



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Specialist
Date: April 9, 2024
Re: Case C 2024-04: BPRex Healthcare Packaging Inc.

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 2023:

	Estimated on SB-1	Actual in 2023	Difference
Employees Retained	209	209	0
Salaries	\$10,300,300	\$13,365,184	\$3,064,884
New Employees	4	3	-1
Salaries	\$140,000	\$191,844	\$51,840
Total Employees	213	212	-1
Total Salaries	\$10,440,300	\$13,557,029	\$3,116,729
Average Hourly Salaries	\$23.57	\$30.74	\$7.17
Personal Property Improvements	\$3,720,000	\$3,346,461.00	-\$373,539

3. In 2020, the total number of employees exceeded the SB-1 estimate by 7, and the average hourly salary exceeded the estimate. They were right at their estimate and above in salaries. In 2021, the company lost 13 employees due to attrition, deaths, and other issues detailed in the deficiency statement. In 2022 they continue to struggle with employment, however, they have increased their salary and are being very proactive in their hiring search. In 2023 they are down by 1 but above in wages.
4. Personal property improvements are below \$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. In 2021, the company was not able to complete a purchase due to an employment situation. In 2022 the additional line continued to be paused due to lack of employees. There is no additional investment in 2023.
5. The tax abatement for Rexam is scheduled to expire in tax year 2025 payable in 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.	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
		Estimated start date (month, day, year)	05/01/2019
Location of property	1900 Commerce Drive, 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.	MLX Capacity Expansion Project	Estimated completion date (month, day, year)	09/30/2019
		Actual completion date (month, day, year)	
SECTION 3		EMPLOYEES AND SALARIES	
	EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		209	212
Salaries		10,300,000	13,557,029
Number of employees retained		209	212
Salaries		10,300,000	13,557,029
Number of additional employees		4	3
Salaries		140,000	3,257,029
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
Values before project	68,600,000	15,880,000	
Plus: Values of proposed project	3,720,000	1,488,000	
Less: Values of any property being replaced			
Net values upon completion of project	72,320,000	17,368,000	
ACTUAL	COST	ASSESSED VALUE	COST
	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	68,600,000		
Plus: Values of proposed project	3,346,461		
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.			
Signature of authorized representative	Title	Date signed (month, day, year)	
	VP - TAX	03/11/2024	

**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 (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.			