

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 2024-44: Shelby Gravel (Res. 20-17 and Res. 20-18)

Summary:

1. On November 16th, 2020, the Franklin Common Council passed Resolution No. 2020-17 and Resolution 202-18, approving a 10-year tax abatement on \$2,400,000 in real property with a 2% Economic Development Fee and a 6-year tax abatement on \$6,470,000 in personal property with a 5% Economic Development Fee, for Shelby Gravel located at Commerce Drive and Graham Road.

2. Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2023	Difference
Employees Retained	21	21	0
Salaries	\$1,048,320	\$1635,984	\$587,664
New Employees	3	4	1
Salaries	\$149,760	\$311,616	\$161,856
Total Employees	24	25	1
Total Salaries	\$1,198,080	\$1,947,600	\$749,520
Average Hourly Salaries	\$24.00	\$37.45	+13.45
Real Property Improvements	\$2,400,000	\$3,022,610	\$622,610
Personal Property Improvements	\$6,470,000	\$7,701,163	\$1,231,163

- 3. Shelby Gravel had stated on their SB-1 form that construction would begin in 2021. The facility was completed in 2022. In 2022 they were down 1 one employee. In 2023 they were up by one with wages well above the estimate.
- 4. Investment was completed in 2022 and they are above their investment for real property by \$622,610 and personal property by \$1,231,163
- 5. The real property tax abatement is scheduled to expire in tax year 2031 payable 2032. The final compliance review will take place in 2031.
- 6. The personal property tax abatement is scheduled to expire in tax year 2027 payable in 2028. The final compliance review will take place in 2027.

Staff Recommendation: Approval



Shelby Materials

157 East Rampart Rd. P.O. Box 242 Shelbyville, IN 46176 317-398-4485 317-398-2727 FAX

Concrete 317-738-3445 Franklin 317-398-4485 Shelbyville 765-932-3292 Rushville 812-372-5553 Columbus 812-522-6221 Seymour 812-988-6206 Nashville 317-782-3200 Indianapolis 317-216-7555 Brownsburg 317-804-8100 Westfield 317-827-0090 Pendleton Aggregates 812-526-2731 Edinburgh 812-526-2731 Franklin 765-763-7670 Shelbyville 765-763-7670

Trucking

Rushville

317-398-4485

February 12, 2024

Mrs. Dana Monson, Community Development Specialist Department of Community Development 70 East Monroe Street Franklin, IN 46131

Re: Tax Abatement Compliance for Shelby Gravel, Inc.

Dear Mrs. Monson:

Enclosed please find the form CF-1 (Compliance with Statement of Benefits) regarding compliance with real and personal property tax abatements which were granted to Shelby Gravel, Inc. in 2020 under Franklin Common Council Resolutions Numbers 20-17 and 20-18.

As can be seen from reviewing the documents attached, our company has completed the building of the ready-mix concrete plant and the adjacent office and garage. Overall Shelby Materials invested almost 8 million dollars in personal property along with almost 3 million dollars in real property improvements. With our new plant in operation for 2022 we had a near record year of production as Johnson County continues to see marked economic growth.

Throughout the course of the year our workforce number changes. For much of the year we had as many as 27 employees, exceeding our goal of 24, and as of the time of this report we currently employ 25, also exceeding the 24 employee goal.

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

Sincerely,

Aaron Haehl

Chief Financial Officer

Shelby Gravel, Inc. dba Shelby Materials

ahaehl@shelbymaterials.com



Shelby Materials

157 East Rampart Rd. P.O. Box 242 Shelbyville, IN 46176 317-398-4485 317-398-2727 FAX

Concrete

CONTOCCE	
Franklin	317-738-3445
■ Shelbyville	e 317-398-4485
 Rushville 	765-932-3292
 Columbus 	812-372-5553
Seymour	812-522-6221
 Nashville 	812-988-6206
Indianapo	lis 317-782-3200
Brownsbu	rg 317-216-7555
Westfield	317-804-8100
■ Pendleton	317-827-0090

