The Morning Sun (http://www.themorningsun.com)

Alma's Avalon and Tahoe Manufacturing expecting to create new jobs with proposed expansion

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Friday, August 4, 2017



A minimum of 75 new jobs could be created by Avalon and Tahoe Manufacturing if the Alma City Commission approves the company's request for an Industrial Facilities Exemption Certificate to expand its facility.

The city commission will consider the request at its meeting at 6 p.m. Tuesday in the commissioners' room at the Alma Municipal Building at 525 E. Superior St. Before the meeting, a work session will take place at 5:30 p.m.

Specifically, the pontoon boat manufacturing company plans to build three additions to its existing facility, including 4,000 square feet in new office space, a 57,000 square foot assembly building expansion and a new loading structure that is 16,000 square feet, according to the agreement between the company and the city.

With the additions, the total space will be 243,000 square feet.

"Our products are in high demand. We've expanded our dealer network; we sell to a network of 220 dealers around the country. In order to meet that significant growth and consumer demand, we're growing with them," said CEO and President Jim Wolf.

The fifth largest producer of pontoon boats in the U.S., the company will invest at least $760,000 in the project according to the certificate it signed July 7, while the city's investment will be via its anticipated approval of the certificate.

According to state Public Act 198 of 1974, an Industrial Facilities Exemption Certificiate entitles the applying facility to be exempt from tax collection on real and/or personal property for a period of time up to 12 years. The allotted time is determined by the local unit of government.

Any new jobs created must be done within in two years of the project's completion. The application indicates the improvements are planned for completion by Dec. 1.

In addition to creating new jobs, 50 current positions are planned for retention.

He said the company is actively looking to hire new employees.

The company recently held a showcase and meetings with its 220 dealers from around the country and were given orders to make 2,900 pontoon boats this year, up from the 1,800 orders given last year.

"It's our goal to keep ramping up our production and produce more boats on a daily basis. We have a huge backlog of orders," Wolf said.

Also, the project will include a separate investment of $4.1 million not included in the application for equipment and installation. It is not part of the application because it is Eligible Manufacturing Personal Property and is subject to an essential services assessment, according to the application.

The application also indicates it requests the exemption for the maximum time allowed of 12 years.

If the commission approves the certificate, it will then be sent for review at the state level by the Property Services Division and the Michigan Economic Development Corporation.

The State Tax Commission is responsible for final approval and issuance of certificates. Exemptions are not effective until approved by this commission.

The expansion is the second since 2013.

According to Greater Gratiot Development, the company employs 230 people as of 2013. Also, in between 2012 and 2013, the company invested an additional $3 million in a 55,000 square foot expansion to its facility and added 50 new employees. This expansion was completed in August 2013.

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