

## AGENDA RESERVATION REQUEST

### CITY OF FRANKLIN COMMON COUNCIL

Please type or print

<b>Date Submitted:</b>	June 11, 2014	<b>Meeting Date:</b>	June 16, 2014
<b>Contact Information:</b>			
<b>Requested by:</b>	Krista Linke		
<b>On Behalf of Organization or Individual:</b> Economic Development Commission			
<b>Telephone:</b>	317-736-3631		
<b>Email address:</b>	<a href="mailto:klinke@franklin.in.gov">klinke@franklin.in.gov</a>		
<b>Mailing Address:</b>	70 E. Monroe St., Franklin, IN 46131		
<b>Describe Request:</b>			
Amcor Tax Abatement Compliance Report			
Resolution 2014-07: Request for Waiver of Non-Compliance			
<b>List Supporting Documentation Provided:</b>			
Memorandum to the City Council			
Case C 2014-41: Amcor Rigid Plastics, USA (plus attachments)			
Resolution 2014-07			
<b>Who will present the request?</b>			
<b>Name:</b>	Krista Linke	<b>Telephone:</b>	317-736-3631
	Janet Gears, Amcor		

*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

COMMUNITY DEVELOPMENT DEPARTMENT

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## Memorandum

**To:** City Council

**From:** Krista Linke, Director

**Date:** June 11<sup>th</sup>, 2014

**Re:** Amcor Rigid Plastics, USA – Request for Waiver of Non-Compliance

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Amcor Rigid Plastics, USA, located at 3201 Bearing Drive, currently has a 10-year real property tax abatement and a 10-year personal property tax abatement through Resolution 2006-06. They formerly had a personal property tax abatement through Resolution 2005-05 that has expired.

They were notified that the tax abatement through Resolution 2005-05 had expired. They were sent the compliance forms for the two current tax abatements through Resolution 2006-06. There was a misunderstanding that all of the tax abatements were expired, and they failed to file their compliance forms for 2013 in time for EDC and City Council review before the May 15<sup>th</sup> deadline of this year.

Following is their compliance report that needs to be reviewed, along with a request for a waiver of non-compliance, which has been reviewed by the Economic Development Commission. The Economic Development Commission voted at their June 10<sup>th</sup> meeting to forward a favorable recommendation to the City Council to find the company in substantial compliance, and to grant the waiver of non-compliance.

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



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Krista Linke, Director of Community Development

**Date:** June 5, 2014

**Re:** Case C 2014-41: Amcor Rigid Plastics, USA

#### Summary:

1. On July 24<sup>th</sup>, 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 2014:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	176	174	(2)
Salaries	\$12,100,000	\$13,420,000	\$1,320,000
New Employees	14	0	(14)
Salaries	\$689,000	\$0	-\$689,000
Total Employees	190	174	(16)
Total Salaries	\$12,789,000	\$13,420,000	\$631,000
Average Hourly Salaries	\$32.36	\$37.08	\$4.72
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 and lack of new employees is explained in the attached letter and Deficiency Statement from Plant Controller, Janet Gearn.
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



May 13, 2014

Krista Linke  
Community Development Director  
City of Franklin  
70 E. Monroe Street  
Franklin, IN 46131

Dear Krista,

Enclosed are the 2013 Tax Abatement Compliance forms for Amcor Rigid Plastics. In April of 2013 it was communicated to Amcor that 2012 was the last year for the abatement, however, in taking a closer look, we found that it is only the 05-05 abatement that has expired. The enclosed documents are for the 06-06 abatement which expires in 2016.

I sincerely apologize for the late filing of these documents for the 06-06 abatement. We respectfully request that they be accepted and considered for approval at this time. In that the filing deadline is May 15, would it be possible to have these documents reviewed and approved on or before May 15?

Please contact me if you need any additional information.

Thank you in advance for your time and consideration.

Best regards,

Amcor Rigid Plastics

A handwritten signature in black ink, appearing to read "Jarret M. Kearns".

Jarret M Kearns  
Controller

Enclosures



Amcor Rigid Plastics, USA  
3201 Bearing Drive  
Franklin, IN 46131

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

May 12, 2014

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

RE: 2013 Tax Abatement Compliance Packet for Amcor Rigid Plastics

Dear Ms. Linke

Enclosed, please find form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatement 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 2013 our headcount fluctuated based on sales volume, however, as of March 31, 2014, we had 187 employees which is a 2.7% increase over the same time last year and only three people short of our previously projected headcount. 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

May 12, 2014

**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 187 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 favourably upon our activities and grant us an extension of time to be in full compliance with our tax abatement commitments.

