

Boone considers tax break for new jobs

By Paul McKibben • pmckibben@nky.com • August 27, 2010

The Boone County Fiscal Court is reviewing a tax incentive for Pemco World Air Services Inc. which is leasing what was a vacant facility at the Cincinnati/Northern Kentucky International Airport in Hebron.

Pemco, based in Dothan, Ala., does aircraft maintenance and other services.

"This is a perfect circumstance as we see it to build one of the continent's premiere regional aircraft maintenance facilities," Pemco CEO Wake Smith told the Boone County Fiscal Court on Aug. 24. "Cincinnati is a wonderful location for this. The hangar is a terrific airport for this. The labor pool here is one that we're thrilled to be able to make use of and employ."

Pemco has a 15-year lease with two five-year extensions for a hangar that Mesaba Airlines once occupied. The carrier left in 2008.

Pemco estimates the project will create a total of 180 new Kentucky resident-employees, Dan Tobergte, president and CEO of The Northern Kentucky Tri-County Economic Development Corp., said in a memo to Boone County Administrator Jeff Earlywine. The overall expected salaries average \$45,058 per year.

The company would receive 0.4 percent or half of the county's maximum occupational license tax for the new Kentucky-resident jobs. That would produce an annual local credit of approximately \$38,154 to the company. The county would keep approximately \$38,154. The company would also receive a 1.5 percent credit on the Kentucky personal income tax for the Kentucky resident jobs. The tax credits expire after 10 years.

"And what I'd like to do today is express that we looked at this as a very favorable project. The airport's very supportive of it. It takes a building that was vacant and occupies it with a 180 Kentucky-resident employees up to 300 total employees," he said, noting that could be Indiana or Ohio residents.

Pemco has two hangars at the Tampa International Airport in Florida. Smith said Pemco's customers there are United Airlines and JetBlue Airways and the company has had a long relationship with Southwest Airlines.

Smith said Pemco looked at hangars in five U.S. states and two Canadian provinces before settling upon the Northern Kentucky one. He said the company is beginning to hire people and it expects its first aircraft induction in October.

The move was first announced on May 17.

A vote was not taken on the measure. The Fiscal Court is scheduled to have a second reading at its Sept. 21 meeting.

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