



Legislation Text

File #: 2019-3848, Version: 1

Public Hearing: YES NO

Department: Board of Commissioners - District 2

SUBJECT:

Commission District(s): Districts 2 & 7

To Approve the Submission of a HUD Section 108 Loan Application in the Amount of \$4.5 Million Dollars for Inland Fresh Seafood Corporation of America, Inc. to Expand its Location at 1651 Montreal Road, Tucker Georgia

Information Contact: Commissioner Jeff Rader

Phone Number: 404-371-2863

PURPOSE:

To consider approving and authorizing the Chief Executive Officer to execute and submit a HUD Section 108 Loan Application in the amount of \$4.5 million dollars for Inland Fresh Seafood Corporation of America, Inc. to expand its location at 1651 Montreal Road, Tucker Georgia.

NEED/IMPACT:

This Section 108 Loan will allow the Inland Fresh Seafood Corporation of America, Inc. to expand its location to increase food processing capacity. Specifically, build out of its Freezer Facility to accommodate 1,100 pallets, install security fencing, replace interior roof and upgrade water - sewage needs. Additionally, civil work including excavation, grading, site preparation, paving, buffer zone, and a retention pond will be accomplished.

FISCAL IMPACT:

For budgeting purposes, at a rate of 3.6% for 20 years, the annual repayment is approximately \$315,996. The source of repayment will be Inland Fresh Seafood Corporation of America, Inc. In the event the company defaults on the loan the County's general funds will be the source of repayment.

HUD requires collateral for the loan and we are recommending that the land, improvements thereof, equipment and the facility upon completion be pledged as collateral. The required collateral will be a sold first priority lien on the property with an estimated fair market value of not less than \$5.6 million, or 125% of the HUD Section 108 Loan. In the event the property does not appraise at the required amount, additional assets will be pledged by Inland Fresh Seafood Corporation of America to HUD to cover the shortfall in the coverage ratio.

RECOMMENDATION:

To consider approving and authorizing the Chief Executive Officer to execute and submit a HUD Section 108 Loan Application in the amount of \$4.5 million dollars for Inland Fresh Seafood Corporation of America, Inc. to expand its location at 1651 Montreal Road, Tucker Georgia.