

RESOLUTION NO. 2014- 164

A RESOLUTION APPROVING A UDAG/ SMALL BUSINESS LOAN TO BENNY ELECTRICAL CONTRACTOR, INC., OR ASSIGNS.

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated March 24, 2014, for a **UDAG/ Small Business Loan to Benny Electrical Contractor, Inc., or assigns;** and

WHEREAS, it is considered to be in the best interest of the City of Vineland and the community in particular that UDAG/ Small Business Loan Funds be utilized for the above-mentioned project; now, therefore,

BE IT RESOLVED by the City Council of the City of Vineland that said Council does hereby approve the use of Funds for the following project, in accordance with the proposal submitted by the City of Vineland Revolving Loan Fund Second Generation Loan Committee:

| | |
|--|--------------------|
| UDAG/ Small Business Loan to: | |
| Benny Electrical Contractor, Inc. | |
| or Assigns | \$25,000.00 |

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute all documents associated with this loan.

Adopted:

President of Council

ATTEST:

City Clerk



Sandra Forosisky, Director
Economic Development Dept.
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MEMORANDUM

TO: City Council President and Members

FROM: City of Vineland Revolving Loan Fund
Second Generation Loan Committee

SUBJECT: **Applicant:** Benny Electrical Contractor, Inc.
Loan Amount: \$25,000.00 via the City of Vineland UDAG/Small
Business Loan Program

DATE: March 25, 2013

Dear Council President Fanucci, Councilmen Procopio, Spinelli, and Councilwomen Calakos and Gonzales:

On behalf of the City of Vineland Revolving Loan Fund Second Generation Loan Committee, please accept this letter recommending a commitment be given to the above applicant for a City of Vineland UDAG/Small Business Loan in the amount as stated herein above.

Please note that the committee finds that the purpose of the loan meets the criteria set forth for the City of Vineland UDAG/Small Business Loan Program. The committee further finds that the loan will promote economic development, create or maintain jobs, and/or create tax ratables that will benefit the City of Vineland.

Please note that based on the information provided, the applicant has the present ability to repay said loan and the loan would be properly protected in that the pledged collateral has a net value which equals or exceeds the amount of the requested funding.

Respectfully submitted,

A handwritten signature in black ink that reads "Sandra Forosisky".

Sandra Forosisky
Director of Economic Development

SF/fd

cc: Frank DiGiorgio
file



VINELAND UEZ LOAN COMMITTEE
LOAN PROPOSAL



Date: March 24, 2014

Borrower Name and Address (s): Benny Electrical Contractor, Inc.
2816 N. West Boulevard
Vineland, New Jersey 08360

Request: \$25,000 term loan via the City of Vineland UDAG/Small Business Loan Program for working capital.

Interest Rate: 5.00%

Term of Loan: 5 Years

1. BACKGROUND: Benyamin "Benny" Kashani emigrated to the United States of America in 1983 from Israel. He was employed as a truck driver in North Jersey until 1984. Thereafter, he took on a job with Kaiser Electric where he worked for thirteen (13) years as an apprentice and electrician. He has been an electrician since 1989. In 1998, he formed his business, Benny Electrical Contractor, Inc. in the State of New Jersey. Benny Electric Contractor, Inc. is an electrical/electrician contractor specializing in industrial, commercial and residential electric service installation and repair.

Mr. Kashani is now interested in growing his business to bring on an additional employee and truck/van. He has approached the City of Vineland for assistance in achieving this goal. Mr. Kashani has attempted to access credit via traditional avenues. However, due to a divorce situation, traditional access to capital has been denied. A review of the business financials demonstrates capacity to cover the debt service associated with this request.

1b. PROJECT: Project involves funding a working capital / small business loan in the amount of \$25,000 via UDAG/Small Business Loan Program. Collateral will be business assets and motor vehicle.

2. COLLATERAL:

- a.) UCC-1 filing and Security Agreement (State of NJ filing) on all business assets now owned and hereafter acquired of Benny Electrical Contractor, Inc.,
- b.) Evidence that Benny Electrical Contractor, Inc. is in compliance with all State of New Jersey requirements,
- c.) NJ Motor Vehicle Commission Financing Statements on motor vehicles now owned or to be purchased of/by Benny Electrical Contractor, Inc.
- d.) Subordination of shareholder / owner debt.
- e.) Any additional collateral and/or documentation deemed necessary by counsel.

3. GUARANTORS:

- a.) Benyamin Kashini

4. LIEN POSITION: First position on all business assets and first position on motor vehicles owned by Benny Electrical Contractor, Inc.

5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:

6. SIZE OF PARCEL: N/A.

7. IMPROVEMENTS THEREON: N/A.

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8. LOCATION OF PROPERTY: Business assets and motor vehicles are located at 2816 N. West Boulevard, Vineland, Cumberland County, New Jersey a/k/a Block 703, Lot 15.

9. APPRAISAL INFORMATION: LTV calculation was based on collateral value of motor vehicle at time of underwriting (\$29,000). \$25,000 loan / \$29,000 value or 86%.

10. FINANCIAL:

11. SUBSTANTIATION: LTV = 86%, DSCR = 3.56x

- Assist small business owner with working capital loan.

12. RECOMMENDATION: