

## **Cass County supports Pine River business loan application Posted:**

**January 28, 2014 - 4:49pm by the Pines & Lakes Echo Journal**

By Monica Lundquist

Cass County Correspondent

Pine River's newest proposed manufacturing business moved a step closer to reality Tuesday, Jan. 21, when the Cass County Board voted to support the business' application for a loan the Cass County Economic Development Corporation (EDC) will administer.

The board also agreed to serve as a pass-through for the money that will come from Minnesota Investment Fund as a grant from the Minnesota Department of Employment and Economic Development to Cass EDC.

The EDC then will loan the money to Jeffrey and David Handeland and their business, American Surplus and Manufacturing Inc. The business currently manufactures Ice Castle fish houses in southern Minnesota. Their second manufacturing plant would open in Pine River with this financing.

Gail Levenson, Cass EDC director, told the county board the business hopes to close on purchasing the former Chrysler dealership property along Highway 371 by Feb. 28 and start production at the site later this spring.

They plan to employ 20 people in the first two years of operations and make a payroll of \$530,200 in those two years, Levenson said. As the business repays its loan, 80 percent of principal will go back to the state, 20 percent of principal will go to EDC to begin a revolving business loan fund and the 2 percent interest paid on the loan will pay for EDC loan administration costs, she explained.

Total amount of the loan principal is \$107,500.

If Cass EDC should cease to exist, all funds relating to the grant and notes receivable will revert to Cass County under the agreement the board approved. In the event of a default on the loan, Cass EDC would attempt collections, including on personal guarantees, foreclosing on real estate and selling the property, the agreement states.

Sharon Anderson, Cass auditor-treasurer, told the county board the county will not be a signatory on the loan agreement and, therefore, will hold no liability for any funds involved in the loan.