CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission

From: Krista Linke, Director of Community Development

Date: March 30th, 2015

Re: Case C 2015-01: Amcor Rigid Plastics, USA

Summary:

1. On July 24th, 2006, the Franklin Common Council passed Resolution No. 2006-06, approving a 10-year tax abatement on real property and a 10-year abatement on personal property for Amcor PET Packaging located at 3201 Bearing Drive.
2. Actual and estimated benefits, as projected for 2014:

	Estimated on SB-1	Actual in 2014	Difference
Employees Retained	176	158	(18)
Salaries	$12,100,000	$11,013,000	-$1,087,000
New Employees	14	0	(14)
Salaries	$689,000	$0	-$689,000
Total Employees	190	158	(32)
Total Salaries	$12,789,000	$11,013,000	-$1,776,000
Average Hourly Salaries	$32.36	$33.51	$1.15
Personal Property Improvements	$20,177,500	$21,739,520	$1,562,020
Real Property Improvements	$2,700,000	$2,652,437	-$47,563

3. The company has closely met their estimate provided on their SB-1 Form for real property.
4. The company has exceeded their estimate provided on their SB-1 Form for personal property investment.
5. The company has not met their number of employees retained as estimated on their SB-1 Form. In 2013 they had 174 employees and that number is lower for 2014 (156 employees). They continue to exceed the average hourly salary estimated for the employees they have retained. Further explanation of the reduction in workforce and lack of new employees is explained in the attached letter and Deficiency Statement from Plant Controller, Janet Gearns.
6. The tax abatement is scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

Staff Recommendation: Approval

COOPERTIRES

COOPER TIRE & RUBBER COMPANY
701 Lima Avenue • Findlay, Ohio 45840 • 419.423.1321

RECEIVED
FEB 27 2015

February 12, 2015

Mrs. Krista Linke, Director
Dept. of Planning & Economic Development
70 E. Monroe Street
Franklin, IN 46131

Re: Tax Abatement Compliance for Cooper Tire & Rubber Company

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Cooper Tire & Rubber Company in 2008 under Franklin Common Council Resolution No. 08-17.

As can be seen from reviewing the enclosed documents, our company has been highly successful in making all of the capital investments which had been projected for this project. Please review all of the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,

Amy Harshman

Amy Harshman
Tax Analyst

Enclosures

COMPLIANCE WITH STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)
Prescribed by the Department of Local Government Finance

20 14 PAY 20 15
FORM CF-1 / Real Property

PRIVACY NOTICE
The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

This statement is being completed for real property that qualifies under the following Indiana Code (*check one box*):
- ☑ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- ☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:
1. *This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))*
2. *Property owners must file this form with the County Auditor and the Designating Body for their review regarding the compliance of the project with the Statement of Benefits (SB-1 / Real Property).*
3. *This form must accompany the initial deduction application that is filed with the County Auditor.*
4. *Property owners whose Statement of Benefits was approved after June 30, 1991, must file an updated form with the County Auditor and the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.1)*
5. *The updated form must be filed annually by May 15, or by the due date for the real property owner's personal property return that is filed in the township where the project is located, whichever is later. (IC 6-1.1-12.1-5.1 (b))*
6. *With the approval of the Designating Body, compliance information for multiple projects may be consolidated on one (1) compliance form (CF-1 / Real Property).*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer
CLF Cooper Franklin LLC

Address of taxpayer *(number and street, city, state, and ZIP code)*
c/o American Realty Capital Properties, Inc. 1065 Avenue of the Americas 23rd Fl. New York, NY 10018

Name of contact person	Telephone number
Robert Bianchetti	(212) 217-6385

SECTION 2 — LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body		Resolution number
Franklin Common Council		08-17
Location of property	**County**	**DLGF taxing district number**
500 Bartram Parkway Franklin, IN 46131	Johnson	41018

Description of real property improvements:
Approx. 800,000 SF warehouse and distribution building - tiltup wall construction.

Estimated starting date *(month, day, year)*: 08/01/2008
Estimated completion date *(month, day, year)*: 05/31/2009

SECTION 3 — EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		
Salaries		
Number of employees retained		
Salaries		
Number of additional employees	60	126
Salaries	2,311,920.00	4,311,279.52

SECTION 4 — COST AND VALUES

COST AND VALUES	REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values before project	0.00	
Plus: Values of proposed project	23,343,049.64	
Less: Values of any property being replaced		
Net values upon completion of project	23,343,049.64	
ACTUAL	COST	ASSESSED VALUE
Values before project	0.00	
Plus: Values of proposed project	23,343,049.64	
Less: Values of any property being replaced		
Net values upon completion of project	23,343,049.64	30,962,500.00

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

WASTE CONVERTED AND OTHER BENEFITS	AS ESTIMATED ON SB-1	ACTUAL
Amount of solid waste converted		
Amount of hazardous waste converted		
Other benefits:		

