

MUNICIPAL ORDER 55-2022

A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF OWENSBORO AND BIG RIVERS ELECTRIC CORPORATION, BY WHICH THE CORPORATION SHALL RELOCATE ITS LINEMEN, DISPATCH AND OTHER TECHNICAL EMPLOYEES TO THE CITY OF OWENSBORO IN EXCHANGE FOR CERTAIN FINANCIAL INCENTIVES FROM THE CITY.

WHEREAS, Big Rivers Electric Corporation desires to relocate its linemen, dispatch and other technical employees to the City of Owensboro, Kentucky which will create jobs and further stimulate local commerce; and

WHEREAS, the City of Owensboro recognizes the economic impact of the Corporation's move to Owensboro and hereby agrees to incentivize the Corporation for its relocation and job creation initiative in our community; and

WHEREAS, the Parties wish to enter into a Memorandum of Agreement that memorializes the benefits and specific obligations of each, a copy of which is attached hereto as Exhibit "A," and incorporated by reference.

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

Section 1. That the Mayor be, and he hereby is, authorized and directed to execute a Memorandum of Agreement between the City of Owensboro and Big Rivers Electric Corporation for the purpose of establishing the benefits and obligations of each Party.

Section 2. That the Mayor, City Manager, and other appropriate staff members are hereby authorized and directed to execute any and all of the agreements,

instruments, or documents necessary and appropriate to effectuate and implement the intentions of the City of Owensboro and Big Rivers Electric Corporation.

INTRODUCED, PUBLICLY READ, AND FINALLY APPROVED ON ONE READING, this the 20th day of December, 2022.

ATTEST:

Thomas H. Watson, Mayor

Beth Davis, City Clerk

EXHIBIT “A”

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (hereinafter "Agreement"), dated as of _____, 2022, is made by and between the **CITY OF OWENSBORO**, 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 **BIG RIVERS ELECTRIC CORPORATION**, a Kentucky cooperative corporation, P.O. Box 24, Henderson, Kentucky 42419-0024 (hereinafter the "Corporation").

RECITALS

WHEREAS, the Corporation desires to relocate its linemen, dispatch and other technical employees to the City of Owensboro, Kentucky which will create jobs and further stimulate local commerce; and

WHEREAS, the City recognizes the economic impact of the Corporation's move to Owensboro and hereby agrees to incentivize the Corporation for its relocation and job creation initiative in our community.

NOW THEREFORE, in consideration of these premises and the terms and conditions hereinafter set forth, the parties to this Agreement hereby agree as follows:

Section 1. City Obligations. In consideration of the Corporation relocating its linemen, dispatch and other technical employees to the City of Owensboro, the City agrees to provide the following incentives:

- (1) The Corporation has purchased a tract containing 114.238 acres of land, more or less, comprising PVA Tract No. 47-3, formerly owned by Audubon Loans I, LLC, for the construction of a building housing the Corporation's

linemen, dispatch and other technical employees. The Corporation will select the size, layout, and location of property within the larger tract that the Corporation will retain. The property is valued at \$45,000.00 per acre. The City will rebate to the Corporation \$18,360.00 per acre for the acres selected by the Corporation as shown on Exhibit A, with the rebate being limited to 45 acres, as a part of the incentive for the Corporation to relocate its employees to the City of Owensboro.

- (2) The City agrees to equally divide the cost of a site intelligence report.
- (3) The City will pay the Corporation \$1,500,000.00 for money the Corporation will spend on road and related infrastructure construction in a manner substantially similar to the road shown on the attached Exhibit A, and in accordance with public improvement specifications. No through streets will be constructed on PVA Tract No. 47-3 (or any tracts resulting from subdivision of that tract) without the Corporation's consent.
- (4) The City will pay the Corporation \$30,000.00 to help cover its cost to connect utilities to the property.
- (5) The rebate of fifty percent (50%) of the General Fund Occupational Fee on gross employee wages for a period of ten (10) years upon the relocation of the Corporation's linemen, dispatch and other technical employees to the City of Owensboro. The ten-year incentive period will begin no later than January 1, 2026.

Section 2. Corporation Obligations. In consideration of the incentives provided by the City, and subject to satisfying the Conditions Precedent in Section 5, the Corporation agrees to:

- (1) Have its linemen, dispatch and other technical employees housed in the facility to be constructed on the property described in Section 1(1) for a period of at least twenty (20) years.
- (2) Obtain and maintain an active City business license, as well as timely comply with all contractual and financial obligations to the City under this Agreement.
- (3) Consent to annexation of the tract containing 114.238 acres, more or less.

Section 3. Conditions Precedent. The Corporation's relocation of its linemen, dispatch and other technical employees to the City of Owensboro is subject to the approval of the Kentucky Public Service Commission and the Rural Utilities Service, and any necessary rezoning of the property.

Section 4. Waiver. The failure on the part of either Party hereto to insist in any instance upon a strict observance by the other Party of any provision of this Agreement, shall not be construed as a waiver of that or any other provision of this Agreement and it shall not diminish the right of either Party to demand compliance therewith on any subsequent occasion.

Section 5. Entire Agreement; Binding Effect. This Agreement shall constitute the entire agreement between the Parties. Any prior understandings or representations, or any subsequent oral representations or modifications of any kind shall not be binding

on either Party except to the extent incorporated herein, in writing, by agreement of the Parties.

Section 6. Governing Law. This Agreement shall be governed by and be construed in accordance with, the laws of the Commonwealth of Kentucky in all respects, including all matters of construction, validity and performance. Any dispute involving the terms of this Memorandum of Agreement shall be brought in the state or federal courts of Daviess County, Kentucky.

