

## CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

To: City of Franklin Economic Development Commission

From: Dana Monson, Community Development Specialist

**Date:** March 8, 2022

Re: Case C 2022-04: BPRex Healthcare Packaging Inc.

### Summary:

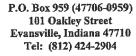
 On April 15<sup>th</sup>, 2019, the Franklin Common Council passed Resolution No. 2019-04, approving a 5year tax abatement with a 5% economic development fee on personal property for BP Rex Healthcare Packaging, Inc., located 1900 Commerce Parkway.

2. Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees Retained	209	196	-13
Salaries	\$10,300,300	\$11,925,464	\$1,625,464
New Employees	4	(Hired in 2020) 4	0
		(2020 number)	
Salaries	\$140,000	\$229,414.44	\$89,414.44
Total Employees	213	196	-13
Total Salaries	\$10,440,300	\$11,925,464	\$1,485,164
Average Hourly Salaries	\$23.57	\$29.25	\$5.68
Personal Property Improvements	\$3,720,000	\$3,346,461.00	-\$373,539

- 3. In 2020, the total number of employees exceeded the SB-1 estimate by 7, and the average hourly salary exceeded the estimate. They were right at their estimate and above in salaries. In 2021, the company lost 13 employees due to attrition, deaths, and other issues detailed in deficiency statement. They are actively recruiting employees now.
- 4. Personal property improvements are below by \$373,539 from the SB-1 estimate. However, the company plans to complete the final purchases in 2020 and expects to meet the estimate by the end of the year. In 2020 the company held off on the final purchases due to the pandemic. In 2021, the company was not able to complete purchase due to employment situation. Once all employees are hired the final investment can be made.
- 5. The tax abatement for Rexam is scheduled to expire in tax year 2025 payable 2026. The final compliance review will take place in 2025.

Staff Recommendation: Approval





February 25, 2022

City of Franklin, IN
Attn: Dana Monson, Community Development Specialist
70 E. Monroe Street
Franklin, IN 46131

Dana,

In regards to Resolution 2019-04 for BPRex Healthcare Packaging, Inc's MLX Capacity Expansion Project, the number of employees has fallen below the anticipated amount budgeted at the onset of the project. This is due to various reasons through the calendar year 2021 as outlined below.

During the time frame of January through December 2021, there were two untimely employee deaths and there were four employees that retired from the organization. Additionally, the plant lost 37 employees due to company- initiated dismissals for just cause (predominantly for unexcused absences) and there were 30 employees that voluntary resigned for a myriad of reasons including but not limited to, finding other employment, returning to school, childcare issues, etc. Replacement staff has been hired in order to meet our employment level for the plant and project; however, we are still 13 employees below what was projected at the time of the expansion project.

Currently, there is new hire orientation that will add four more night-shift machine operators and recruitment is done daily to fill current machine production operator openings represented by 5-day shift openings and 5-night shift openings. Jobs for the plant location are posted on a number of job board sites (Berry Global, Indiana Workforce Development, Franklin, Indiana Chamber of Commerce) and job fairs are also participated in soliciting local talent. An employee referral bonus program is also offered to pay employees \$600 for a new hire referral that materializes and there is also a new hire retention bonus program.

Overall, we anticipate that the headcount will return to pre-pandemic levels over the coming months as long as we retain our current team and are successful in recruiting new team members over the course of 2022.

Let us know if you need additional information and thank you for your continuation of our existing resolutions.

Best regards,

Jason Humphrey

VP - Tax

Berry Global Inc.

P.O. Box 959

Evansville, IN 47706-0959

E-mail: jasonhumphrey@berryglobal.com

Phone (812) 424-2904

# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

## FORM CF-1/PP

PRIVACY NOTICE

This form contains information confidential pursuant to IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 1 and the extended due date of each year.
  - information for multiple projects may be consolidated on one (1) compliance (CE-1)

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