

## **CITY OF FRANKLIN**

Community Development Department

## Memorandum

To: City of Franklin Economic Development Commission

From: Dana Monson, Community Development Specialist

**Date:** March 11, 2025

Re: Case C 2025-51: Shelby Gravel (Res. 20-17 and Res. 20-18)

### Summary:

1. On November 16<sup>th</sup>, 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 2024:

	Estimated on SB-1	Actual in 2024	Difference
Employees Retained	21	21	0
Salaries	\$1,048,320	\$1,863,183	\$814,863
New Employees	3	2	-1
Salaries	\$149,760	\$177,446	\$27,686
Total Employees	24	23	1
Total Salaries	\$1,198,080	\$2,040,629	\$842,549
Average Hourly Salaries	\$24.00	\$42.66	\$18.66
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. In 2024 they were down by 1 employee but substantially higher wages.
- 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 5, 2025

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. Our ability to provide ready mix concrete to the Franklin and Johnson County markets has been greatly improved since the addition of our new facility in 2022 with 2023 being our busiest year ever in that market.

Throughout the course of the year our workforce number changes. We had 23 employees who were consistent throughout the entire year with their gross wages averaging \$88,723. We also had 4 additional employees who were either part time or only employed for small times during the year where the employment didn't work out. Their **combined** gross wages totaled \$74,722. Typically we ramp up our hiring in early spring and hope to add several employees to the Franklin location.

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

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

317-827-0090

Aggregates

Westfield

Pendleton

Edinburgh
 F2526-2731
 Franklin
 Shelbyville
 Rushville
 765-763-7670
 Rushville

Trucking

**317-398-4485** 



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

PRIVACY NOTICE
This form contains confidential
information pursuant to
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

FORM CF-1 / PP

2025 Pay 2024

State Form 51765 (R7 / 12-22)

Prescribed by the Department of Local Government Finance

#### 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)
- This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between January 1 and May 15, 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 form (CF-1).

SECTION 1		TAXPAYE	ER INFORMA	rion				
Name of Taxpayer						County		
Shelby Gravel, inc doing busir		nelby Mat	erials			Johnso		
Address of Taxpayer (number and street, city, state						DLGF Taxi	ng District Num	oer
PO Box 280, Shelbyville, IN 4	51/6		7.1	- Nh h		Email Addr		
Name of Contact Person Aaron Haehl				e Number 392-550	2		ess gshelbymat	eriale com
	100	TION AND D				anaemig	ganologinal	onais.com
SECTION 2  Name of Designating Body	LOCA	TION AND D	ESCRIPTION	n Number		Estimated:	State Date (mor	ih day year)
City of Franklin Common Cou	ncil		20-18			3/1/20		u, uuy, yeur
ocation of Property			1-1-1-				t Date (month, o	lav. vear)
1961 N. Graham Road, Frank	in, IN 461	31				3/1/20		-,,,,
Description of new manufacturing equipment, new			ment, new infon	nation technolog	y equipment, or		completion Date (	month, day, year,
new logistical distribution equipment to be acquired	-					12/1/2	021	
This projected consisted of bu	ilding an	office with	connect	ed garage	and stora	Actual Con 2/28/2	npletion Date (m N22	onth, day, year)
SECTION 3	1=1 = 11	EMPLOYE	ES AND SAL	ARIES		272012		STER
EMPLOYEES AND S	ALARIES			AS ESTIMA	TED ON SB-1		ACT	UAL
Current Number of Employees			21			2	23	
Salaries			55.00	00			8,723	
Number of Employees Retained			21				3	-
Salaries			55,00	30			8,723	
Number of Additional Employees			3	,,,		2		
Salaries		- 277	55,00	20			88,723	
SECTION 4		COS	T AND VALUE		The same of		0,120	
<u>DEGRIORY</u>	MANUFA: EQUIP	CTURING	RESEA	VRCH&	LOGISTICAL DI		IT EQ	UIPMENT
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	COST	ASSESSED VALUE	cost	ASSESSED VALUE	COST	ASSESSEI VALUE
Values Before Project	\$	s	\$	\$	\$ 5		s	\$
Plus: Values of Proposed Project	\$ 6,400,000	\$	\$	\$	\$		\$ 50,000	s
Less: Values of Any Property Being Replaced	\$	\$	\$	\$	\$		\$	\$
		s	\$	s		; ;	\$ 50,000	\$
Less: Values of Any Property Being Replaced Net Values Upon Completion of Project ACTUAL	\$ 6,400,000 COST	S ASSESSED VALUE	-	-	-			\$
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Net Values Upon Completion of Project  ACTUAL  Values Before Project  Plus: Values of Proposed Project  Less: Values of Any Property Being Replaced	\$ 6,400,000 COST \$ \$ 7,701,163	ASSESSED VALUE  \$ \$ \$	COST  S S S	\$ ASSESSED VALUE \$ \$	COST  S S S	ASSESSED VALUE	\$ \$ 53,925	S ASSESSEI VALUE S S
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Net Values Upon Completion of Project  ACTUAL  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 confident  SECTION 5 WAST	\$ 6,400,000 COST \$ \$ 7,701,163 \$ \$ 7,701,163 al pursuant to le	\$ \$ \$ \$ C 6-1.1-12.1-5. D AND OTHE	\$ COST \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 6(c).	\$ ASSESSED VALUE \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	COST  \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$  THE TAXPA	ASSESSED VALUE	\$ \$ 53,925 \$ \$ 53,925	S ASSESSE VALUE  \$ S S S S
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#### OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)

INSTRUCTIONS: (IC 6-1 1-12 1-5.9)

- 1 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
- 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, including 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.
- 3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made a 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.
- 4. If the designating body determines that the property owner has NOT made a reasonable effort to comply, 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 Date of Hearing (month, day, year) Location of Hearing
PM PM
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 filling a complaint in the office of the clerk 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.

	Johnson County Property Abatement Personal Property	ty.					Per Accountant	_		
				-			Land	Garage/		
12/31/2022	Plant costs reclassed from Construction in Progress Account	5,680,197.00 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 Reclaimer	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	RIS	16,565.00	16,565.00 Land improvements	Real	1709		9,439			9,439
12/31/2022	Parking lot, road improvements	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	929'98
					1705				8,928	8,928
					1710				112,086	112,086
					1716				5,500	5,500
	Total				7171				36,610	36,610
Porconal	7,755,088,00				1755				937,227	937,227
1000	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 as of 12/31/2024	23.00									
Proposed by 12/1/2021	24.00									
Difference between SB-1 and Current	1.00									



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

Concrete

## 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 2 employees for a total of 23 but we anticipate adding several more employees in the spring to reach or surpass our goal of 24.

#### 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 Rushville

Trucking

**317-398-4485**