

\$164,700 incentive grant approved

Tire company to
build warehouse

By **GORDON HAIRE**
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DeSOTO - Kaufmann Tire will build a 75,500 square foot warehouse at Center Park Boulevard and Polk Street after being awarded an \$164,700 economic development incentive grant

Desoto Economic Development Corporation (DEDC) president Gail Douglas told the city council that Kauffman Tire has selected DeSoto as the location for their warehouse facility. He said that DeSoto was one of three area finalists for this facility. Kauffman Tire is a family owned business, located in Atlanta, Georgia. Having been in business since 1939, they have 10 wholesale and distribution facilities with 39 retail stores.

The DeSoto Economic Development Corporation (DEDC) is a 4A sales tax corporation that invests sales tax-derived funds on behalf of the community of DeSoto to encourage additional private investment that will increase and diversify the tax base, create jobs, lower residential taxes, increase the number of shopping and restaurant venues available in the city.

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At their July 22 meeting, the DEDC board of directors approved an incentive grant of up to \$164,700.00 over a five year period for Kauffman Tire's proposed distribution facility. The grant is to be achieved by having the city abate taxes for real property and business and personal property at 75% for 3 years.

Kauffman Tire will pay their taxes as billed on an annual basis, provide DEDC and the City a paid receipt, and DEDC will apply city's share and reimburse the difference each year for 5 years not to exceed total of \$110,538.00 as DEDC's share.

DEDC vice president Ernie Roberts said that DeSoto competes with every other community for the same companies. Giving financial incentives is the primary way that cities attract new business development. DEDC only gives incentives when it the benefit -cost ratio for the city will be high. When a city gives a financial incentive to a company, it estimates the long-term financial gain for the city.

The corporation promotes business development, to increase and broaden the city and school district's tax base. The board of directors approaches each project as a win-win transaction. The business gets financial benefits, but the city gets property and sales tax revenues from the businesses.