



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission

From: Krista Linke, Director of Community Development

Date: March 28, 2016

Re: Case C 2016-03: BPRex Healthcare Packaging Inc. (formerly Rexam)

Summary:

- On March 23rd, 2010, the Franklin Common Council passed Resolution No. 2010-05, approving a 10-year tax abatement on personal property for Rexam Consumer Plastics, Inc., located 1900 Commerce Parkway (formerly Musicland Drive). In 2012 City Council passed Resolution 2012-08 to allow an amended SB-1 Form with an increased personal property amount to \$17,797,000 from \$14,500,000 that was originally estimated in 2010. In 2013 Rexam was granted a waiver of non-compliance through Resolution 2013-23, due to the fact that they failed to account for the tax abatement deduction when they filed their tax return. The City Council granted the waiver, allowing them to file an amended tax return claiming the deduction. Rexam was granted another amendment to their abatement in 2014. Their completion date was extended to 10/31/12 and 108 job retained with salaries of \$5,849,113.44 and 85 additional jobs with \$3,424,844.38 in salaries. The current value of manufacturing equipment was also adjusted from \$14,530,000 to \$36,348,981. The proposed project amount was also increased to \$22,834,940.

- Actual and estimated benefits, as projected for 2015:

	Estimated on SB-1	Actual in 2015	Difference
Employees Retained	108	177	-69
Salaries	\$5,849,113	\$7,735,062	\$1,885,949
New Employees	85	0	-85
Salaries	\$3,424,844	\$0	-\$3,424,844
Total Employees	193	177	-16
Total Salaries	\$9,273,957	\$7,735,062	-\$1,538,895
Average Hourly Salaries	\$23.10	\$21.01	-\$2.09
Personal Property Improvements	\$22,834,940	\$22,834,940	\$0

- Rexam was purchased in 2014 and is now BPRex Healthcare Packaging, Inc.
- Rexam exceeded the number of total employees estimated on their SB-1 Form at one time. Since being purchased by BPRex Healthcare Packaging Inc., the number of employees has declined along with the average hourly salary. A representative of BPRex indicated through phone conversation that they did not anticipate increasing the employee count in the near future.
- The tax abatement for Rexam is scheduled to expire in tax year 2020 payable 2021. The final compliance review will take place in 2021.

Staff Recommendation: Approval



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

RECEIVED

- 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 <i>Bellex Healthcare Packaging, Inc.</i>		Telephone number <i>(812) 306-2520</i>						
Address of taxpayer (number and street, city, state, and ZIP code) <i>1900 Commerce Drive Franklin, IN 46131</i>								
Name of contact person <i>David Burkman</i>		Telephone number <i>(812) 306-2520</i>						
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body <i>City of Franklin, IN</i>		Resolution number <i>2014-03 (10-05)</i>						
Location of property <i>1900 Commerce Drive Franklin, IN 46131</i>		County <i>Johnson</i>						
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) <i>2/1/2010</i>						
		Estimated completion date (month, day, year) <i>10/31/2012</i>						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		<i>108</i>	<i>177</i>					
Salaries		<i>5,849,113</i>	<i>7,735,062</i>					
Number of employees retained		<i>108</i>	<i>177</i>					
Salaries		<i>5,849,113</i>	<i>7,735,002</i>					
Number of additional employees		<i>85</i>	<i>85</i>					
Salaries		<i>3,424,844</i>	<i>3,424,844</i>					
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	<i>26,248,981</i>							
Plus: Values of proposed project	<i>22,834,940</i>							
Less: Values of any property being replaced								
Net values upon completion of project	<i>59,183,921</i>							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	<i>22,834,940</i>							
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 <i>[Signature]</i>		Title <i>Tax & Accounting Mgr</i>	Date signed (month, day, year) <i>2-26-14</i>					