Section 7. Partial Invalidity. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to the persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and such remaining terms, covenants or conditions of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN TESTIMONY WHEREOF, witness the signatures of the Parties hereto on this the day and date first hereinabove written.

CITY OF OWENSBORO:

Thomas H. Watson, Mayor

ATTEST:

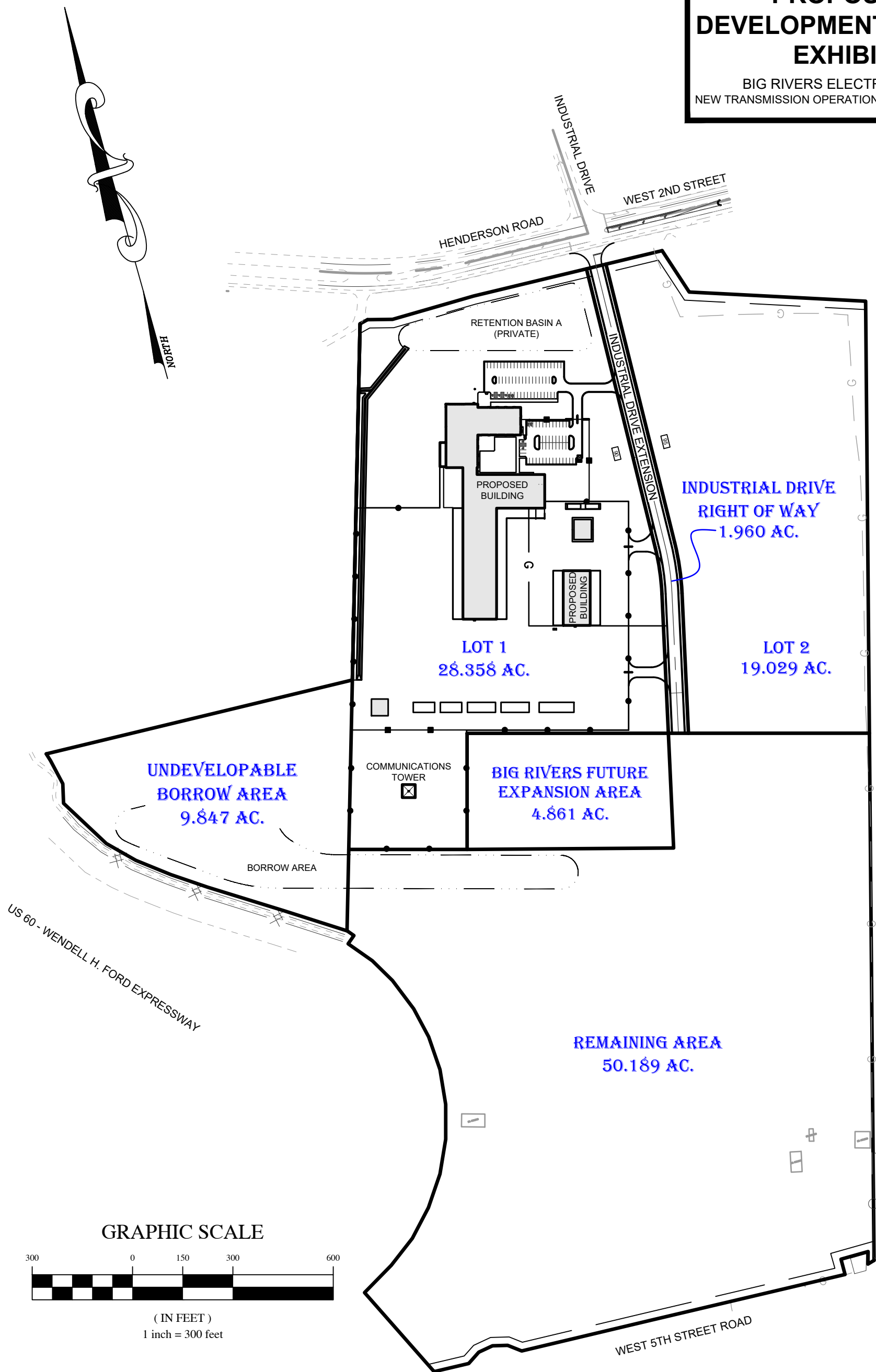
Beth Davis, City Clerk

Robert W. Berry, President

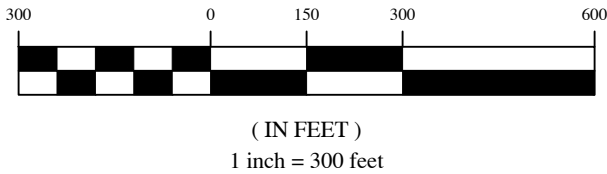
EXHIBIT “A”

**PROPOSED
DEVELOPMENT AREAS
EXHIBIT**

BIG RIVERS ELECTRIC CORP.
NEW TRANSMISSION OPERATIONS CENTER PROJECT



GRAPHIC SCALE



NOTE:

THE AREAS SHOWN HEREON ARE BASED ON PROPOSED PROPERTY LINES AND THE PROPOSED PROPERTY DIVISION HAS NOT YET BEEN PLATTED. THIS DOCUMENT SHALL NOT BE USED FOR THE TRANSFER OF OWNERSHIP OF REAL PROPERTY.



1535 FREDERICA STREET ~ P.O. BOX 21382
OWENSBORO, KENTUCKY 42304

(270) 685-2811