



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



February 12, 2024

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

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.

Concrete

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

Aggregates

■ Edinburgh	812-526-2731
■ Franklin	812-526-2731
■ Shelbyville	765-763-7670
■ Rushville	765-763-7670

Trucking

- 317-398-4485

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
317-398-5553



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

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.

Concrete

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▪ Columbus	812-372-5553
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Trucking

- 317-398-4485



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 individual's 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.
2. 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).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. 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))
5. 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 INFORMATION	
Name of taxpayer Shelby Gravel, Inc doing business as Shelby Materials		County	Johnson
Address of taxpayer (number and street, city, state, and ZIP code) PO Box 280 Shelbyville, IN 46176		DLGF taxing district number	
Name of contact person Aaron Haehl		Telephone number (317) 392-5502	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body City of Franklin Common Council	Resolution number 20-17	Estimated start date (month, day, year) 3/1/2021	
Location of property 1961 North Graham Road, Franklin, IN 46131		Actual start date (month, day, year) 3/1/2021	
Description of real property improvements This project consisted of paving the lot, adding a building with offices and multiple garage bays, adding an enclosed ready mix plant and associated machinery, installing necessary drainage, enclosing the property with fencing and landscaping.		Estimated completion date (month, day, year) 12/1/2021	
		Actual completion date (month, day, year) 2/28/2022	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		21	25
Salaries		55,000	77,904
Number of employees retained		21	21
Salaries		55,000	77,904
Number of additional employees		3	4
Salaries		55,000	77,904
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project		239,800	
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	ASSESSED VALUE	
Values before project			
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 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 Chief Financial Officer	Date signed (month, day, year) 2/12/2024	

**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:

- ☐ 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 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.

