



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Specialist
Date: March 12, 2024
Re: Case C 2024-07: Energizer Holdings (Res. 19-08)

Summary:

1. On November 18th, 2019, the Franklin Common Council passed Resolution No. 2019-08, a 10-year tax abatement on \$58,555,558 in personal property with a 2% Economic Development Fee for Energizer Holdings, located at 180 Bartram Parkway.
2. Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2023	Difference
New Employees	440	232	-208
Salaries	\$16,748,160.00	\$12,967,823	-\$3,780,337
Total Employees	440	232	-208
Total Salaries	\$16,748,160.00	\$12,967,823	-\$3,780,337
Average Hourly Salaries	\$18.30	\$26.87	\$8.57
Personal Property Improvements	\$58,555,558	\$21,026,388	-\$37,529,170

3. This company had not yet met its goals but continued to ramp up for 2021. The COVID-19 pandemic severely decreased their ability to complete the buildout and hiring process, however, they did expect to be at full capacity by the end of 2021. In 2022 the company was up to 305 full-time employees, through Energizer, DHL, and two staffing agencies, still below the employee estimates. Wages were up significantly. In 2023 the company was below employees by 208 although wages were up. The company announced in late 2023 that the packaging department would be moved out of state, but distribution would still take place through DHL. No Energizer employees would remain.
4. The personal property purchases were not completed by the end of 2020 due to the delay in completing the buildout, however, they did anticipate the completion of all the equipment purchases by the end of 2021. 2021 saw new challenges with supply chains and personnel so the anticipated investment had not been completed. The company planned to add 3 more lines and continue to ramp up, based on labor and equipment availability. The SB-1 stated final completion of equipment would be 12/2023. The company had not completed the full investment and had until 12/23 to do so. The company did not meet the full investment by the stated time.
5. Their personal property tax abatement is scheduled to expire in tax year 2032 payable in 2033. Their final compliance review will take place in 2032.

Staff Recommendation: Staff has reviewed this case and the SB-1 and finds that the company has not met the estimates given, even with an additional year to do so. Due to the announcement of the closure, the staff does not recommend approval.



Energizer Manufacturing, Inc.
533 Maryville University
St. Louis, MO 63141

February 28, 2024

Mrs. Dana Monson, Community Development Specialist
Dept. of Community Development
70 E. Monroe Street
Franklin, IN 46131

Re: Tax Abatement Compliance for Energizer Manufacturing, Inc.

Dear Mrs. Monson:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Energizer Manufacturing, Inc. in 2019 under Franklin Common Council Resolution No. 2019-08.

Please review all of the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,

Rebecca Jaspering

Rebecca Jaspering
Director, Indirect Tax
Energizer



**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 Energizer Manufacturing, Inc.	County Johnson
Address of taxpayer (number and street, city, state, and ZIP code) 533 Maryville University Dr, St. Louis, MO 63141	DLGF taxing district number 018
Name of contact person Rebecca Jaspering	Telephone number (314) 985-1896

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body The City of Franklin Common Council	Resolution number 2019-08	Estimated start date (month, day, year) 5/1/2020
Location of property 180 Bartram Parkway, Franklin, IN 46131		Actual start date (month, day, year)
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Equipment for Energizer's distribution operations.		Estimated completion date (month, day, year) 12/31/2023
		Actual completion date (month, day, year)

SECTION 3 EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees			232
Salaries			12,967,823.25
Number of employees retained			0
Salaries			0.00
Number of additional employees			232
Salaries			12,967,823.25

SECTION 4 COST AND VALUES

	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
AS ESTIMATED ON SB-1								
Values before project	58,555,558.00	17,666,667.00						
Plus: Values of proposed project								
Less: Values of any property being replaced								
Net values upon completion of project								
ACTUAL								
Values before project	21,160,736.85							
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(c).

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.

DocuSigned by:
Signature of authorized representative
Donna Garbison
Title
Vice President, Tax
Date signed (month, day, year)
February 28, 2024

**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 (<i>specify</i>) _____			
Reasons for the determination (<i>attach additional sheets if necessary</i>)			
Signature of authorized member			Date signed (<i>month, day, year</i>)
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 (<i>month, day, year</i>)	Location of hearing
HEARING RESULTS (<i>to be completed after the hearing</i>)			
<input type="checkbox"/> Approved		<input type="checkbox"/> Denied (<i>see instruction 5 above</i>)	
Reasons for the determination (<i>attach additional sheets if necessary</i>)			
Signature of authorized member			Date signed (<i>month, day, year</i>)
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.			



Energizer Manufacturing, Inc.
533 Maryville University
St. Louis, MO 63141

*Attachment to Form CF-1 (Compliance with Statement of Benefits)
Comments Concerning Job Creation or Retention Schedule*

In October of 2019, Energizer Holdings, Inc. (“Energizer”) accepted the City of Franklin’s agreement for property tax abatements. As part of the application for consideration by the City of Franklin for the property tax abatements, Energizer estimated that 440 full time jobs would be created by the proposed project. This estimate was comprised of 160 Energizer colleagues, 80 DHL colleagues and 200 contract workers that would be on-site year-round. The number of contract workers was expected to increase during peak production times with 200 contract workers expected to be on-site year-round (in addition to the DHL colleagues).

Energizer continued to be impacted by the COVID-19 pandemic and its related effects. The Company faced higher operating costs due to the global supply chain constraints including for raw materials and transportation costs, labor availability continues to be a challenge across the Company’s sites and there continues to be volatility in the global supply network.

Energizer completed an enterprise-wide restructuring focused on recovering operating margins, optimizing our manufacturing, distribution and global supply chain networks, and enhancing our organizational efficiency across the Company. As a part of the plans to optimize the batteries network, Energizer identified an opportunity to make better use of its packaging facilities, reduce complexity in its operations and enhance service to its customers. As a result, Energizer made the difficult decision to close the Franklin packaging operations. Franklin will continue to serve as the central distribution center for the U.S. battery and lights business through our third-party logistics partner.

At the end of 2023, Energizer employed 61 colleagues at the Franklin, IN facility. DHL reported active full-time equivalents of 110. Additionally, Energizer utilized additional staffing agencies during 2023 as shown below resulting in additional full-time equivalents of 61 for a total of 232 positions filled at the Franklin, IN facility on a full-time basis in 2023.

Agency	CY23 ENR Spend	Regular Hours	OT Hours	Total Hours	Head Count
Premier Employee Solutions	2,223,909.07	104,757.00	5,059.25	109,816.25	40
TrueBlue Services (SMX)	383,191.00	16,384.00	809.00	17,193.00	10
Totals	2,607,100.07	121,141.00	5,868.25	127,009.25	50

The Energizer colleague information is provided in a separate file. DHL separately submits the employee detailed report including hours and wages to the IEDC. We can request that a copy be provided to the City of Franklin as well as Energizer does not have visibility to that data, pursuant to our agreement with DHL. DHL did provide that the



number of employees at the Franklin, IN location as of 12/31/2023 was 110 and the gross salary/wages for the year as reported on W-2s was \$5,539,667.49.

Sincerely,

Rebecca Jaspering

Rebecca Jaspering
Director, Indirect Tax
Energizer