



Backus receives DEED grant to finance economic development

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Scamp's manufacturing plant, owned by Kent and Therese Eveland, will soon be receiving a loan from the city of Backus.

The city was approved for a grant in the amount of \$204,512 from the Department of Employment and Economic Development (DEED). The city will loan that grant amount to the Eveland's to assist in the financing for rebuilding their business.

Scamp's manufacturing plant was completely destroyed in a January structure fire.

"The whole idea with this (grant) was to build up a nice little revolving loan fund for you (Backus) to use on expanding business," said Gail Levenson, Cass County Economic Development Corporation Consultant.

"That will be a good revolving loan fund for them to help recruit new business in the future," she said.

The council agreed, at the May meeting, to charge the Eveland's a 1 percent interest rate. However, DEED raised that to a 2 percent interest rate on a 10-year term.

"It'll be good for the city, besides helping Eveland's get (started) again," Mayor Cloie Smith said at the May council meeting. Backus is hoping to grow, she said, and this grant will help with that.

The city already has one revolving loan fund that started from a similar 1985 grant. The \$204,512 grant for Eveland's will go into a separate revolving loan fund that will have different lending criteria.

Both funds are used to help finance economic growth with the city.

"You're probably the envy of (other) cities around here," Levenson said.

EDC update

The Cass County EDC has assisted 22 businesses complete their projects which created more than 190 new jobs and \$16.8 million in capital investments and since 2004, Levenson said.

The EDC has had 195 requests for assistance in 2006, January through May, according to its 2006 semi-annual report. It assisted seven businesses complete their project plans which will supply 38.5 new jobs.

In addition to the grant for Backus, the EDC helped secure a \$10,000 grant for Little Sand Group Homes in Remer in 2006.

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