



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Rhoni Oliver, Community Development Specialist
Date: April 10, 2018
Re: Case C 2018-50: BPRex Healthcare Packaging Inc. (formerly 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). 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.
2. Actual and estimated benefits, as projected for 2017:

	Estimated on SB-1	Actual in 2017	Difference
Employees Retained	108	108	0
Salaries	\$5,849,113	\$5,358,173	-\$490,940
New Employees	85	89	4
Salaries	\$3,424,844	\$3,913,827	\$488,983
Total Employees	193	197	4
Total Salaries	\$9,273,957	\$9,272,000	-\$1,957
Average Hourly Salaries	\$23.10	\$22.63	-\$0.47
Personal Property Improvements	\$22,834,940	\$22,834,940	\$0

3. Rexam was purchased in 2014 and is now BPRex Healthcare Packaging, Inc.
4. In 2016 the total number of employees exceeded the SB-1 estimate by 8, and the average hourly salary met the estimate. In 2017 the total number of employees exceeded the estimate by 4, and total salaries were \$488,983 over.
5. Personal property improvements meet the SB-1 estimate.
6. 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

- 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 BPRex Healthcare Packaging, Inc.	
Address of taxpayer (number and street, city, state, and ZIP code) 1900 Commerce Drive Franklin, IN 46131	
Name of contact person David Berkman Tax and Accounting Manager	Telephone number (812) 306-2520
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body City of Franklin, IN	Resolution number 10-05 / 12-08
Location of property 1900 Commerce 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 41009
	Estimated starting date (month, day, year) 2/01/2010
	Estimated completion date (month, day, year) 10/31/2012

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	108.00	197.00
Salaries	5,849,113.00	9,272,000.00
Number of employees retained	108.00	197.00
Salaries	5,849,113.00	9,272,000.00
Number of additional employees	85.00	89.00
Salaries	3,424,844.00	3,913,827.00

SECTION 4 COST AND VALUES								
	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	36,348,981.							
Plus: Values of proposed project	22,834,940.							
Less: Values of any property being replaced								
Net values upon completion of project	59,183,921.							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	22,834,940							
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 Tax and Accounting Manager	Date signed (month, day, year) 2-26-2018

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991.**

INSTRUCTIONS: (IC 6-1.1-12.1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:

- ☐ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of hearing

☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.