



# CITY OF FRANKLIN

Community Development Department

## Memorandum

To: City of Franklin Economic Development Commission

From: Rhoni Oliver, Community Development Specialist

Date: March 8, 2019

Re: Case C 2019-46: BPRex Healthcare Packaging Inc. (formerly Rexam)

### Summary:

- On March 23<sup>rd</sup>, 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.
- Actual and estimated benefits, as projected for 2018:

	Estimated on SB-1	Actual in 2018	Difference
Employees Retained	108	108	0
Salaries	\$5,849,113	\$5,849,113	\$0
New Employees	85	102	17
Salaries	\$3,424,844	\$4,483,569	\$1,058,725
Total Employees	193	210	17
Total Salaries	\$9,273,957	\$10,332,682	\$1,058,725
Average Hourly Salaries	\$23.10	\$23.66	\$0.55
Personal Property Improvements	\$22,832,940	\$22,834,940	\$2,000

- Rexam was purchased in 2014 and is now BPRex Healthcare Packaging, Inc.
- 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. BPRex exceeds SB-1 estimates by 17 employees and meets salary estimates.
- Personal property improvements meet the SB-1 estimate.
- 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



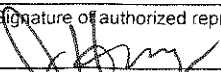
# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

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 <b>BPRex Healthcare Packaging, Inc.</b>								
Address of taxpayer (number and street, city, state, and ZIP code) <b>P.O. Box 959, Evansville, IN 47706-0959</b>								
Name of contact person <b>Jason Humphrey, VP - Tax</b>		Telephone number <b>( 812 ) 424-2904</b>						
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body <b>City of Franklin, IN</b>		Resolution number <b>2014-03</b>						
Location of property <b>1900 Commerce Drive, Franklin, IN 46131</b>	County <b>Johnson</b>	DLGF taxing district number <b>41009</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. <b>Injection Blow molding operations, system upgrade, IBM machine refurbish</b>		Estimated starting date (month, day, year) <b>02/01/2010</b>						
		Estimated completion date (month, day, year) <b>10/31/2012</b>						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		108.00	210.00					
Salaries		5,849,113.00	10,332,682.00					
Number of employees retained		108.00	210.00					
Salaries		5,849,113.00	10,332,682.00					
Number of additional employees		85.00	102.00					
Salaries		3,424,844.00	4,483,569.00					
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	36,348,981							
Plus: Values of proposed project	22,834,946							
Less: Values of any property being replaced								
Net values upon completion of project	59,183,927							
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>VP - Tax</b>			Date signed (month, day, year) <b>2-27-19</b>		

**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.