



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Specialist
Date: March 9, 2021
Re: Case C 2021-25: 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 2020:

| | Estimated on SB-1 | Actual in 2020 | Difference |
|--------------------------------|-------------------|----------------|--------------|
| Employees Retained | 21 | 19 | -2 |
| Salaries | \$1,048,320 | \$948,480 | \$99,840 |
| New Employees | 3 | 0 | -3 |
| Salaries | \$149,760 | 0 | -\$149,760 |
| Total Employees | 24 | 19 | -5 |
| Total Salaries | \$1,198,080 | \$948,480 | -\$249,600 |
| Average Hourly Salaries | \$24.00 | \$24.00 | 0 |
| Real Property Improvements | \$2,400,000 | \$0 | -\$2,400,000 |
| Personal Property Improvements | \$6,470,000 | \$0 | -\$6,470,000 |

3. Shelby Gravel had stated on their SB-1 form that construction would begin in 2021. The company is still on track for this start date and should have completion by the end of 2021. The company will hire the new employees at that time. Currently they are down 2 employees due to seasonal needs and intends to employ two new replacements by spring.

4. The real property investment is \$0, however the company has made progress with site readiness and permits. The personal property will be purchased and installed as construction is completed.

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

February 15, 2021

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

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

Re: Tax Abatement Compliance for Shelby Gravel, Inc.

Dear Mrs. Monson:

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

As can be seen from reviewing the enclosed documents, our company has not yet started the investment in the new facility. We are currently putting our different phases of work out for bid and still believe our anticipated start date of March 1, 2021 will hold firm with budgetary numbers very close to what was presented in the SB-1 that was proposed on November 16, 2020.

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
Vice President
Shelby Gravel, Inc. dba Shelby Materials
ahaehl@shelbymaterials.com
317-392-5502

Enclosures



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 Shelby Gravel, Inc. d/b/a Shelby Materials | | | | | | | | |
| Address of taxpayer (number and street, city, state, and ZIP code) PO Box 280, Shelbyville, IN 46176 | | | | | | | | |
| 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 20-18 | | | | | | |
| Location of property N Graham Rd, 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. Ready-Mix concrete plant, Concrete reclaimer, IT and Office equipment | | Estimated starting date (month, day, year) March 1, 2021 | | | | | | |
| | | Estimated completion date (month, day, year) December 1, 2021 | | | | | | |
| SECTION 3 | | EMPLOYEES AND SALARIES | | | | | | |
| EMPLOYEES AND SALARIES | | AS ESTIMATED ON SB-1 | ACTUAL | | | | | |
| Current number of employees | | 21 | 19 | | | | | |
| Salaries | | 48,000-55,000 each | 48,000-55,000 each | | | | | |
| Number of employees retained | | 21 | 19 | | | | | |
| Salaries | | 48,000-55,000 each | 48,000-55,000 each | | | | | |
| Number of additional employees | | 3 | | | | | | |
| Salaries | | 48,000-55,000 each | | | | | | |
| 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 | 0 | | | | | | | |
| Plus: Values of proposed project | 6,400,000 | | | | | | 70,000 | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | 6,400,000 | | | | | | 70,000 | |
| ACTUAL | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | | | | | | | | |
| 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 (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 <i>Aaron Haehl</i> | | Title <i>Vice President</i> | Date signed (month, day, year) <i>Feb 17, 2021</i> | | | | | |

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 6-1.1-12-5.9)

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 Township 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.
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 Township 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 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.



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20__ PAY 20__

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).