# 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>	<u>Actual @12/31/2010</u>
Husky 600 T Index	2	\$ 2,614,000	1 \$ 2,545,520
Resin Handling Systems	1	\$ 1,966,000	1 \$ 311,533
Support & Downstream Equipment	1	\$ 7,729,500	1 \$ 8,681,007
SBO 30 Blow Molding Machine	1	\$ 4,307,000	1 \$ 4,242,696
Total Machinery & Equipment		\$ 16,616,500	1 \$ 1,779,569
			\$ 17,560,325

<u>Item Description</u>	<u>Qty</u>	<u>Acquisition \$\$</u>	<u>Actual @12/31/2010</u>
Injection Mold 128 cav	1	\$ 3,270,000	1 \$ 2,657,899
Blow Molds	31	\$ 291,000	0 \$ 292,275
Total New Equipment/Tooling		\$ 3,561,000	\$ 1,229,021
Total M&E (Personal Property)		\$ 20,177,500	\$ 4,179,195

Total Project		\$ 20,177,500	\$ 21,739,520
Total Building (Real Property)		\$ 2,700,000	\$ 2,652,437

Amcor Rigid Plastics  
3201 Bearing Drive  
Franklin, IN 46131

**Resolution 06-06**  
**Attachment to Form CF-1 (Compliance with Statement of Benefits)**  
**Expansion Investment Schedule by Quarter**  
Project #46PEA01189.#46PEA01184.#46PEA01192

	Actual Amount of Investment as of 12/31/2007 (From SB-1)	Proposed Amount of Total Investment by 02/01/2007 (From SB-1)	Added During Year (by Quarter)									
			9/30/2006	12/31/2006	3/31/2007	6/30/2007	9/30/2007	12/31/2007	3/31/2008	6/30/2008	9/30/2008	12/31/2008
Buildings & Improvements	\$ 2,652,437	\$ 2,700,000	\$ 213,732	\$ 1,190,853	\$ 1,131,699	\$ 108,248	\$ 7,905	\$ -	\$ -	\$ -	\$ -	\$ -
Machinery & Equipment	\$ 21,739,520	\$ 20,177,500	\$ 5,860,588	\$ 1,669,718	\$ 2,968,850	\$ 4,935,752	\$ 2,004,306	\$ 3,743,928	\$ 318,635	\$ 127,608	\$ 77,095	\$ 33,041
Totals	\$ 24,391,957	\$ 22,877,500	\$ 6,074,320	\$ 2,860,571	\$ 4,100,549	\$ 5,044,000	\$ 2,012,211	\$ 3,743,928	\$ 318,635	\$ 127,608	\$ 77,095	\$ 33,041

3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	Actual Total Amount of Investment as of 12/31/10	Difference Between Actual and Proposed Amount of Investment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,652,437	\$ (47,563)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,739,520	\$ 1,562,020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,391,957	\$ 1,514,457



# **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 5/31/13 (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)					
164	190	3/31/2006	6/30/2006	9/30/2006	12/31/2006	176	(14)
		-	2	10	-		

2007					
Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/07	Difference Between Actual and Proposed Number of Employees
3/31/2007	6/30/2007	9/30/2007	12/31/2007		
-	-	12	-	188	(2)

2008					
Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/08	Difference Between Actual and Proposed Number of Employees
3/31/2008	6/30/2008	9/30/2008	12/31/2008		
-	-	(34)	-	154	(36)

2009					
Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/09	Difference Between Actual and Proposed Number of Employees
3/31/2009	6/30/2009	9/30/2009	12/31/2009		
-	-	(9)	(2)	143	(47)

2010					
Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/10	Difference Between Actual and Proposed Number of Employees
3/31/2010	6/30/2010	9/30/2010	12/31/2010		
(2)	7	(7)	(5)	136	(54)

2011					
Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/11	Difference Between Actual and Proposed Number of Employees
3/31/2011	6/30/2011	9/30/2011	12/31/2011		
20	(1)	(20)	(8)	139	(51)

2012					
Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/12	Difference Between Actual and Proposed Number of Employees
3/31/2012	6/30/2012	9/30/2012	12/31/2012		
24	12	-	(8)	167	(23)

2013					
Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/13	Difference Between Actual and Proposed Number of Employees
3/31/2013	6/30/2013	9/30/2013	12/31/2013		
15	6	(24)	2	164	(26)



