

AGENDA RESERVATION REQUEST

**CITY OF FRANKLIN
COMMON COUNCIL**

Please type or print

Date Submitted:	April 11 th , 2012	Meeting Date:	April 16 th , 2012
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:			
		Rexam Consumer Plastics, Inc.	
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Resolution 2012-08 Amending Resolution 2010-05: Granting Tax Abatement for Rexam Consumer Plastics, Inc.			
CF-1 Form: Tax Abatement Compliance for Rexam Consumer Plastics, Inc.			
List Supporting Documentation Provided:			
Memorandum			
Resolution 2012-08, Exhibits A & B			
Compliance Report – Received favorable recommendation from EDC at their April 10 th , 2012 meeting.			
Who will present the request?			
Name:	Krista Linke/Larry Williams, Rexam	Telephone:	317-736-3631

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:30 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Memorandum

To: City Council
From: Krista Linke, Director
Date: April 11th, 2012
Re: Amended SB-1 Form – Rexam Consumer Plastics, Inc.

Rexam Consumer Plastics, Inc. requested that the EDC forward a favorable recommendation to the City Council to amend their original SB-1 Form approved as Exhibit B of Resolution 2010-05.

They requested this amendment to include an extended completion date to purchase equipment from 12/31/2010 to 12/31/2011. They also requested an increase in the amount of manufacturing equipment purchased, from \$14,500,000 to \$17,797,000. This equipment was purchased in 2011 but was not purchased in 2010 as anticipated on their original SB-1 Form.

The City of Franklin Economic Development Commission (EDC) reviewed and acted on the request at their April 10th, 2012 meeting. They forward a favorable recommendation to City Council to approve Resolution 2012-08, Amending Resolution 2010-05.

If you have any questions regarding this request please contact me directly at 346-1250.

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2012-08

**A RESOLUTION GRANTING TAX ABATEMENT
FOR REXAM CONSUMER PLASTICS INC. (AMENDING RESOLUTION NUMBER 2010-05)**

WHEREAS, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

WHEREAS, the Franklin Economic Development Commission has on August 3rd, 2010 held a public meeting and considered amending that tax abatement request of *Rexam Consumer Plastics, Inc. (1900 Commerce Parkway)* approved by Resolution 2010-05 in a manner consistent with the *City of Franklin Community Investment Incentives Summary* and the applicable section of the Indiana Code;

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommended that *Rexam Consumer Plastics, Inc.* receive a ten (10) year tax abatement on personal property located at the real estate described as "Exhibit A" for the manufacturing equipment described in the tax abatement request as *1900 Musicland Drive (now 1900 Commerce Parkway)*;

WHEREAS, a copy of the Amended Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as "Exhibit B;"

WHEREAS, the said real estate as described in "Exhibit A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2010-05;

WHEREAS, the Common Council has received and reviewed "Exhibit B" with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for personal property; and

WHEREAS, the Common Council has give careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5.

NOW THEREFORE BE IT RESOLVED THAT:

- 1) The abatement of personal property tax shall extend for a period of ten (10) years pursuant to the deduction schedule set forth in IC 6-1.1-12.1-4.5(e)(10).
- 2) Rexam Consumer Plastics, Inc. shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in

which the deduction is applicable, as required by IC 6-1.1-12.1-5.1.

- 3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this 16th day of April, 2012.

City of Franklin, Indiana, by its Common Council:

Voting Affirmative:

Voting Opposed:

Stephen D. Barnett, Council President

Stephen D. Barnett, Council President

Joseph P. Abban

Joseph P. Abban

Joseph R. Ault

Joseph R. Ault

Kenneth W. Austin

Kenneth W. Austin

Robert D. Henderson

Robert D. Henderson

Stephen D. Hougland

Stephen D. Hougland

Richard L. Wertz

Richard L. Wertz

Attest:

Janet P. Alexander
City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this 16th day of April, 2012 at 6:30 p.m.

Janet P. Alexander
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me this [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 16th day of April, 2012 at 6:30 o'clock p.m.

Joseph E. McGuinness
Mayor

Attest:

Janet P. Alexander
City Clerk-Treasurer

APPROVED AS TO FORM:

Lynnette Gray
City Attorney

Exhibit A

PARCEL I:

A part of the Northeast Quarter of Section 11, Township 12 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, described as follows:

Beginning at a point on the west line of said Northeast Quarter Section North 00 degrees 00 minutes 00 seconds East (previous survey bearing) 72.31 feet from the Southwest corner thereof; thence continuing North 00 degrees 00 minutes 00 seconds East on and along said West line 611.21 feet to a point in the center of a proposed 30 foot wide railroad right-of-way easement (Record Book 275, page 839); (the following 5 courses and distance follow the center of said proposed right-of-way easement); 1) thence North 89 degrees 07 minutes 38 seconds East 82.22 feet to the beginning of a curve to the left; 2) thence northeasterly on and along the arc of said curve to the left 139.12 feet, said curve having a radius of 540.26 feet; and a chord bearing and distance of North 81 degrees 45 minutes 12 seconds East 138.73 feet; 3) thence North 74 degrees 22 minutes 45 seconds East 453.91 feet to the beginning of a curve to the right; 4) thence northeasterly on and along the arc of said curve to the right 145.82 feet, said curve having a radius of 534.85 feet, and a chord bearing and distance of North 82 degrees 13 minutes 03 seconds East 145.37 feet; 5) thence North 90 degrees 00 minutes 00 seconds East 416.04 feet to a point on the westerly right-of-way line of Musicland Drive; thence South 00 degrees 00 minutes 00 seconds West on and along said westerly right-of-way line 774.27 feet; thence South 90 degrees 00 minutes 00 seconds West 1216.72 feet to the POINT OF BEGINNING, containing 20.0 acres, more or less.

PARCEL II:

A part of the Northeast Quarter of Section 11, Township 12 North, Range 4 East of the Second Principal Meridian Franklin Township, City of Franklin, Johnson County, Indiana, more particularly described as follows:

Commencing at the Southwest corner of the Northeast Quarter of said Section as referenced by a PK nail; thence on and along the West line of said Quarter Section North 00 degrees 00 minutes 00 seconds East 683.52 feet (previous survey bearing and distance) to the POINT OF BEGINNING; thence continuing on and along said West line North 00 degrees 00 minutes 00 seconds East 35.00 feet to a point 15 feet South of the center of an existing railroad track; thence North 89 degrees 07 minutes 38 seconds East and parallel to said railroad track 262.63 feet to the beginning of a curve to the left having a radius of 622.04 feet and an arc length of 23.69 feet and chord bearing North 88 degrees 02 minutes 10 seconds East and a chord length of 23.69 feet to a point on a tangent and being on the North line of a tract known locally as the Owens – Illinois Tract; thence South 74 degrees 22 minutes 45 seconds West on and along said North line 69.33 feet to a beginning of a curve to the right having a radius of 540.26 feet and an arc length of 139.12 feet and chord bearing South 81 degrees 45 minutes 12 seconds West and a chord length of 138.73 feet to a point; thence South 89 degrees 07 minutes 38 seconds West on and along said North line 82.22 feet to the POINT OF BEGINNING, containing, 0.171 acre (7436 sq. ft.), more or less.



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

EXHIBIT B

Amended

FORM SB-1 / PP

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).

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1 TAXPAYER INFORMATION									
Name of taxpayer Rexam Consumer Plastics Inc.									
Address of taxpayer (number and street, city, state, and ZIP code) 1900 Commerce Parkway (formerly 1900 Musicland Drive), Franklin, IN 46131									
Name of contact person Larry Williams				Telephone number (317) 346-5155					
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body City of Franklin Common Council				Resolution number (s) 10-05/10-06/12-08					
Location of property 1900 Musicland Drive			County Johnson		DLGF taxing district number				
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Injection blow molding operation, system upgrades, IBM Machine refurbish.				ESTIMATED					
					START DATE	COMPLETION DATE			
				Manufacturing Equipment	02/01/2010	12/31/2011			
				R & D Equipment					
				Logist Dist Equipment					
				IT Equipment					
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number 108	Salaries 7,580,000.00	Number retained 108	Salaries 7,580,000.00	Number additional 46	Salaries 2,760,000.00				
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT									
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
		COST		ASSESSED VALUE		COST		ASSESSED VALUE	
Current values		14,530,000.00							
Plus estimated values of proposed project		17,797,000.00							
Less values of any property being replaced									
Net estimated values upon completion of project		29,030,000.00							
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) 0.00			Estimated hazardous waste converted (pounds) 0.00						
Other benefits:									
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative				Title					
				Larry Williams, Plant Controller					
				Date signed (month, day, year)					
				04/05/2012					

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed 10 calendar years * (see below). The date this designation expires is _____.

B. The type of deduction that is allowed in the designated area is limited to:

- | | | |
|--|---|--|
| 1. Installation of new manufacturing equipment; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 17,797,000.00 cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years |
| <input type="checkbox"/> 5 years ** | <input checked="" type="checkbox"/> 10 years ** |

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) <u>Stephen D. Barnett</u> <u>Council Pres.</u>	Telephone number <u>(317) 736-3631</u>	Date signed (month, day, year) <u>04/16/2012</u>
Attested by: <u>Krista Linke, Director of Planning</u> <u>Krista Linke</u>	Designated body <u>City of Franklin Common Council</u>	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista-Linke, Director of Planning & Economic Development
Date: April 2, 2012
Re: Case C 2012-23: Rexam

Summary:

1. 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).
2. Actual and estimated benefits, as projected for 2011:

	Estimated on SB-1	Actual in 2011	Difference
Employees Retained	108	108	0
Salaries	\$7,580,000.00	\$7,774,393.00	\$194,393.00
New Employees	46	80	34
Salaries	\$2,760,000	\$5,758,810	\$2,998,810
Total Employees	154	188	34
Total Salaries	\$10,340,000	\$13,533,203	\$3,193,203
Average Hourly Salaries	\$32.28	\$34.61	\$2.33
Personal Property Improvements	\$14,500,000	\$17,796,980	\$3,296,980

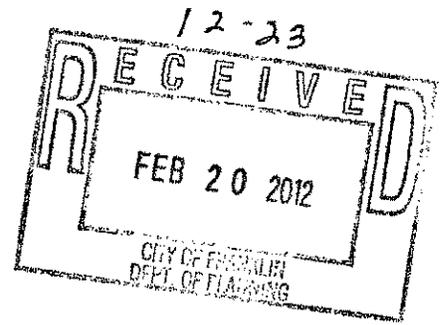
1. The company has greatly exceeded the number of new employees, average hourly wage, as well as the personal property investment estimated on their SB-1 Form.
2. However, the company indicated in their original application that they would purchase \$14,500,000 in equipment by the end of 2010. Only a portion (\$10,942,443) of the equipment was purchased in 2010 and additional equipment (\$7,469,659) was purchased in 2011. Therefore, the company is requesting an amended completion date on their SB-1 Form to 12/31/2011. A recommendation will need to be made to the City Council. Representatives from the company will be present at the April 10th EDC meeting to answer any questions.
3. 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

REXAM

Franklin Indiana



February 20, 2012

Ms. Krista Linke, AICP
Director of Planning and Economic Development
City of Franklin – Department of Planning & Economic Development
Franklin, Indiana 46131

Re: Annual Tax Abatement Compliance for Resolution 10-05

Greetings:

Please find Form CF-1/PP attached, along with a listing of assets, which supports the filing requirement for resolution number 10-05.

The actual investment related made in Franklin since the project's inception is approximately \$17.797 million, exceeding the original project estimate of \$14.500 million.

The current number of employees at Rexam in Franklin is 188 people. At the time the project was submitted, the number of employees at Rexam in Franklin was 108 people. This net increase of 80 employees exceeds the SB-1 project related estimated of 46 additional employees.

If you have any questions regarding this matter, please feel free to contact me by phone at 317.346.5155

Thank you for your assistance and support.

Larry Williams, Controller



**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 Rexam Consumer Plastics, Inc.	
Address of taxpayer (number and street, city, state, and ZIP code) 1900 Commerce Parkway, Franklin, Indiana 46131	
Name of contact person Larry Williams - Controller	Telephone number (317) 346-5155
Name of contact person <i>larry.williams@rexam.com</i>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body Franklin, Indiana City Council	Resolution number 10-05
Location of property 1900 Commerce Parkway, Franklin, Indiana 46131	County Johnson
	DLGF taxing district number 41009
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 value of injection blow molding operation (used), transferred from NH, \$12,000,000. New \$800,000 in molds, \$890,000 system upgrades, \$960,000 IBM Machine Refurbishments	Estimated starting date (month, day, year) 02/01/2010 Estimated completion date (month, day, year) 12/31/2011

SECTION 3 EMPLOYEES AND SALARIES		
	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	108.00	198
Salaries	7,580,000.00	13,533,293.00
Number of employees retained	108.00	108 108
Salaries	7,580,000.00	7,774,393
Number of additional employees	48.00	80
Salaries	3,228,615.00	5,758,810.00

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	14,530,000.00	6,668,000.00	0.00	0.00	113,000.00	6,000.00	156,000.00	7,000.00
Plus: Values of proposed project	14,500,000.00	6,654,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Values of any property being replaced	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net values upon completion of project	29,030,000.00	13,322,000.00	0.00	0.00	113,000.00	6,000.00	156,000.00	7,000.00
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	14,530,000.00	6,668,000.00	0.00	0.00	113,000.00	5,000.00	156,000.00	7,000.00
Plus: Values of proposed project	17,796,980.00	7,580,000.00	0.00	0.00	0.00	0.00	815,122.00	0.00
Less: Values of any property being replaced	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Net values upon completion of project	32,326,980.00	14,248,000.00	0.00	0.00	113,000.00	5,000.00	771,122.00	7,000.00

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		
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>Larry Williams</i>	Title Controller	Date signed (month, day, year) 02/20/2012

Description	Total CF1 Assets	Assets Acquired	Transferred Intraco	Transferred Interco
2010 activity	10,942,443	1,582,088	559,596	8,800,759
2011 activity	<u>7,469,659</u>	<u>5,224,296</u>	<u>261,786</u>	<u>1,983,577</u>
Total CF1	18,412,102	6,806,384	821,382	10,784,336
CF1 Distribution	-	-	-	-
CF1 IT Assets	<u>615,122</u>	<u>332,332</u>	<u>282,790</u>	-
CF1 Mfg Assets	17,796,980	6,474,052	538,592	10,784,336

