



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Planning & Economic Development
Date: April 2, 2012
Re: Case C 2012-42: Amcor Rigid Plastics, USA

Summary:

1. On February 28th, 2005, the Franklin Common Council passed Resolution No. 2005-05, approving a 7-year tax abatement on personal property for Amcor PET Packaging located at 3201 Bearing Drive.
2. Actual and estimated benefits, as projected for 2011:

	Estimated on SB-1	Actual in 2011	Difference
Employees Retained	167	163	-4
Salaries	\$9,900,000	\$12,225,000	\$2,325,000
New Employees	20	0	-20
Salaries	\$818,200	\$0	-\$818,200
Total Employees	187	163	-24
Total Salaries	\$10,718,200	\$12,225,000	\$1,506,800
Average Hourly Salaries	\$27.56	\$36.06	\$8.50
Personal Property Improvements	\$10,984,000	\$12,985,751	\$2,001,751

3. The company has exceeded their estimate provided on their SB-1 Form for personal property.
4. The company has not met their number of employees retained or new employees as estimated on their SB-1 Form. The number of employees reported last year was 163 with total annual salaries of \$11,873,000. Reasons for this, as well as future anticipated employment growth is addressed in the attached letter from Plant Controller Janet Gears.
5. The company has greatly exceeded the average hourly salary estimated for the employees they have retained and increased from 2010. In 2010 the average hourly salary was \$35.02.
6. The tax abatement is scheduled to expire in tax year 2012 payable 2013. The final compliance review will take place in 2013.

Staff Recommendation:

Approval

12-42



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

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

April 2, 2012

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

RE: 2011 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 personal property tax abatement granted to Amcor PET Packaging in 2005 under Franklin Common Council Resolution number 05-05.

As can be seen from reviewing the enclosed documents, our company exceeded 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 187. During 2011 our headcount fluctuated based sales volume, however, as of 2/28/12, we had 163 employees which is the same as 2011. We have recently completed our Fiscal Year 2013 (beginning July 1, 2012) budget, which forecasts increased production and a total headcount of 182. 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

April 2, 2012

DEFICIENCY STATEMENT

While it has always been the intention of Amcor Rigid Plastics to maintain the projected headcount of 187 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 163 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.

**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 Amarcor PET Packaging								
Address of taxpayer (number and street, city, state, and ZIP code) 3201 Beamin Drive, Franklin, IN 46131								
Name of contact person Janet Gears		Telephone number (317) 736-4313						
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body Franklin City Council		Resolution number 05-05						
Location of property 3201 Bearing Drive, Franklin, IN 46131		County Johnson						
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.		DLGF taxing district number 31						
		Estimated starting date (month, day, year) 01/01/2005						
		Estimated completion date (month, day, year) 12/31/2006						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		167.00	163					
Salaries		9,900,000.00	12,225,000.00					
Number of employees retained		167.00	163					
Salaries		9,900,000.00	12,225,000.00					
Number of additional employees		20.00	0					
Salaries		818,200.00	0.00					
SECTION 4		COST AND VALUES						
	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	92,842,000.00	18,462,000.00						
Plus: Values of proposed project	10,984,000.00	2,581,000.00						
Less: Values of any property being replaced	0.00	0.00						
Net values upon completion of project	103,826,000.00	21,043,000.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	92,842,000.00	18,482,000.00						
Plus: Values of proposed project	12,985,751.00	3,222,000.00						
Less: Values of any property being replaced	0.00	0.00						
Net values upon completion of project	105,827,751.00	21,684,000.00						
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 Plant Controller	Date signed (month, day, year) 04/02/2012					

Resolution 05-05

Item Description	Qty	Acquisition \$
Husky 600 T	1	\$ 1,000,000
Husky 600 T	1	\$ 1,000,000
Husky 600 T Index	1	\$ 1,579,000
Husky 600 T	1	\$ 1,000,000
Krones 20 Blow Molding Machine	1	\$ 2,400,000
Walton Stout Dryers	4	\$ 520,000
Overhead Crane	1	\$ 82,000

