



CITY OF FRANKLIN

Community Development Department

Memorandum

City of Franklin Economic Development Commission

From: Dana Monson, Community Development Specialist

Date: June 9, 2020

Re: Case C 2020-40: BPRex Healthcare Packaging Inc. (formerly Rexam)

Summary:

1. On April 15th, 2019, the Franklin Common Council passed Resolution No. 2019-04, approving a 5-year 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 2019:

| | Estimated on SB-1 | Actual in 2019 | Difference |
|--------------------------------|-------------------|----------------|-------------|
| Employees Retained | 209 | 220 | 11 |
| Salaries | \$10,300,300 | \$11,584,555 | \$1,284,255 |
| New Employees | 4 | 11 | 7 |
| Salaries | \$140,000 | \$1,284,555 | \$1,144,555 |
| Total Employees | 213 | 220 | 7 |
| Total Salaries | \$10,440,300 | \$11,584,555 | \$1,144,255 |
| Average Hourly Salaries | \$23.57 | \$25.33 | \$1.76 |
| Personal Property Improvements | \$3,720,000 | \$3,346,461.00 | -\$373,539 |

3. Rexam was purchased in 2014 and is now BPRex Healthcare Packaging, Inc.
4. The total number of employees exceeded the SB-1 estimate by 7, and the average hourly salary exceeded the estimate.
5. 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.
6. 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



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.
 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. / <i>Rexam Healthcare Packaging Inc.</i> | | County Johnson |
| Address of taxpayer (number and street, city, state, and ZIP code) | P.O. Box 959, Evansville, IN 47706-0959 | | DLGF taxing district number 41009 |
| Name of contact person | Jason Humphrey, VP - Tax | | Telephone number (812) 424-2904 |

| SECTION 2 | | LOCATION AND DESCRIPTION OF PROPERTY | |
|--|---|--------------------------------------|--|
| Name of designating body | City of Franklin, IN | Resolution number | 2019-04 |
| Location of property | 1900 Commerce Drive, Franklin, IN 46131 <i>41-99-09-009-100.100.009</i> | | Estimated start date (month, day, year) 05/01/2019 |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. | MLX Capacity Expansion Project | | Actual start date (month, day, year) |
| | | | Estimated completion date (month, day, year) 09/30/2019 |
| | | | Actual completion date (month, day, year) |

| SECTION 3 | | | |
|--------------------------------|--|----------------------|---------------|
| EMPLOYEES AND SALARIES | | AS ESTIMATED ON SB-1 | ACTUAL |
| Current number of employees | | 209 | 220 |
| Salaries | | 10,300,000.00 | 11,584,555.00 |
| Number of employees retained | | 209 | 220 |
| Salaries | | 10,300,000.00 | 11,584,555.00 |
| Number of additional employees | | 4 | 11 |
| Salaries | | 140,000.00 | 1,284,555.00 |

| SECTION 4 | | | | | | | | |
|---|-------------------------|----------------|-----------------|----------------|-----------------------|----------------|--------------|----------------|
| | 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 | 68,600,000.00 | 15,880,000.00 | | | | | | |
| Plus: Values of proposed project | 3,720,000.00 | 1,488,000.00 | | | | | | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | 72,320,000.00 | 17,368,000.00 | | | | | | |
| ACTUAL | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | 68,600,000.00 | | | | | | | |
| Plus: Values of proposed project | 3,346,461.00 | | | | | | | |
| 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(c).

| SECTION 5 | | |
|---|--|----------------------|
| WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER | | |
| WASTE CONVERTED AND OTHER BENEFITS | | AS ESTIMATED ON SB-1 |
| 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 VP - Tax | Date signed (month, day, year) 02/20/2020 |

**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 County 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 and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
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 County Assessor.

| | | | |
|---|--|------------------------------------|--------------------------------|
| We have reviewed the CF-1 and find that: | | | |
| <input type="checkbox"/> the property owner IS in substantial compliance | | | |
| <input type="checkbox"/> the property owner IS NOT in substantial compliance | | | |
| <input type="checkbox"/> 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 | <input type="checkbox"/> AM <input type="checkbox"/> PM | Date of hearing (month, day, year) | Location of hearing |
| HEARING RESULTS (to be completed after the hearing) | | | |
| <input type="checkbox"/> Approved <input type="checkbox"/> 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 clerk of 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. | | | |