



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Director of Community Development  
**Date:** March 30<sup>th</sup>, 2015  
**Re:** Case C 2015-01: Amcor Rigid Plastics, USA

**Summary:**

- On July 24<sup>th</sup>, 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.
- 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

- The company has closely met their estimate provided on their SB-1 Form for real property.
- The company has exceeded their estimate provided on their SB-1 Form for personal property investment.
- 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.
- 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



**amcor**

Amcor Rigid Plastics, USA  
3201 Bearing Drive  
Franklin, IN 46131

Phone: (317) 736-4313  
Extension: 1167  
Fax: (317) 736-4067

February 17, 2015

City of Franklin  
Attn: Krista Linke  
71 East Court Street  
Franklin, IN 46131

RE: 2014 Tax Abatement Compliance Packet for Amcor Rigid Plastics

Dear Ms. Linke

Enclosed, please find form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatement granted to Amcor PET Packaging in 2006 under Franklin Common Council Resolution number 06-06.

As you can see by reviewing the enclosed documents, our company has been successful in making substantially all of the capital investment projected for this project. During 2014 our headcount fluctuated month to month based on sales volumes. As of december 31, 2015, we employed 158 individuals on a full-time basis. Even though our headcount falls short of the 190 employees projected at the time the abatement was granted, the average hourly rate of pay is \$1.66 higher than projected. We are currently preparing our budget for Amcor's fiscal year July 2015 – June 2016. Our business outlook continues to improve as we gain new business and we expect to reach our proposed headcount again, as Amcor Franklin's production volumes are forecasted to increase. During calendar 2014, we installed a new state of the art Blow Molding Machine, the first of its kind, through a partnership with Sidel Corporation. Our current plan includes the installation of an additional Blow Molding Machine in the new fiscal year, to meet increased demand, which will require us to hire additional operators and warehouse personnel. We ask that you consider our strong potential for achieving the projected headcount, the overall contribution that Amcor makes to the Franklin community and to Johnson County as you consider our request to exclude the headcount requirement.

Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at (317) 736-4313 ext. 1167.

Sincerely,

Janet Gearns  
Plant Controller  
Amcor Rigid Plastics, USA



Amcor Rigid Plastics, USA  
3201 Bearing Drive  
Franklin, IN 46131

Phone: (317) 736-4313  
Extension: 1167  
Fax: (317) 736-4067

February 17, 2015

**DEFICIENCY STATEMENT**

While it has always been the intention of Amcor Rigid Plastics to maintain the projected headcount of 190 employees, the downturn of economy in the fall of 2008 required us to make a reduction in workforce at that time and to-date we have been unable to return to that level of employment. At this time, Amcor Rigid Plastics employs 158 full-time people. We previously achieved beyond the required headcount of 190 for our abatement and strategize to do so again. Because we are addressing these concerns, it is our desire and request that the City of Franklin will look favourably upon our activities and grant us an extension of time to be in full compliance with our tax abatement commitments.

## **Construction and Occupancy Report**

Amcor Rigid Plastics  
3201 Bearing Drive  
Franklin, IN 46131

### **Resolution 06-06**

An 80,000 square foot warehouse has been completed and is currently being occupied.

**Personal Property Listing**

Amcor PET Packaging  
 3201 Bearing Drive  
 Franklin, IN 46131

**Resolution 06-06**

Project #46PEA01189, #46PEA01184, #46PEA01192  
 Original Proposed Franklin Project SB-1

<u>Item Description</u>	<u>Qty</u>	<u>Acquisition \$\$</u>	<u>Item Description</u>	<u>Qty</u>	<u>Acquisition \$\$</u>
Husky 600 T Index	2	\$ 2,614,000	Husky 600 T Index	1	\$ 2,545,520
Resin Handling Systems	1	\$ 1,966,000	Resin Handling Systems	1	\$ 311,533
Support & Downstream Equipment	1	\$ 7,729,500	Support & Downstream Equipment	1	\$ 8,681,007
SBO 30 Blow Molding Machine	1	\$ 4,307,000	SBO 30 Blow Molding Machine	1	\$ 4,242,696
<b>Total Machinery &amp; Equipment</b>		<b>\$ 16,616,500</b>	Husky HyPet	1	\$ 1,779,569
					<b>\$ 17,560,325</b>