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 13 PAY 20 14

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 <b>Amcor PET Packaging</b>			
Address of taxpayer (number and street, city, state, and ZIP code) <b>3201 Bearing Drive, Franklin, IN 46131</b>			
Name of contact person <b>Janet Gears</b>		Telephone number <b>(317) 736-4313</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body <b>Franklin City Council</b>		Resolution number <b>06-06</b>	
Location of property <b>3201 Bearing Drive, Franklin, IN 46131</b>		County <b>Johnson</b>	
Description of real property improvements:		DLGF taxing district number <b>31</b>	
		Estimated starting date (month, day, year) <b>07/01/2006</b>	
		Estimated completion date (month, day, year) <b>02/01/2007</b>	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		<b>176</b>	<b>174</b>
Salaries		<b>12,100,000.00</b>	<b>13,420,000.00</b>
Number of employees retained		<b>176</b>	<b>174</b>
Salaries		<b>12,100,000.00</b>	<b>13,420,000.00</b>
Number of additional employees		<b>14</b>	<b>0</b>
Salaries		<b>689,000.00</b>	<b>0.00</b>
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	<b>18,083,430.00</b>	<b>7,606,020.00</b>	
Plus: Values of proposed project	<b>2,700,000.00</b>	<b>900,000.00</b>	
Less: Values of any property being replaced	<b>0.00</b>	<b>0.00</b>	
Net values upon completion of project	<b>20,783,430.00</b>	<b>8,506,020.00</b>	
ACTUAL	COST	ASSESSED VALUE	
Values before project	<b>18,083,430.00</b>	<b>7,606,020.00</b>	
Plus: Values of proposed project	<b>2,652,437.00</b>	<b>461,280.00</b>	
Less: Values of any property being replaced	<b>0.00</b>	<b>0.00</b>	
Net values upon completion of project	<b>20,735,867.00</b>	<b>8,067,300.00</b>	
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 <b>Janet Gears</b>		Title <b>Plant Controller</b>	Date signed (month, day, year) <b>05/12/2014</b>

**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 <b>Amcor PET Packaging</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>3201 Bearing Drive, Franklin, IN 46131</b>	
Name of contact person <b>Janet M Kearns</b>	Telephone number <b>( 317 ) 736-4313</b>

**SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY**

Name of designating body <b>City of Franklin Common Council</b>		Resolution number <b>06-06</b>
Location of property <b>3201 Bearing Drive, Franklin, IN 46131</b>	County <b>Johnson</b>	DLGF taxing district number <b>31</b>
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) <b>07/01/2006</b>
		Estimated completion date (month, day, year) <b>07/01/2007</b>

**SECTION 3 EMPLOYEES AND SALARIES**

EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		176.00	174.00
Salaries		12,100,000.00	13,420,000.00
Number of employees retained		176.00	174.00
Salaries		12,100,000.00	13,420,000.00
Number of additional employees		14.00	0.00
Salaries		689,000.00	0.00

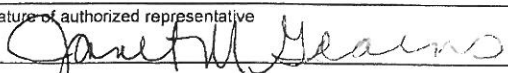
**SECTION 4 COST AND VALUES**

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	112,222,379	15,657,460.1						
Plus: Values of proposed project	20,177,500.1	2,421,300.0						
Less: Values of any property being replaced								
Net values upon completion of project	132,399,879	18,078,760.1						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project								
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 <b>Plant Controller</b>	Date signed (month, day, year) <b>05/12/2014</b>

**CITY OF FRANKLIN, INDIANA**

**RESOLUTION NUMBER 2014-07**

**A RESOLUTION WAIVING NON-COMPLIANCE  
WITH RESPECT TO AMCOR RIGID PLASTIC'S  
TAX ABATEMENT COMPLIANCE REQUIREMENTS**

Whereas, the Common Council of the City of Franklin, Indiana granted a ten-year real property tax abatement and a ten-year personal property tax abatement to AMCOR Rigid Plastics through Resolution 2006-06;

Whereas, due to a clerical error, AMCOR Rigid Plastics, failed to turn in their yearly compliance report in a timely manner for the tax year 2013 payable 2014.

Whereas, pursuant to Indiana Code Section 6-1.1-12.1-9.5, the Common Council of the City of Franklin, Indiana find that this non-compliance should be waived.

**NOW, THEREFORE BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FRANKLIN, INDIANA, THAT:**

- 1) **Waiver of Non-Compliance.** AMCOR Rigid Plastics non-compliance with the filing requirements of its tax abatement, as referenced above, is waived.
- 2) **Effective Date.** This Resolution shall be in full force and effect from and after its passage and as provided by for applicable law.

INTRODUCED & APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this \_\_\_\_ day of \_\_\_\_\_, 2014.

City of Franklin, Indiana, By its Common Council:

**Voting Affirmative:**

\_\_\_\_\_  
Stephen D. Barnett, Council President

\_\_\_\_\_  
Kenneth W. Austin, Vice-President

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Joseph P. Abban

**Voting Opposed:**

\_\_\_\_\_  
Stephen D. Barnett, Council President

\_\_\_\_\_  
Kenneth W. Austin, Vice President

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Joseph P. Abban

\_\_\_\_\_  
Robert D. Henderson

\_\_\_\_\_  
Robert D. Henderson

\_\_\_\_\_  
Stephen D. Hougland

\_\_\_\_\_  
Stephen D. Hougland

\_\_\_\_\_  
Richard L. Wertz

\_\_\_\_\_  
Richard L. Wertz

Presented to me by the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Janet P. Alexander, Clerk-Treasurer

This resolution having been passed by the legislative body and presented to me [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 \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Joseph E. McGuinness  
Mayor

Attest:

\_\_\_\_\_  
Janet P. Alexander  
Clerk-Treasurer