



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Community Development
Date: March 2, 2016
Re: Case C 2016-01: Amcor Rigid Plastics, USA

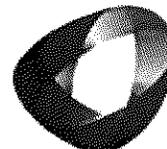
Summary:

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 2015:

	Estimated on SB-1	Actual in 2015	Difference
Employees Retained	176	161	(15)
Salaries	\$12,100,000	\$11,674,381	-\$425,619
New Employees	14	0	(14)
Salaries	\$689,000	\$0	-\$689,000
Total Employees	190	161	(29)
Total Salaries	\$12,789,000	\$11,674,381	-\$1,114,619
Average Hourly Salaries	\$32.36	\$34.86	\$2.50
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 2012 they had 174 employees and that number is lower for 2013 (156 employees). There were 158 total employees in 2014. Their total employees increased again in 2015. 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, Sandra Pyle.
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



amcor

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

Phone: (317) 736-4313
Extension: 1166
Fax: (317) 736-4067

February 11, 2016

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

RE: 2015 Tax Abatement Compliance Packet for Amcor Rigid Plastics

Dear Ms. Linke

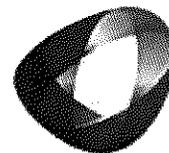
Enclosed, please find form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatement granted to Amcor PET Packaging in 2006 under Franklin Common Council Resolution number 06-06.

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 2015 our headcount fluctuated month to month based on sales volumes. As of December 31, 2015, we employed 161 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 \$1.71 higher than projected. We are currently preparing our budget for Amcor's fiscal year July 2016 – June 2017. 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 state of the art Blow Molding Machine in the new fiscal year, to meet increased demand. This new machine with added downstream will require us to hire additional operators. 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. 1166.

Sincerely,

Sandra Pyle
Plant Controller Amcor Rigid Plastics, USA



amcor

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

Phone: (317) 736-4313
Extension: 1166
Fax: (317) 736-4067

February 11, 2016

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 161 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.



**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 Amcor PET Packaging			
Address of taxpayer (number and street, city, state, and ZIP code) 3201 Bearing Drive Franklin, IN 46131			
Name of contact person Sandra Pyle, Plant Controller		Telephone number (317) 736-4313	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body City of Franklin Common Council		Resolution number 06-06	
Location of property 3201 Bearing Drive Franklin, IN 46131		County Johnson	DLGF taxing district number 31
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) 07/01/2006	
		Estimated completion date (month, day, year) 07/01/2007	

SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		178.00	161
Salaries		12,100,000.00	11,874,381.00
Number of employees retained		176.00	161
Salaries		12,100,000.00	11,874,381.00
Number of additional employees		14.00	0
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	112,222,379.00	15,657,460.00							
Plus: Values of proposed project	20,177,500.00	2,421,300.00							
Less: Values of any property being replaced	0.00	0.00							
Net values upon completion of project	132,399,879.00	18,078,760.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	
Values before project	112,222,379.00	15,657,460.00							
Plus: Values of proposed project	21,739,520.00	2,607,542.00							
Less: Values of any property being replaced									
Net values upon completion of project	133,961,899.00	18,265,000.00							

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		0	0
Amount of hazardous waste converted		0	0
Other benefits:			

SECTION 6			TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 		Title Controller		Date signed (month, day, year) 2/11/16	



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 15 PAY 20 16

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 Amcor PET Packaging			
Address of taxpayer (number and street, city, state, and ZIP code) 3201 Bearing Drive Franklin, IN 46131			
Name of contact person Sandra Pyle		Telephone number (317) 736-4313	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body Franklin City Council		Resolution number 06-06	
Location of property 3201 Bearing Drive Franklin, IN 46131		County Johnson	
Description of real property improvements:		DLGF taxing district number 31	
		Estimated starting date (month, day, year) 07/01/2006	
		Estimated completion date (month, day, year) 02/01/2007	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		176	161
Salaries		12,100,000.00	11,674,381.00
Number of employees retained		176	161
Salaries		12,100,000.00	11,674,381.00
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 <i>Sandra Pyle</i>		Title Controller	Date signed (month, day, year) 2/11/16

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 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	3/31/2009	6/30/2009	
Buildings & Improvements	\$ 2,652,437	\$ 2,700,000	\$ 213,732	\$ 1,190,853	\$ 1,131,699	\$ 108,248	\$ 7,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Machinery & Equipment	\$ 21,739,520	\$ 5,860,588	\$ 1,669,718	\$ 2,968,850	\$ 4,935,752	\$ 2,004,306	\$ 3,743,928	\$ 318,635	\$ 127,608	\$ 77,095	\$ 33,041	\$ -	\$ -
Totals	\$ 24,391,957	\$ 8,560,588	\$ 1,883,470	\$ 4,159,549	\$ 5,044,000	\$ 2,012,211	\$ 3,743,928	\$ 318,635	\$ 127,608	\$ 77,095	\$ 33,041	\$ -	\$ -

	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				
				2006			
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		
				2007			
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		
				2008			
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		
				2009			
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		
				2010			
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		

2011					
Actual Number of Employees Added During Year (by Quarter)	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
3/31/2011	20	(1)	(20)	139	(51)
		(8)			

2012					
Actual Number of Employees Added During Year (by Quarter)	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
3/31/2012	24	12	-	167	(23)
		(8)			

2013					
Actual Number of Employees Added During Year (by Quarter)	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
3/31/2013	15	6	(24)	164	(26)
		2			

2014					
Actual Number of Employees Added During Year (by Quarter)	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
3/31/2014	23	(9)	(9)	168	(22)
		(1)			

2015					
Actual Number of Employees Added During Year (by Quarter)	6/30/2015	9/30/2015	12/31/2015	Actual Total Number of Employees as of 12/31/15	Difference Between Actual and Proposed Number of Employees
3/31/2015	4	(6)	(3)	161	(29)
		1			