

In the wake of last week's *Journal*, some public outcry arose over the County's considering lending \$100,000 to Winamac Lumber Yard, LLC; as word continues to get out that the Commissioners agreed to make this loan, such chatter will likely become more frequent. Having worked with Kyle Kruzick on the lumberyard issue since I first took over at Pulaski County Economic Development, informed him of the existence of the Revolving Loan Fund (RLF), convened and voted in the affirmative with the RLF committee, and presented the recommendation to the County Board of Commissioners, and being an employee of the County, I believe that I must speak in defense and explanation of this to the extent that I can without speaking for the County Commissioners.

First, I should clarify that in no meaningful sense does the money in the RLF come from paychecks of taxpaying residents of the county. Insofar as most government money ultimately derives from the taxpayers, one can make a flimsy argument that the Commissioners have used Pulaski County residents' money to bail out a business that floundered to the point of closing its doors. The truth, though, is that the RLF was established with a federal grant, with money added to its balance coming in the form of interest paid by borrowers. The share of this \$100,000 loan put up by someone from Pulaski County is, indeed, infinitesimal. The people of this county are not being taxed to prop up the local lumberyard.

More relevant is the question of whether this particular loan is a wise use of the RLF. It is a fair question, given that the same person who managed All Seasons is now the managing owner of Winamac Lumber. The reasons for All Seasons' closing are more complicated than what coffee-shop talk would suggest, and some of the reasons need not be aired publicly. What matters is that the RLF committee, the Commissioners, and I all had to ask ourselves one question: "Are we really ready to lose Pulaski County's only lumberyard?"

We are not.

Losing the only lumberyard in the county means more than having a few people looking for work and one less service available to us. It is another reason for people to spend money outside of our community. Those who want, or feel that they are financially forced, to choose big-box home-improvement centers over local stores are not easily going to be stopped. However, plenty of denizens of Winamac and Pulaski County make the conscious choice to patronize our local hardware stores and lumber yard. If, however, we have no lumber yard, then they are forced to leave town, whether for any number of yards in surrounding counties or a big-box store.

Once I'm at Lowe's for my lumber, I am likely to pick up that drain trap for my kitchen sink and some new lights for my front entrance. Sorry, Ace! As long as I am out shopping, I may as well buy some groceries at Kroger. Tough luck, Curt's IGA! Oh, what the heck, let's grab dinner, too. Thanks, anyway, Sportsman's! Pretty soon, I have spent hundreds of dollars that could have been returned to the Pulaski County economy.

That is hardly the scenario that Pulaski County Economic Development wants to create.

Was it a risky decision, given the ill fate of All Seasons? Perhaps, but the committee — a Commissioner, a Councilor, two local bankers, and I — reviewed Mr. Kruzick's business plan,

Winamac Lumber's financial forecast, and All Seasons' past financials. We grilled Kyle for nearly an hour, putting to him many of the same questions raised by the public. We considered the marketability of the security on this loan and concluded that, would Winamac Lumber default, the collateral assets could be liquidated to allow the RLF to recoup a significant amount of what is being lent. We considered the additional pressure to run the business effectively and efficiently that he will face from his co-owner and anyone else who may invest in the company in the future.

Ultimately, we concluded that Mr. Kruzick recognizes what changes need to be made to how All Seasons operated; that Winamac Lumber Yard, LLC, has great potential to succeed; and that the risks involved in this loan are worth accepting to open up the doors of a local business the absence of which will hurt multiple businesses. Not everyone will agree with our decision, but it is certainly the only reasonable option that I saw and continue to see.