

Backus Council hears Eveland's intention to expand business

Posted: June 4, 2013 - 5:25pm

By Travis Grimler

Staff Writer

Gail Levenson of the Cass County Economic Development Corporation met with the Backus City Council during its June 3 regular meeting to discuss the possible expansion of the Scamp Travel Trailer Company.

Levenson said Kent Eveland was interested in purchasing a city-owned lot north of his current business. A facility would be built on the property to house the welding operation following the loss of the welding compound in Powers Township.

Levenson estimated the current annual tax revenue to the city at \$37,000. If approved, a 15,600-square-foot building would be added to the property. The cost of the building is estimated at \$774,670. Levenson estimated \$25,481 in additional tax revenue.

Levenson explained that the new facility could be built on the current property, but Eveland would prefer the option of expansion in the future.

Levenson and Eveland asked the city for three considerations: To allow Eveland to purchase the lot to the north; to allow Eveland to apply for a tax-increment financing (TIF) option to help purchase the lot; and to allow Eveland to apply for a loan of approximately \$50,000 from the city revolving loan fund.

With TIF, Scamp would receive rebates on its property taxes for the new property for nine years, allowing the company to pay for the addition quicker. In return, the city has an option of retaining 10 percent of that rebate and would receive up-front payment for the purchase of the property.

In other business Monday, the council:

- Received a model ordinance that would allow the city to run background checks on city employees.
- Amended the airport hangar lease agreement to make Hangar Keeper's Insurance optional and to require those leaving a lease to remove any improvements before the lease expires.
- Adopted an out-of-state travel policy.
- Approved the purchase and installation of gutters on city hall.
- Approved the removal of dead and dying trees at the end of Wood Street.
- Made a note to include funds for purchase of flags in next year's budget.

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