

# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

City of Franklin Economic Development Commission

**From:** Dana Monson, Community Development Specialist

**Date:** March 9, 2021

**Re:** Case C 2021-04: BPRex Healthcare Packaging Inc. (formerly Rexam)

### Summary:

1. On April 15<sup>th</sup>, 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 2020:

	Estimated on SB-1	Actual in 2020	Difference
Employees Retained	209	213	4
Salaries	\$10,300,300	\$12,216,320	\$1,916,320
New Employees	4	4	0
Salaries	\$140,000	\$229,414.44	\$89,414.44
Total Employees	213	213	0
Total Salaries	\$10,440,300	\$12,216,320	\$1,776,020
Average Hourly Salaries	\$23.57	\$27.57	\$4.00
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. In 2020 they were right at their estimate and above in salaries.
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. In 2020 the company held off on the final purchases due to the pandemic.
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 (R / 1-06)

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).

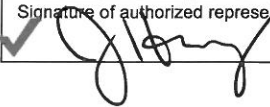
SECTION 1		TAXPAYER INFORMATION	
Name of taxpayer BPRex Healthcare Packaging, Inc.			
Address of taxpayer (number and street, city, state, and ZIP code) P.O. Box 959, Evansville, IN 47706-0959			
Name of contact person Jason Humphrey, VP - Tax		Telephone number (812) 424-2904	
SECTION 2			
LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body City of Franklin, IN		Resolution number 2019-04	
Location of property 1900 Commerce Drive, Franklin, IN 46131		County Johnson	DLGF taxing district number 41009
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			Estimated starting date (month, day, year) 05/01/2019  Estimated completion date (month, day, year) 09/30/2019

SECTION 3			
EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		209.00	213
Salaries		10,300,000.00	12,216,320.00
Number of employees retained		209.00	213
Salaries		10,300,000.00	12,216,320.00
Number of additional employees		4.00	4
Salaries		140,000.00	1,916,320.00

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	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	17,388,000.00						
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 (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 VP - Tax		Date signed (month, day, year) 2-25-2021	

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 6-1.1-12-5.9)

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.