

RESOLUTION NO. 2015- 189

**RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO THE LANDIS THEATER FOUNDATION.**

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated April 30, 2015, for use of Second Generation Enterprise Zone Assistance Funds for the following project: **Economic Development Loan Phase I and Phase II to The Landis Theater Foundation** as outlined on the Vineland UEZ Loan Committee Loan Proposal Recommendation dated April 30, 2015; and

WHEREAS, it is considered to be in the best interest of the City of Vineland and the community in particular that Second Generation Enterprise Zone Assistance 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 Second Generation Enterprise Zone Assistance Funds for the following project, in accordance with the proposal submitted by the City of Vineland Revolving Loan Fund Second Generation Loan Committee:

<b>Economic Development Loan to</b>	
<b>The Landis Theater Foundation Phase I</b>	<b>\$164,585.42 30 Day Loan</b>
<b>The Landis Theater Foundation Phase II</b>	<b>\$75,782.26 19 Months</b>

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

Adopted:

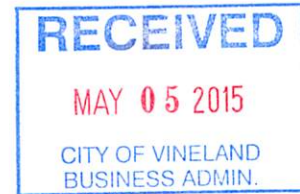
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President of Council

ATTEST:

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City Clerk



**MEMORANDUM**

TO: City Council President and Members

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

SUBJECT: **Applicant:** Landis Theater Foundation  
**Loan Amounts:** Loan 1 - \$164,585.42  
Loan 2 - \$ 75,782.26

DATE: April 30, 2015

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 second generation 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 in the Statute made and provided governing Urban Enterprise Zone Loans. The committee further finds that the loan will promote economic development, creation/retention of jobs, and/or tax ratables that will benefit the City of Vineland.

Further, 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



Interest due to Foundation from USB for 27 months at \$1,034.46	\$27,930.42
USB Monitoring Fee for 27 months at \$596.43 less \$1,194.58 credit	\$14,909.03
EDA Distribution for 27 months at \$0.86	<u>\$ 23.22</u>
	\$164,585.42

This loan will be paid back within 30 days.

The USB Investment Fund will pay \$101,693.78 (\$86,784.75 + \$14,909.03) and the Foundation will pay \$62,891.64 (\$34,938 + \$27,930.42 + 23.22).

## **Loan 2**

Loan 2 is for a period of 19 months. The monthly payments from the Landis Theater Master Tenant to the EDA CDE would continue to be \$8,460; however, an addition \$177 is being added to the payment per month of the Landis Theater Foundation to the Landis Theater Master Tenant. There must be at least 2% retained at the Master Tenant Level.

The UEZ loan would be calculated as follows:

Interest due to UEZ from USB for 19 months at \$3,214.25	\$61,070.75
USB Monitoring Fee to be paid to UEZ as prepaid interest at \$596.43	\$11,332.17
EDA Distribution for .01 ownership	\$ 16.34
Retainage of 2% for Master Tenant	<u>\$ 3,363.00</u>
	\$75,782.26

## **Conclusion**

The two working capital loans are necessitated to keep the Landis Theater current on its debt, which the UEZ will receive payment. At the end of the 7-year term on December 30, 2016, the structure collapses and the UEZ will have a first position mortgage on the Landis Theater.