Total Machinery & Equipment \$ 7,581,000

Item Description	Qty	Acquisition \$
injection Mold 38gr 96 cav	1	\$ 250,000
injection Mold 65.5gr 72 cav	1	\$ 641,000
injection Mold 38gr 128 cav	1	\$ 1,000,000
injection Mold 23gr Milk 96 cav	1	\$ 691,000
injection Mold 48gr 96 cav	1	\$ 821,000

Total New Equipment/Tooling	\$	3,403,000
Total M&E (Personal Property)	\$	10,984,000
Total Building (Real Property)	\$	-
Total Project	\$	10,984,000

Item Description	Qty	Acquisition \$
Husky 600 T	3	\$ 1,317,380
Husky 600 T	0	
Husky 600 T Index	1	\$ 1,532,033
Husky 600 T	0	
Krones 20 Blow Molding Machine & Related Equip	1	\$ 5,445,227
Walton Stout Dryers	2	\$ 210,242
Overhead Crane		

\$ 8,504,882

<u>Item Description</u>	<u>Qty</u>	<u>Acquisition \$</u>
injection Mold 38gr 96 cav	2	\$ 1,229,021
injection Mold 65.5gr 72 cav	0	\$ -
injection Mold 38gr 128 cav	1	\$ 1,613,293
injection Mold 23gr Milk 96 cav	1	\$ 844,310
injection Mold 48gr 96 cav	1	\$ 794,245

\$	4,480,869
\$	12,985,751
\$	-
\$	12,985,751

\$ 2,001,751

Amcor Rigid Plastics
3201 Bearing Drive
Franklin, IN 46131

Resolution 05-05
Attachment to Form CR-1 (Compliance with Statement of Benefits)
Expansion Investment Schedule by Quarter

Improvements	Actual Amount of Investment as of 12/31/2005 (From SB-1)	Proposed Amount of Investment Total Investment by 12/31/2006 (From SB-1)	Actual Amount of Investment Added During Year (By Quarter)												Total Investment	Difference Between Actual and Proposed Amount of Investment		
			3/31/2005	6/30/2005	9/30/2005	12/31/2005	3/31/2006	6/30/2006	9/30/2006	12/31/2006	3/31/2007	6/30/2007	9/30/2007	12/31/2007				
Subgrant & Equipment	\$ 22,842	\$ 10,984,020	\$ 5,686,222	\$ 3,111,785	\$ 97,339	\$ 41,604	\$ 87,168	\$ 2,043,360	\$ 414,235	\$ -	\$ -	\$ -	\$ -	\$ 1,221,851	\$ 7,170	\$ -	\$ 17,885,751	\$ 2,001,751

Job Creation or Retention Schedule

Arcor Rigid Plastics
3201 Bearing Drive
Franklin, IN 46131

Resolution 05-05

Attachment to Form CF-1 (Compliance with Statement of Benefits)

Job Creation or Retention Schedule by Quarter

Actual Amount of Employees as of 12/31/05 (From SB-1)	Proposed Total Number of Employees by 12/31/05 (From SB-1)	2005				Actual Total Number of Employees as of 12/31/05	Difference Between Actual and Proposed Number of Employees
		Actual Number of Employees Added During Year (by Quarter)					
		3/31/2005	6/30/2005	9/30/2005	12/31/2005		
167	187	-	4	4	3	178	(9)

2006						
Actual Number of Employees Added During Year (by Quarter)					Actual Total Number of Employees as of 12/31/06	Difference Between Actual and Proposed Number of Employees
3/31/2006	6/30/2006	9/30/2006	12/31/2006			
-	-	10	-		188	1

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	-		200	13

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)	-		166	(21)

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)		155	(32)

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)		148	(39)

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	(48)