00	1.0%	\$21,903.12	\$8,517.88	\$30,421.00
5	94	\$3,133,430.00	1.0%	\$22,560.70	\$8,773.60	\$31,334.30
6	94	\$3,227,400.00	1.0%	\$23,237.28	\$9,036.72	\$32,274.00
7	94	\$3,325,300.00	1.0%	\$23,942.16	\$9,310.84	\$33,253.00
8	94	\$3,424,000.00	1.0%	\$24,652.80	\$9,587.20	\$34,240.00
9	94	\$3,526,700.00	1.0%	\$25,392.24	\$9,874.76	\$35,267.00
10	94	\$3,632,500.00	1.0%	\$26,154.00	\$10,171.00	\$36,325.00
11	94	\$3,741,400.00	1.0%	\$26,938.08	\$10,475.92	\$37,414.00
12	94	\$3,853,700.00	1.0%	\$27,746.64	\$10,790.36	\$38,537.00
13	94	\$3,969,000.00	1.0%	\$28,576.80	\$11,113.20	\$39,690.00
14	94	\$4,088,415.00	1.0%	\$29,436.59	\$11,447.56	\$40,884.15
15	94	\$4,211,067.00	1.0%	\$30,319.68	\$11,790.99	\$42,110.67
<b>TOTAL</b>		<b>\$51,211,570.00</b>		<b>\$368,723.30</b>	<b>\$143,392.40</b>	<b>\$512,115.70</b>

<b>RECOVERY</b>	<b>\$368,723.30</b>	<b>\$143,392.40</b>	<b>\$512,115.70</b>
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This estimate is prepared by the Boyle County Industrial Foundation, Inc., based upon the employment, wage, and payroll data supplied by the client.