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☐ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
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 (SB-1 / Real Property).
3. This form must accompany the initial deduction application that is filed with the County Auditor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must file an updated form with the County Auditor and the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.1)
5. The updated form must be filed annually by May 15, or by the due date for the real property owner's personal property return that is filed in the township where the project is located, whichever is later. (IC 6-1.1-12.1-5.1 (b))
6. With the approval of the Designating Body, compliance information for multiple projects may be consolidated on one (1) compliance form (CF-1 / Real Property).

| SECTION 1 TAXPAYER INFORMATION | | | |
|---|-------------------|--|---|
| Name of taxpayer Shelby Gravel, Inc. d/b/a Shelby Materials | | | |
| Address of taxpayer (number and street, city, state, and ZIP code) PO Box 280, Shelbyville, IN 46176 | | | |
| Name of contact person Aaron Haehl | | Telephone number 317-392-6502 | |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY | | | |
| Name of designating body City of Franklin Common Council | | Resolution number 20-17 | |
| Location of property N. Graham Rd, Franklin IN 46131 | County Johnson | DLGF taxing district number | |
| Description of real property improvements: This project will be the site development and building of offices, maintenance facilities, and a ready-mix concrete plant for Shelby Materials. This new plant will improve efficiency of the operations and is not feasible in the current location. | | Estimated starting date (month, day, year) March 1, 2021 | |
| | | Estimated completion date (month, day, year) December 1, 2021 | |
| SECTION 3 EMPLOYEES AND SALARIES | | | |
| EMPLOYEES AND SALARIES | | AS ESTIMATED ON SB-1 | ACTUAL |
| Current number of employees | | 21 | 19 |
| Salaries | | 48-55,000 each | 48-55,000 each |
| Number of employees retained | | 21 | 19 |
| Salaries | | 48-55,000 each | 48-55,000 each |
| Number of additional employees | | 3 | 0 |
| Salaries | | 48-55,000 each | |
| SECTION 4 COST AND VALUES | | | |
| COST AND VALUES | | REAL ESTATE IMPROVEMENTS | |
| AS ESTIMATED ON SB-1 | | COST | ASSESSED VALUE |
| Values before project | | 0 | |
| Plus: Values of proposed project | | 2,400,000.00 | |
| Less: Values of any property being replaced | | | |
| Net values upon completion of project | | 2,400,000.00 | |
| ACTUAL | | COST | ASSESSED VALUE |
| Values before project | | 0 | |
| Plus: Values of proposed project | | 0 | |
| Less: Values of any property being replaced | | 0 | |
| Net values upon completion of project | | 2,400,000.00 | |
| 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 <i>Aaron Haehl</i> | | Title <i>Vice President</i> | Date signed (month, day, year) <i>Feb 17, 2021</i> |

**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 6-1.1-12-5.1)

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. A copy of the notice will be sent to 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.
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 and (2) the County Auditor.

| | | | |
|--|--|---|--------------------------------|
| 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 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. | | | |



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

Attachement to Form CF-1

Comments Concerning Investment and Job Creation or Retention Schedules

Shelby Materials still feels that our anticipated construction start date of March 1, 2021 will hold firm and that the budget estimates provided in the Form SB-1 are correct. To date, our progress payments on the fabrication of our new ready mix plant total \$2,370,678.

Shelby Materials did terminate two employees in November 2020 causing the number of active employees to decrease by two versus what was originally stated on the Form SB-1. These were routine terminations and with the seasonality of our business picking up each Spring, we will be hiring new employees soon and still anticipate reaching our net three additional employees by the time we are fully operational in early Winter 2021.

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

Investment Schedule

Shelby Gravel, Inc.
PO Box 280
Shelbyville, IN 46176

| | Proposed 11/16/2020 | Actual Investment 2/15/2021 |
|--------------------------|---------------------|-----------------------------|
| Proposed | 11/16/2020 | |
| Buildings & Improvements | 2,400,000 | |
| Machinery & Equipment | 6,400,000 | 2,370,678 |
| IT Equipment | 70,000 | |
| | 8,870,000 | 2,370,678 |

Job Creation & Renention Schedule

| | | | | |
|-----------|---------------------|-------------------|-----------------------|-------------------------------------|
| Employees | Actual on 11/1/2020 | Current 2/15/2021 | Proposed by 12/1/2021 | Difference Between SB-1 and Current |
| | 21 | 19 | 24 | -2 |