<u>Item Description</u>	<u>Qty</u>	<u>Acquisition \$\$</u>	<u>Item Description</u>	<u>Qty</u>	<u>Acquisition \$\$</u>
Injection Mold 128 cav	1	\$ 3,270,000	Injection Mold 128 cav	1	\$ 2,657,899
Blow Molds	31	\$ 291,000	Blow Molds	0	\$ 292,275
<b>Total New Equipment/Tooling</b>		<b>\$ 3,561,000</b>	HyPet 28G 128C		\$ 1,229,021
					<b>\$ 4,179,195</b>

<b>Total M&amp;E (Personal Property)</b>		<b>\$ 20,177,500</b>			<b>\$ 21,739,520</b>
<b>Total Project</b>		<b>\$ 20,177,500</b>			<b>\$ 21,739,520</b>
<b>Total Building (Real Property)</b>		<b>\$ 2,700,000</b>			<b>\$ 2,652,437</b>

**Investment Schedule**

Ancor Rigid Plastics  
 3201 Bearing Drive  
 Franklin, IN 46131

**Resolution 06-06**

**Attachment to Form CF-1 (Compliance with Statement of Benefits)**

**Expansion Investment Schedule by Quarter**

Project #46PEA01189, #46PEA01184, #46PEA01192

Actual Amount of Investment  
 of Investment as of 12/31/2007  
 Proposed Amount of Investment  
 Total Investment by 02/01/2007  
 Added During Year (by Quarter)

	9/30/2006	12/31/2006	3/31/2007	6/30/2007	9/30/2007	12/31/2007	3/31/2008	6/30/2008	9/30/2008	12/31/2008
Buildings & Improvements	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000
Machinery & Equipment	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500	\$ 20,177,500
Totals	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500	\$ 22,877,500

	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	Actual Total Amount of Investment as of 12/31/10	Difference Between Actual and Proposed Amount of Investment
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,652,437	\$ (47,563)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,739,520	\$ 1,562,020
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,391,957	\$ 1,514,457

**Job Creation or Retention Schedule**

Amcor Rigid Plastics  
3201 Bearing Drive  
Franklin, IN 46131

**Resolution 06-06**

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

Actual Amount of Employees as of 01/31/2015 (From SB-1)	158	Proposed Total Number of Employees by 12/31/05 (From SB-1)	190				
				<b>2006</b>			
Actual Number of Employees Added During Year (by Quarter)	3/31/2006	6/30/2006	9/30/2006	12/31/2006	Actual Total Number of Employees as of 12/31/06	Difference Between Actual and Proposed Number of Employees	(20)
	-	2	10	-	170		
				<b>2007</b>			
Actual Number of Employees Added During Year (by Quarter)	3/31/2007	6/30/2007	9/30/2007	12/31/2007	Actual Total Number of Employees as of 12/31/07	Difference Between Actual and Proposed Number of Employees	(8)
	-	-	12	-	182		
				<b>2008</b>			
Actual Number of Employees Added During Year (by Quarter)	3/31/2008	6/30/2008	9/30/2008	12/31/2008	Actual Total Number of Employees as of 12/31/08	Difference Between Actual and Proposed Number of Employees	(42)
	-	-	(34)	-	148		
				<b>2009</b>			
Actual Number of Employees Added During Year (by Quarter)	3/31/2009	6/30/2009	9/30/2009	12/31/2009	Actual Total Number of Employees as of 12/31/09	Difference Between Actual and Proposed Number of Employees	(53)
	-	-	(9)	(2)	137		
				<b>2010</b>			
Actual Number of Employees Added During Year (by Quarter)	3/31/2010	6/30/2010	9/30/2010	12/31/2010	Actual Total Number of Employees as of 12/31/10	Difference Between Actual and Proposed Number of Employees	(60)
	(2)	7	(7)	(5)	130		

