

Prince George's County Council Agenda Item Summary

Meeting Date: 11/7/2012
Reference No.: CR-074-2012
Draft No.: 1
Proposer(s): County Executive
Sponsor(s): Harrison, Davis, Franklin, Turner
Item Title: A Resolution endorsing a loan not to exceed \$200,000 to Nash Finch Company (“Nash Finch”) from the Maryland Economic Development Assistance Authority and Fund (“MEDAAF”) and authorizing a conditional loan by the County to Nash Finch not to exceed \$200,000 for eligible project costs associated with leasing a facility in the County and capital expenditures

Drafter: Joseph R. Hamlin, Office of Law
Resource Personnel: Wanda Plumer, Economic Development Corporation
David Iannucci, Office of the County Executive

LEGISLATIVE HISTORY:

Date Presented:		Executive Action:	11/21/2012 S
Committee Referral:	10/9/2012 - PSFM	Effective Date:	11/7/2012
Committee Action:	10/22/2012 - FAV		
Date Introduced:	10/9/2012		
Public Hearing:			
Council Action (1)	11/7/2012 - ADOPTED		
Council Votes:	WC:-, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A		
Pass/Fail:	P		
Remarks:			

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 10/22/2012

REPORT: COMMITTEE VOTE: Favorable 5-0 (Councilmember's: Campos, Turner, Davis, Harrison and Lehman)

This resolution will endorse and authorize the financial assistance from the State of Maryland Economic Development Assistance Authority and Fund (MEDAAF) to Nash Finch Company (the Company) for cost associated with leasing approximately 367,000 square feet of the facility located at 6304 Sheriff Road, Landover, Maryland for the term of at least fifteen years.

The State of Maryland through MEDAAF has offered \$200,000 as a conditional loan to the Company. The County has offered a matching conditional loan of \$200,000 contingent upon County Council authorization.

The funding for the County match will come from the Economic Development Incentive Fund (EDIF). The proceeds from the loan will be used to reimburse the Company for eligible cost in connection with the lease of 367,000 square

feet of the 504,000 existing space in Landover. The Company estimates cost associated with the facility of \$12,000,000 for fit out and equipment. The Company will relocate 36 full-time employees to the facility and hire an additional 100 new permanent full-time employees by December 31, 2016.

The terms of the MEDAAF loan to the Company will be at an annual rate of 3% for ten years with payments of principal and accrued interest from the date of disbursement until December 31, 2016. All outstanding deferred principal and accrued interest is eligible to be forgiven at the end of the term if the Company (1) expend or cause to have been expended or aggregate minimum of \$12,000,000, and (2) maintain the lease at the facility for the term of the loan. If the Company does not meet Performance Criteria (1) or (2) all outstanding unpaid interest and principal under the loan will be repaid. The Loan must close by December 31, 2012 and be fully funded by December 31, 2013.

The Office of Law has reviewed this Resolution and finds it to be in proper legislative form with no legal impediments to its adoption.

The adoption of CR-74-2012 will not have an adverse fiscal impact on the County. The \$200,000 loan from the County (EDIF) will not require a new appropriation of County funds.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This resolution will endorse a loan to Nash Finch from MEDAAF not to exceed \$200,000 and authorize a County conditional loan not to exceed \$200,000 from the County Economic Development Incentive Fund. Nash Finch is a wholesale food distributor. The company is headquartered in Minneapolis, Minnesota and has been in business for 127 years.

Nash Finch is expanding its operations to the Mid-Atlantic. After a search for locations and incentives within Prince George's County and adjacent jurisdictions, the company selected a property located in Landover. It will lease and improve 530,000 square feet, relocate 36 permanent, full-time employees to the project site and expects to increase employment from 36 to 136 permanent, full-time employees by the end of 2016.

CODE INDEX TOPICS:

INCLUSION FILES:

I-CR-74-2012 Attachment A.pdf
