



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 2012-43: Amcor Rigid Plastics, USA

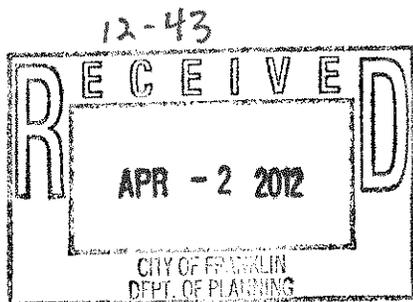
Summary:

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 2011:

	Estimated on SB-1	Actual in 2011	Difference
Employees Retained	176	163	(13)
Salaries	\$12,100,000	\$12,225,000	\$125,000
New Employees	14	0	(14)
Salaries	\$689,000	\$0	-\$689,000
Total Employees	190	163	(27)
Total Salaries	\$12,789,000	\$12,225,000	-\$564,000
Average Hourly Salaries	\$32.36	\$36.06	\$3.70
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 but exceeded the average hourly salary estimated for the employees they have retained. Further explanation of the reduction in workforce is explained in the attached letter and Deficiency Statement from Plant Controller, Janet Gearns. Amcor reported 163 employees at the end of 2010 and their average hourly wage has increased from \$35.02 in 2010.
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 Rigid Plastics, USA
3201 Bearing Drive
Franklin, IN 46131

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

April 2, 2012

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

RE: 2011 Tax Abatement Compliance Packet for Amcor Rigid Plastics

Dear Ms. Linke

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

As can be seen from reviewing the enclosed documents, our company has been successful in making substantially all of the capital investment projected for this project. During the last quarter of 2008, however, the state of the economy caused Amcor to drop below the proposed and previously achieved headcount of 190. During 2011 our headcount fluctuated based on sales volume, however, as of 2/28/12, we had 163 employees which is the same as 2011. We have recently completed our Fiscal Year 2013 (beginning July 1, 2011) budget, which forecasts increased production and a total headcount of 182. Our business outlook is continuing to improve as we gain new business and we expect to reach our proposed headcount again, as the economic environment continues to improve. We ask that you consider this economic recession as an acceptable reason to grant the exclusion to 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

April 2, 2012

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 necessary. At this time, Amcor Rigid Plastics employees 163 full-time people. We previously achieved beyond the required headcount of 190 for our abatement and strategize to do so again, as the economy recovers. Because we are addressing these concerns, it is our desire and request that the City of Franklin will look favorably 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
REAL ESTATE IMPROVEMENTS**

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 11 PAY 20 12

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 Amcor PET Packaging	
Address of taxpayer (number and street, city, state, and ZIP code) 3201 Bearing Drive, Franklin, IN 46131	
Name of contact person Janet Gears	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

	AS ESTIMATED ON SB-1	ACTUAL
EMPLOYEES AND SALARIES		
Current number of employees	176	163
Salaries	12,100,000.00	12,225,000.00
Number of employees retained	176	163
Salaries	12,100,000.00	12,225,000.00
Number of additional employees	14	0
Salaries	689,000.00	0.00

SECTION 4 COST AND VALUES

COST AND VALUES	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
AS ESTIMATED ON SB-1		
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		
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 Plant Controller	Date signed (month, day, year) 04/02/2012
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**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 Amtcor PET Packaging	
Address of taxpayer (number and street, city, state, and ZIP code) 3201 Bearing Drive, Franklin, IN 46131	
Name of contact person Janet Gearns	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 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 31
	Estimated starting date (month, day, year) 07/01/2006
	Estimated completion date (month, day, year) 02/01/2007

SECTION 3 EMPLOYEES AND SALARIES

	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	176.00	163
Salaries	12,100,000.00	12,225,000.00
Number of employees retained	176.00	163
Salaries	12,100,000.00	12,225,000.00
Number of additional employees	14.00	0
Salaries	689,000.00	0.00

SECTION 4 COST AND VALUES

	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
AS ESTIMATED ON SB-1								
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								
Values before project	112,222,379.00	16,021,770.00						
Plus: Values of proposed project	21,739,520.00	11,170,896.00						
Less: Values of any property being replaced	0.00	0.00						
Net values upon completion of project	133,961,899.00	27,192,666.00						

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 	Title Plant Accountant	Date signed (month, day, year) 04/02/2012
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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 5/31/06 (From SB-1)	Proposed Total Number of Employees by 12/31/05 (From SB-1)	2006				Actual Total Number of Employees as of 12/31/06	Difference Between Actual and Proposed Number of Employees
		Actual Number of Employees Added During Year (by Quarter)					
		3/31/2006	6/30/2006	9/30/2006	12/31/2006		
176	190	-	2	10	-	188	(2)
		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
		-	-	12	-	200	10
		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
		-	-	(34)	-	188	(24)
		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
		-	-	(9)	(2)	155	(35)
		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
		(2)	7	(7)	(5)	148	(42)
		2011					
		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)

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>
Husky 600 T Index	2	\$ 2,614,000
Resin Handling Systems	1	\$ 1,966,000
Support & Downstream Equipment	1	\$ 7,729,500
SBO 30 Blow Molding Machine	1	\$ 4,307,000
Total Machinery & Equipment		\$ 16,616,500

<u>Qty</u>	<u>Actual @12/31/2010 Acquisition \$\$</u>
1	\$ 2,545,520
1	\$ 311,533
1	\$ 8,681,007
1	\$ 4,242,696
1	\$ 1,779,569
	\$ 17,560,325

<u>Item Description</u>	<u>Qty</u>	<u>Acquisition \$\$</u>
Injection Mold 128 cav	1	\$ 3,270,000
Blow Molds	31	\$ 291,000
Total New Equipment/Tooling		\$ 3,561,000

<u>Qty</u>	<u>Acquisition \$\$</u>
1	\$ 2,657,899
0	\$ 292,275
	\$ 1,229,021
	\$ 4,179,195

Total M&E (Personal Property) \$ 20,177,500

Total Project \$ 20,177,500

Total Building (Real Property) \$ 2,700,000

\$ 21,739,520

\$ 2,652,437