<b>2011</b>						
Actual Number of Employees Added During Year (by Quarter)						
	3/31/2011	6/30/2011	9/30/2011	12/31/2011	Actual Total Number of Employees as of 12/31/11	Difference Between Actual and Proposed Number of Employees
	20	(1)	(20)	(8)	139	(51)

<b>2012</b>						
Actual Number of Employees Added During Year (by Quarter)						
	3/31/2012	6/30/2012	9/30/2012	12/31/2012	Actual Total Number of Employees as of 12/31/12	Difference Between Actual and Proposed Number of Employees
	24	12	-	(8)	167	(23)

<b>2013</b>						
Actual Number of Employees Added During Year (by Quarter)						
	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Actual Total Number of Employees as of 12/31/13	Difference Between Actual and Proposed Number of Employees
	15	6	(24)	2	164	(26)

<b>2014</b>						
Actual Number of Employees Added During Year (by Quarter)						
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	Actual Total Number of Employees as of 12/31/14	Difference Between Actual and Proposed Number of Employees
	23	(9)	(9)	(1)	168	(22)



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R2 / 5-13)

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 <b>Amcor PET Packaging</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>3201 Bearing Drive, Franklin, IN 46131</b>	
Name of contact person <b>Janet M Gears</b>	Telephone number <b>( 317 ) 736-4313</b>

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body <b>City of Franklin Common Council</b>	Resolution number <b>06-06</b>
Location of property <b>3201 Bearing Drive, Franklin, IN 46131</b>	County <b>Johnson</b>
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.	DLGF taxing district number <b>31</b>
	Estimated starting date (month, day, year) <b>07/01/2006</b>
	Estimated completion date (month, day, year) <b>07/01/2007</b>

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	176.00	158.00
Salaries	12,100,000.00	11,013,000.00
Number of employees retained	176.00	158.00
Salaries	12,100,000.00	11,013,000.00
Number of additional employees	14.00	0.00
Salaries	689,000.00	0.00

SECTION 4 COST AND VALUES								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	112,222,379	15,657,460						
Plus: Values of proposed project	20,177,500	2,421,300						
Less: Values of any property being replaced								
Net values upon completion of project	132,399,879	18,078,760						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project								
Less: Values of any property being replaced								
Net values upon completion of project								

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 <b>Plant Controller</b>	Date signed (month, day, year) <b>02/17/2015</b>



# 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:

- This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
- 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).
- This form must accompany the initial deduction application that is filed with the County Auditor.
- 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)
- 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))
- 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 <b>Amcor PET Packaging</b>			
Address of taxpayer (number and street, city, state, and ZIP code) <b>3201 Bearing Drive, Franklin, IN 46131</b>			
Name of contact person <b>Janet Kearns</b>		Telephone number <b>(317) 736-4313</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body <b>Franklin City Council</b>		Resolution number <b>06-06</b>	
Location of property <b>3201 Bearing Drive, Franklin, IN 46131</b>	County <b>Johnson</b>	DLGF taxing district number <b>31</b>	
Description of real property improvements:		Estimated starting date (month, day, year) <b>07/01/2006</b>	
		Estimated completion date (month, day, year) <b>02/01/2007</b>	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		176	158
Salaries		12,100,000.00	11,013,000.00
Number of employees retained		176	158
Salaries		12,100,000.00	11,013,000.00
Number of additional employees		14	0
Salaries		689,000.00	0.00
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project		18,083,430.00	7,606,020.00
Plus: Values of proposed project		2,700,000.00	900,000.00
Less: Values of any property being replaced		0.00	0.00
Net values upon completion of project		20,783,430.00	8,506,020.00
ACTUAL		COST	ASSESSED VALUE
Values before project		18,083,430.00	7,606,020.00
Plus: Values of proposed project		2,652,437.00	461,280.00
Less: Values of any property being replaced		0.00	0.00
Net values upon completion of project		20,735,867.00	8,067,300.00
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 <b>Plant Controller</b>	Date signed (month, day, year) <b>02/17/2015</b>