SECTION 6 — TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative	Title	Date signed *(month, day, year)*
Robert Bianchetti	Vice President Asset Mgmt.	02/13/2015

COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-06)
Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

INSTRUCTIONS:
1. *Property owners whose Statement of Benefits was approved must file this form with the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)*
2. *This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 1, and the extended due date of each year.*
3. *With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance (CF-1).*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer Cooper Tire & Rubber Company	
Address of taxpayer *(number and street, city, state, and ZIP code)* 701 Lima Avenue, Findlay, OH 45840	
Name of contact person Jeffrey D. Lenhart	Telephone number (419) 424-7317

SECTION 2 — LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body Franklin Common council		Resolution number 08-17
Location of property 500 Bartram Parkway, Franklin, IN 46131	County Johnson	DLGF taxing district number 41018
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.		Estimated starting date *(month, day, year)* 05/01/2009
		Estimated completion date *(month, day, year)* 05/31/2021

SECTION 3 — EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		
Salaries		
Number of employees retained		
Salaries		
Number of additional employees	60.00	126
Salaries	2,311,920.00	4,311,279.52

SECTION 4 — COST AND VALUES

	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
AS ESTIMATED ON SB-1	**COST**	**ASSESSED VALUE**	**COST**	**ASSESSED VALUE**	**COST**	**ASSESSED VALUE**	**COST**	**ASSESSED VALUE**
Values before project								
Plus: Values of proposed project					3,000,000.00			
Less: Values of any property being replaced								
Net values upon completion of project					3,000,000.00			
ACTUAL	**COST**	**ASSESSED VALUE**	**COST**	**ASSESSED VALUE**	**COST**	**ASSESSED VALUE**	**COST**	**ASSESSED VALUE**
Values before project								
Plus: Values of proposed project					3,755,373.88			
Less: Values of any property being replaced								
Net values upon completion of project					3,755,373.88			

NOTE: The **COST** of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

WASTE CONVERTED AND OTHER BENEFITS	AS ESTIMATED ON SB-1	ACTUAL
Amount of solid waste converted		
Amount of hazardous waste converted		
Other benefits:		

SECTION 6 — TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative	Title	Date signed *(month, day, year)*
Jeffrey Lenhart	Manager, State & Local Taxes	02/12/2015

Cooper Tire & Rubber Company
701 Lima Avenue
Findlay, OH 45840

Attachment to Form CF-1 (Compliance with Statement of Benefits):
Expansion Investment Schedule by Quarter

	Proposed Amount of Investment as of: 6/20/2008	Actual Amount of Total Investment by: 12/31/2013	Actual Amount of Investment Added/(Disposed) During Year (by Qtr) 3/31	6/30	9/30	12/31	Actual Amount of Total Investment by: 12/31/2014	Difference Between Actual and Proposed Investment
Machinery & Equipment	$3,000,000	$3,846,034	($90,660)	$0	$0	$0	$3,755,374	$755,374

Cooper Tire & Rubber Company
701 Lima Avenue
Findlay, OH 45840

Attachment to Form CF-1 (Compliance with Statement of Benefits):
Job Creation Schedule by Quarter

Proposed # of Employees as of 6/20/08 (from SB-1)	Actual # of Employees as of 12/31/12 (from SB-1)	Actual # of Employees Added During Year (by Qtr)				Actual # of Employees as of 12/31/2013	Difference Between Actual and Proposed # of Employees
		March-13	June-13	September-13	December-13		
60	120	0	3	3	0	126	66

Cooper Tire & Rubber Company
701 Lima Avenue
Findlay, OH 45840

Attachment to Form CF-1 (Compliance with Statement of Benefits):
Expansion Investment Schedule by Quarter

	Proposed Amount of Investment as of:	Actual Amount of Total Investment by:	Actual Amount of Investment Added/(Disposed) During Year (by Qtr)				Actual Amount of Total Investment by:	Difference Between Actual and Proposed Investment
	6/20/2008	12/31/2013	3/31	6/30	9/30	12/31	12/31/2014	
Machinery & Equipment	$3,000,000	$3,846,034	($90,660)	$0	$0	$0	$3,755,374	$755,374

Cooper Tire & Rubber Company
701 Lima Avenue
Findlay, OH 45840

Attachment to Form CF-1 (Compliance with Statement of Benefits):
Job Creation Schedule by Quarter

Proposed # of Employees as of 6/20/08 (from SB-1)	Actual # of Employees as of 12/31/12 (from SB-1)	Actual # of Employees Added During Year (by Qtr)				Actual # of Employees as of 12/31/2013	Difference Between Actual and Proposed # of Employees
		March-13	June-13	September-13	December-13		
60	120	0	3	3	0	126	66