

ORDINANCE NO. 2019-O-01

AN ORDINANCE OF CITY OF INDEPENDENCE, KENTUCKY, PROVIDING FOR A CREDIT OF ITS OCCUPATIONAL LICENSE FEE FOR NEW EMPLOYEES AS PART OF AN ECONOMIC DEVELOPMENT PROJECT BY LSI INDUSTRIES, INC UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010–KRS 154.32-100).

WHEREAS, LSI Industries, Inc. has expended approximately \$573,000 to expand their operations at 3871 Turkeyfoot Road in Independence, KY. This expansion would create 22 new full-time Kentucky-resident jobs with an average hourly wage of \$20.28 (including benefits).

WHEREAS, LSI Industries, Inc. is soliciting support from the City of Independence for its application under the Kentucky Business Investment Program (KBI) under KRS 154.32-010–KRS 154.32-100. The application of LSI Industries, Inc. received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) as an approved Economic Development Project on March 28, 2019.

WHEREAS, KRS 154.32-010 (3) (b) permits that the "approved company or, with the authority's consent, an affiliate of an approved company may require that each employee subject to 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 pay an assessment of up to four percent (4%) of taxable wages."

WHEREAS, City of Independence Mayor Chris Reinersman indicated in writing on March 14, 2019 his willingness to support a .5% credit of the City of Independence Occupational License Fees on new Kentucky-resident jobs created by LSI Industries, Inc., as part of this Economic Development Project for a ten-year period after project completion. This local .5% credit will be based on the relative estimate of occupational license fees for the City of Independence generated by this economic development project over a ten-year period. This local credit will cause a 1.5% Kentucky personal income tax credit on such new jobs under KBI and thus a total 2% credit.

WHEREAS, KRS 154.32-010 also entitles each employee paying the wage assessment fee to an equal credit against his/her Kentucky income tax and an equal credit against his/her local occupational license fee, both for ten years. LSI Industries, Inc. under KRS 154.32-010, will impose up to a 2% wage assessment as a condition of employment and shall be authorized to deduct the 2% assessment from each payment of wages to qualified employees, with such assessment only to be utilized as permitted by KRS 154.32-010–KRS 154.32-100.

NOW, THEREFORE BE IT ORDAINED BY THE CITY OF INDEPENDENCE, COMMONWEALTH OF KENTUCKY:

SECTION I

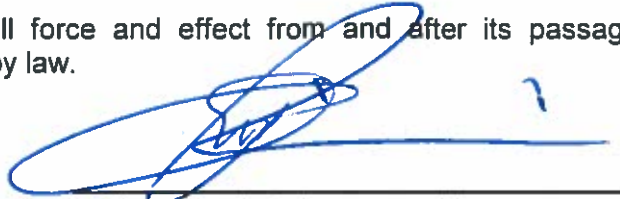
The City of Independence authorizes a credit of its Occupational License Fee pursuant to the Kentucky Business Investment Program (KRS 154.32-010–KRS 154.32-100) for and throughout a ten-year period (beginning and ending as stipulated in the Wage Assessment Agreement executed between KEDFA and LSI Industries, Inc.) **equal to 0.5%** on the wages of the new LSI Industries, Inc. Kentucky-resident employees created as part of this Economic Development Project.

SECTION II

That if any section or part of any section or any provision of this Ordinance shall be declared invalid by a Court of appropriate jurisdiction, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Ordinance. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent of said conflict.

SECTION III

This ordinance shall be in full force and effect from and after its passage, approval, and publication as required by law.



Christopher J. Reinersman, Mayor

ATTEST:



Gina Gabbard, City Clerk

First Reading: May 6, 2019

Second Reading: June 17, 2019

Ayes: 6

Nays: 0

PUBLICATION DATE: 6/25/2019