

MUNICIPAL ORDER 12-2022

A MUNICIPAL ORDER AUTHORIZING THE REBATE OF ONE PERCENT (1%) OF ALL NEW OCCUPATIONAL LICENSE FEES DUE AND PAYABLE TO THE CITY OF OWENSBORO, KENTUCKY, FROM THE SALARIES, WAGES AND OTHER COMPENSATION TO BE PAID TO NEW EMPLOYEES OF SAZERAC DISTILLERS, LLC, FOR A PERIOD OF TEN (10) YEARS, PROVIDED SAID CORPORATION MEETS THE CRITERIA SET FORTH IN ITS APPLICATION FOR INCENTIVES UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM.

WHEREAS, under Article II, Section 16-21 of the Owensboro Municipal Code, the City of Owensboro, Kentucky is authorized to levy and impose an annual license fee upon all persons, associations, corporations, or other entities engaged in any occupation, trade, profession or other activity in the City for the privilege of engaging in such occupation, trade, profession or activity; and

WHEREAS, Sazerac Distillers, LLC, has made application and received approval for certain benefits and incentives available to it under the Kentucky Business Investment Program (KBI) as a result of its commitment to expand and create jobs and investments in Owensboro, Kentucky, as set forth in KRS 154.28-010, et seq.; and

WHEREAS, Sazerac Distillers, LLC, is a manufacturer and supplier of alcoholic beverages to all 50 states and 50 foreign countries and is the largest bottler of distilled spirits in the state of Kentucky. In order to meet the projected growth of its business and the demand for the products, the company is considering installing new bottling lines, additional processing capacity and bulk storage tanks. The site of current operation is located at 2001 E 4th Street, Owensboro, KY 42303, with total anticipated investment costs of approximately \$28,952,292 for the KBI program; and

WHEREAS, Sazerac Distillers, LLC has agreed to create approximately sixty-one (61) new jobs. The Company reported four hundred four (404) full-time positions as of the application date of February 22, 2018; and

WHEREAS, as an incentive and an inducement for Sazerac Distillers, LLC to expand and improve its operations in Owensboro, the City hereby agrees to rebate to the Company one percent (1%) of the total occupational license fees imposed and levied by the City on all salaries, wages and other compensation paid by said Company to qualified employees to the City for a period of ten (10) years or until the maximum amount allowed under the KBI has been reached; and

WHEREAS, on January 18, 2022, the Board of Commissioners approved Municipal Order 04-2022 which inadvertently included incorrect total anticipated investment costs and number of full-time positions for Sazerac Distillers, LLC.

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

Section 1. That Municipal Order 04-2022 is hereby repealed and replaced.

Section 2. That the City of Owensboro, Kentucky hereby approves the application of Sazerac Distillers, LLC for economic benefits and incentives available to it under the KBI, including the application by said Company for one percent (1%) of the total occupational license fee revenues derived by the City from salaries, wages and other compensation received by the City for qualified employees.

Section 3. That the City of Owensboro does hereby agree to rebate to Sazerac Distillers, LLC, one percent (1%) of the occupational license fees imposed and levied by the City on all wages, salaries and other compensation paid by said Company to the City

which are attributable to its qualified new employees, for a period of ten (10) years or until the maximum amount allowed under the KBI Program has been reimbursed. The annual maximum amount to be reimbursed by the City is \$25,000. Additionally, to be approved, the Company shall provide to the City a copy of all submissions made to the State related to their KBI Program Incentive and all other documentation requested by the City to support their application.

Section 3. It is further ordered that the one percent (1%) rebate of occupational license fees authorized herein shall not apply to other income or net profits of Sazerac Distillers, LLC, and only applies to occupational license fees on wages, salaries or other compensation paid by said Company to its eligible new employees hired over the baseline of four hundred four (404) existing positions in conjunction with the expansion and improvements of its business operation in the City of Owensboro, Kentucky.

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the 29th day of March, 2022.

Thomas H. Watson, Mayor

ATTEST:

Beth Davis, City Clerk