

MUNICIPAL ORDER 28-2019

A MUNICIPAL ORDER AUTHORIZING THE MAYOR TO EXECUTE A FIRST AMENDMENT TO THE 2016 ECONOMIC INCENTIVE AGREEMENT BETWEEN THE CITY AND ALORICA INC.

WHEREAS, in 2016, Alorica Inc. (hereinafter “Alorica”) agreed to locate a call center in downtown Owensboro, Kentucky with the announcement of creating new jobs in our community; and

WHEREAS, the City agreed to provide various economic incentives for Alorica; and

WHEREAS, Alorica has requested an extension of time in which to reach certain goals set in the 2016 agreement, which the City has agreed to grant; and

WHEREAS, the City and Alorica wish to enter into a First Amendment to Economic Incentive Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF OWENSBORO, KENTUCKY, AS FOLLOWS:

Section 1. That the City of Owensboro, Kentucky hereby approves the attached First Amendment to Economic Incentive Agreement and authorizes and directs the Mayor to execute the First Amendment in substantially the same form as is attached.

Section 2. This Order shall become effective immediately upon passage.

Section 3. The Board of Commissioners hereby authorizes the Mayor, City Manager, City Attorney, Director of Finance and Support Services, and other appropriate city officials to execute agreements, any and all other documents which are deemed necessary to meet the requirements of this order as approved herein.

**INTRODUCED, PUBLICALLY READ, AND FINALLY APPROVED ON ONE
READING**, this the 19th day of November, 2019.

Thomas H. Watson, Mayor

ATTEST:

Beth Cecil, City Clerk

FIRST AMENDMENT TO ECONOMIC INCENTIVE AGREEMENT

This FIRST AMENDMENT TO ECONOMIC INCENTIVE AGREEMENT (the “Amendment”) is made this __ day of November, 2019 between the City of Owensboro, Kentucky a municipal corporation of the Home Rule Class created and existing under the laws of the Commonwealth of Kentucky, 101 East Fourth Street, P.O. Box 10003, Owensboro, Kentucky 42302-9003 (hereinafter the “City”), and Alorica Inc., a Delaware corporation, registered in Kentucky, 5161 California Avenue, Irvine, CA 92617 (hereinafter the “Company”), collectively referred to as “Parties” and as follows:

RECITALS

WHEREAS, City and Company entered into that certain Economic Incentive Agreement dated October 31, 2016 (the “Agreement”); and

WHEREAS, City and Company desire to amend the Agreement pursuant to the terms of the Amendment.

NOW THEREFORE, in consideration of the premises hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto mutually agree to amend certain provisions of the Agreement as follows:

TERMS AND CONDITIONS

1. Section 1.1 **Defined Terms.** The Defined Terms to the Agreement is hereby amended to delete the term “Activation Date” and replace it with the following:

“Activation Date” means January 1, 2021 or such earlier date as established pursuant to Section 2.2.

2. Section 1.1 **Defined Terms.** The Defined Terms to the Agreement is hereby amended to delete the term “Economic Development Project” and replace it with the following:

“Economic Development Project” or “Project” for purposes of this Agreement is the creation of, and maintaining of, a targeted four hundred (400) new full-time jobs at an average Hourly Wage of not less than thirteen dollars (\$13.00) per hour within the corporate limits of the City, or creating new jobs within the corporate limits of the City having an aggregate annual gross payroll of not less than ten million eight hundred sixteen thousand dollars (\$10,816,000) per fiscal year.

3. Section 1.1 **Defined Terms.** The Defined Terms to the Agreement is hereby amended to delete the term “Job Target” and replace it with the following:

“Job Target” means the number of Project Employees (as defined below) that the Company commits to create and maintain at the Project based on annual average. The Job Targets are established as the following:

Fiscal Year 1	400
Fiscal Year 2	400
Fiscal Year 3	400
Fiscal Year 4	400
Fiscal Year 5	400
Fiscal Year 6	400

4. Section 1.1 **Defined Terms.** The Defined Terms to the Agreement is hereby amended to delete the term “Minimum Total Wage Requirement” and replace it with the following:

“Minimum Total Wage Requirement” means the annual Total Wages that the Company must meet for all Project Employees (as defined below) created and maintained as a result of the Project to receive each Fiscal Year’s incentive. The Minimum Total Wage Requirements represents ninety percent (90%) of the Total Wage Targets and are established as follows:

Fiscal Year 1	\$9,734,400 per year
Fiscal Year 2	\$9,734,400 per year
Fiscal Year 3	\$9,734,400 per year
Fiscal Year 4	\$9,734,400 per year
Fiscal Year 5	\$9,734,400 per year
Fiscal Year 6	\$9,734,400 per year

5. Section 1.1 **Defined Terms.** The Defined Terms to the Agreement is hereby amended to delete the term “Total Wage Target” and replace it with the following:

“Total Wage Target” means the annual Total Wages that the Company intends to meet for all Project Employees created and maintained as a result of the Project at an average Hourly Wage of thirteen dollars (\$13.00) per hour times four hundred (400) Project Employees. The Total Wage Targets are established as the follows:

Fiscal Year 1	\$10,816,000 per year
Fiscal Year 2	\$10,816,000 per year
Fiscal Year 3	\$10,816,000 per year
Fiscal Year 4	\$10,816,000 per year
Fiscal Year 5	\$10,816,000 per year
Fiscal Year 6	\$10,816,000 per year

6. **ARTICLE III REPRESENTATION AND WARRANTIES OF THE COMPANY TO INDUCE THE CITY TO ENTER INTO THIS AGREEMENT** is hereby amended to include the following new Section 3.9 **Downtown Core District** as follows:

Section 3.9. **Downtown Core District.** The Company is currently located at 234 Frederica Street, Owensboro, Kentucky 42301. The Company warrants and represents that its business shall remain in the Downtown Core District of Owensboro.

7. Section 4.2 **Required Employment** is hereby deleted and replaced with the following:

Section 4.2. **Required Employment.** The Job Target will not be used to calculate compliance for the purposes of eligibility for the Incentive. However, it is the goal of both the City and the Company that the Company hires at least four hundred (400) Project Employees above the Base Employment and maintains at least four hundred (400) Project Employees above the Base Employment throughout the Term of this Agreement.

8. Section 4.3 **Required Wages** is hereby deleted and replaced with the following:

Section 4.3. **Required Wages.** The Company shall be entitled to receive its Incentive provided that during the Fiscal Year in which the incentive is claimed, the Company has met the annual Minimum Total Wage Requirement of nine million seven hundred thirty-four thousand four hundred dollars (\$9,734,400) paid to Project Employees.

9. Section 10.3. **Notices** is hereby deleted and replaced with the following:

Notices. All notices, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid:

If to City, at:

City of Owensboro
101 East 4th Street
PO Box 10003
Owensboro, Kentucky 42302-9003
Attention: City Attorney

If to the Company, at:

Alorica Inc.
5161 California Avenue
Irvine, CA 92614
Attn: Real Estate Department

IN WITNESS WHEREOF, the Parties acknowledge their agreement to the foregoing by the execution of the Amendment 1 by their respective authorized representative.

“City”

City of Owensboro

By:_____

Thomas H. Watson, Mayor

Attest:_____

Beth Cecil, City Clerk

“Company”

Alorica Inc.

By: _____

Title: Colleen Beers, President