Aggregates

	00 0	
	Edinburgh	812-526-2731
	Franklin	812-526-2731
9	Shelbyville	765-763-7670
	Rushville	765-763-7670

Trucking

317-398-4485

Attachment to form CF-1 Comments Concerning Investment, Job Creation and Retention Schedules

Shelby Materials continues to want to add employees. Our stated goal was 24 employees total from our starting point of 21. Currently we have added a net 4 employees for a total of 25 but are looking to add even more employees beyond our goal of 24 due the significantly increased demand for concrete in the Johnson County market. During our busy months (summer and fall), we had up to 27 total employees. We do feel as if the employment market is starting to loosen a bit and will help us to add additional employees as needed.



COMPLIANCE WITH STATEMENT OF BENEFITS **REAL ESTATE IMPROVEMENTS**

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 24 PAY 20 25

FORM CF-1 / Real Property

PRIVACY NOTICE

The cost and any specific individuals salary information is confidential: the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

INSTRUCTIONS:

- 1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
- Property owners must file this form with the county auditor and the designating body for their review regarding the compliance of the project with the Statement of Benefits (Form SB-1/Real Property).
 This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
 This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor.
- and the designating body before May 15. or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
 With the approval of the designating body, compliance information for multiple projects may be consolidated on
- one (1) compliance form (Form CF-1/Real Property).

SECTION 1	TAXPAYER INFO	ORMATION	The second		
Name of taxpayer Shelby Gravel, Inc doing business as Shelby Ma	terials			County	Johnson
Address of laxpayer (number and street, city, state, and ZIP or				DLGF taxing distr	ct number
PO Box 280 Shelbyville, IN 46176					
Name of contact person Aaron Haehl				Telephone number 317 \ 39	2-5502
	NO CONTRACTOR AND	wall of property	V		
020110112	LOCATION AND DESCRIPT	Resolution number	Y	Estimateri start da	ite (month. day, year)
Name of designating body City of Franklin Common Council		20-17	7		3/1/2021
Location of property				Actual start date (month, day. year) 3/1/2021
1961 North Graham Road, Franklin, IN 46131					
Description of real property improvements					tion date (month, day, year)
This project consisted of paving the lot, adding a	a building with offices and	l multiple garage b	ays, adding		
an enclosed ready mix plant and associated ma property with fencing and landscaping.	chinery, installing necess	ary drainage, enc	osing the	Actual completion	date (month, day, year) 2/28/2022
	In the second se	NAME AND ADDRESS.	with the Art	No.	A THE REAL PROPERTY OF THE PARTY OF THE PART
SECTION 3	EMPLOYEES AND	SALARIES	AD FORMA	TED ON SD 4	ACTUAL
	AND SALARIES			TED ON SB-1	25
Current number of employees				000	77,904
Salaries				21	21
Number of employees retained				000	77,904
Salaries				3	4
Number of additional employees				.000	77,904
Salaries	COST AND V	ALUES	00,		THE CAR SERVICE
SECTION 4	COSTAND	REAL ESTAT	IMPROVEM	ENTS	
COST AND VALUES	COST	NERE BOTTO		ASSESSE	D VALUE
AS ESTIMATED ON SB-1					239,800
Values before project		2,400,000			
Plus: Values of proposed project		2,400,000			
Less: Values of any property being replaced Net values upon completion of project		2,400,000			
ACTUAL	COST	2,400,000		ASSESSE	D VALUE
Values before project	0001				
Plus: Values of proposed project		3,022,610			
Less: Values of any property being replaced					
Net values upon completion of project		3,022,610			2,690,900
SECTION 5 WASTE CONVI	ERTED AND OTHER BENE	FITS PROMISED B	Y THE TAXPA	YER	
WASTE CONVERTED AND				TED ON SB-1	ACTUAL
Amount of solid waste converted					
Amount of hazardous waste converted					
Other benefits:					
SECTION 6	TAXPAYER CER		44 35 1	THE R. P. LEWIS CO., LANSING, MICH.	
	by certify that the representat	tions in this stateme	nt are true.	1	
Signavire of authorized representative	Titl	heel Low and	O Mois		month day, year) No.24
- Carry fruit		huf Finances	- yepina	10/12/0	Y & 1
,	Page 1		# #		

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)

- 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.
- 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.

