

Thin Film buyout moving ahead with govt. loan

Plan would save six engineering jobs now, maybe 40 jobs in 3 years

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NORTH MANKATO — A management buyout of Thin Film Technology, with help from government economic development agencies, is moving closer to completion.

The buyout will save six engineering jobs immediately at the North Mankato computer component manufacturer and lead to as many as 40 engineering and production jobs in three years, according to a company official.

The North Mankato City Council has approved the project — pending state approval — and the North Mankato Port Authority has given preliminary approval for a \$250,000 loan. That loan would be matched by a \$250,000 loan from the state Department of Employment and Economic Development and \$ 250,000 from the BENCO Electric revolvingloan fund.

A Small Business Administration loan of nearly \$1.3 million and a private loan through US Bank of more than \$1.8 million are also part of the \$6 million deal.

The buyout followed Thin Film's sale to the Japanese firm Susumu Co., which in March decided to cease production at the Commerce Drive plant and retain only the sales force for its North American operations. Plant managers instead pursued the buyout, and Thin Film President Tom Lietha told the Port Authority that the purchase will result in jobs increasing to the "mid-20s by the end of the first year, mid-30s by the end of the second year and mid-40s by the end of the third year."

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BUYOUT: 60 employees when production ended

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North Mankato City Administrator Wendell Sande said company officials were conservative in their official job estimates but hope the project will eventually get employment levels back to previous levels. There were 60 workers earlier this year when Susumu decided to end manufacturing.

"I think everyone whowas involved thought it was a very positive effort," Sande told the council recently.

In addition to saving jobs, the project should eventually generate money for future economic development in North Mankato. Twenty percent of the DEED loan, once it's repaid, will stay in North Mankato for later job-creation efforts, according to City Planner Mike Fischer.

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