



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 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees Retained	21	21	21
Salaries	\$1,048,320	\$1,155,000	\$106,680
New Employees	3	2	-1
Salaries	\$149,760	\$110,000	-\$39,760
Total Employees	24	23	1
Total Salaries	\$1,198,080	\$1,265,000	\$66,920
Average Hourly Salaries	\$24.00	\$26.44	\$2.44
Real Property Improvements	\$2,400,000	\$2,605,656.49	\$205,656
Personal Property Improvements	\$6,470,000	\$6,933,312	\$463,312

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. In 2021 they are one employee below estimates but above in wages. They are planning to hire additional labor this summer.

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. In 2021 the company was above the estimate by \$205,656 for real and \$463,312 for personal.

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 18, 2022

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 is nearly complete with the adjacent office and garage. We are expecting to apply for our Certificate of Occupancy for the office and garage before the end of February.

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

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



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Attachment to form CF-1

Comments Concerning Investment, Job Creation and Retention Schedules

Shelby Materials has exceeded the construction budget as set out when applying for tax abatement. The concrete reclaimer portion of our plant which is not complete still has a final bill of approximately \$142,5000 along with the cost of enclosing that equipment into a small metal building (approx. \$64,000) which we anticipate being completed in spring of 2022. This does not prevent us from using our ready mix plant as that was completed in November of 2021 and is in use.

Shelby Materials has continued to add employees. Our stated goal was 24 employees total from our starting point of 21. We have added a net 2 employees for a total of 23 but are looking to add even more employees well beyond our goal of 24 due the significantly increased demand for concrete in the Johnson County market.

Concrete

▪ Franklin	317-738-3445
▪ Shelbyville	317-398-4485
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▪ Seymour	812-522-6221
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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__ 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).

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. d/b/a 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 N. Graham Rd, Franklin IN 46131		Actual start date (month, day, year) 3/1/2021	
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 that is not feasible at the current location.		Estimated completion date (month, day, year) 12/1/2021	
		Actual completion date (month, day, year) 2/28/2021	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		21	23
Salaries		55,000	55,000
Number of employees retained		21	21
Salaries		55,000	55,000
Number of additional employees		3	2
Salaries		55,000	55,000
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project			
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			
Plus: Values of proposed project	2,203,829.40		
Less: Values of any property being replaced			
Net values upon completion of project	2,605,656.49		
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 Vice President	Date signed (month, day, year) 2/18/2022	

Johnson County Property Abatement Personal Property

12/31/2021	Plant costs reclassified from Construction in Progress Account	6,568,110.67	Plant	Personal
12/31/2021	"Computerized Batch Control Systems" from Plant Bill	(53,925.00)	Plant	Personal
12/31/2021	Garage Crane reclassified from Construction in Progress	86,626.39	Plant	Personal
12/31/2021	"Computerized Batch Control Systems" from Plant Bill	53,925.00	IT Costs	Personal
12/31/2021	Depreciable Land Improvements reclassified from CIP Account	524,004.33	Land Improvements	Real
12/31/2021	Non Depreciable Land Improvements reclassified from CIP Account	392,313.86	Land Improvements	Real
1/31/2022	January Bills booked (All Office Related)	122,296.26	Office	Real
12/31/2021	Amount of Reclaimer left in Construction in Progress at EOY	332,500.00	Reclaimer	Personal
12/31/2021	Amount of Office/Garage left in Construction in Progress Account at EOY	1,165,224.95	Office	Real
12/31/2021	Remaining budget - Reclaimer	206,912.86	Reclaimer	Personal
	Remaining budget - Office/Garage	401,817.09	Office	Real
		9,799,806.41		

Personal	Spent	Not Yet Spent	Total
Real	6,987,237.06	206,912.86	7,194,149.92
	2,203,839.40	401,817.09	2,605,656.49
	9,191,076.46	608,729.95	9,799,806.41
Plant	Spent	Not Yet Spent	Total
Reclaimer	6,600,812.06	-	6,600,812.06
IT Costs	332,500.00	206,912.86	539,412.86
Land Improvements	53,925.00	-	53,925.00
Office	916,318.19	-	916,318.19
	1,287,521.21	401,817.09	1,689,338.30
	9,191,076.46	608,729.95	9,799,806.41

Employees
Actual on 11/1/2020 21.00
Current 2/15/2022 23.00
Proposed by 12/1/2021 24.00
Difference between SB-1 and Current 2.00