(Faller-Mr.)	Arts Commercy Treatment		
We have reviewed the CF-1 and find that:			
the property owner IS in substantial complia	nce		
the property owner IS NOT in substantial co	mpliance		
ather (specify)			
Reasons for the determination (attach additional sheets in	necessary)		
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
If the property owner is found not to be in subst time has been set aside for the purpose of cons	antial compliance, the prope idering compliance.	rty owner shall receive the opportunity f	or a hearing. The following date and
Time of hearing	nonth, day, year) Location of	hearing	
	HEARING RESULTS (to be	completed after the hearing)	
Appro		Denied (see instruction 5 above)	- Carlos - Company
Reasons for the determination (attach additional sheets in	f necessary)		
			Date signed (month, day, year)
Signature of authorized member			Date digited (morning day), yeary
Attested by:		Designating body	
	APPEAL RIGHTS	[IC 6-1.1-12.1-5.9(e)]	
A property owner whose deduction is denied b	v the designating hody may	appeal the designating body's decision	by filing a complaint in the office of the
A property diffice Whose decidence is defined a	a band conditioned to pay t	he costs of the anneal if the anneal is o	totermined against the property owner

	Johnson County Property Abatement Personal Property	erty					Per Accountant	ļ		
							Land	Garage/		
12/31/2022	Plant costs reclassed from Construction in Progress Account	6,680,197.00 Plant	Plant	Personal	Asset	Land	Impr	Office	Plant	Total
12/31/2022	"Computerized Batch Control Systems" from Plant Bill	(53,925.00) Plant	Plant	Personal						
12/31/2022	Garage Crane reclassed from Construction in Progress	95,554.00 Plant	Plant	Personal	1648	761,623				761,623
12/31/2022	"Computerized Batch Control Systems" from Plant Bill	53,925.00 IT Costs	iT Costs	Personal	1690	392,314				392,314
12/31/2022	Excess Concrete Reclamation System	937,227.00	937,227.00 Reclaimer	Personal	1756	25,774				25,774
12/31/2022	Air Compressor	5,500.00 Plant	Plant	Personal	1691		524,004			524,004
12/31/2022	Fuel Tank and Dispenser System	36,610.00 Plant	Plant	Personal	1694		938,065			938,065
12/31/2022	Depreciable Land Improvements reclassed from CIP Account	524,004.00	524,004.00 Land Improvements	Real	1708			1,427,890		1,427,890
12/31/2022	Sign	16,565.00	16,565.00 Land Improvements	Real	1709		9,439			9,439
12/31/2022	Parking lot, road improvements	947,504.00	947,504.00 Land Improvements	Real	1022		16,565			16,565
12/31/2022	Office & Garage	1,427,890.00 Office	Office	Real	1676				6,568,111	6,568,111
		10,671,051.00			1692				86,626	86,626
					1705				8,928	8,928
					1710				112,086	112,086
					1716				5,500	5,500
	Total				1717				36,610	36,610
Personal	7,755,088.00				1755				722,756	937,227
Real	2,915,963.00					1,179,711	1,488,073	1,427,890	7,755,088	11,850,762
	10,671,051.00						1,488,073.00			
	Total									
Plant	6,763,936.00									
Reclaimer	937,227,00									
IT Costs	53,925.00									
Land Improvements	1,488,073.00									
Office	1,427,890.00									
	10,671,051.00									
	Job Creation & Retention Schedule									
Employees										
Actual on 11/1/2020	21.00									
Current 2/12/2024	25.00									
Proposed by 12/1/2021	24.00									
Difference between 58-1 and Current	1.00									