

RESOLUTION NO. 2016-\_\_\_\_\_

**A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO BOYS AND GIRLS CLUB OF VINELAND.**

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated December 22, 2015, for use of Second Generation Enterprise Zone Assistance Funds for the following project: **Economic Development Loan to Boys and Girls Club of Vineland;** 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>Boys and Girls Club of Vineland</b>	<b>\$35,000.00</b>

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

MEMORANDUM



TO: City Council President and Members

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

SUBJECT: **Applicant:** Boys and Girls Club of Vineland  
**Loan Amount:** \$35,000.00.

DATE: December 22, 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,



Sandra Forosisky

Director of Economic Development

SF/fd

cc: Frank DiGiorgio  
file



**VINELAND UEZ LOAN COMMITTEE  
LOAN PROPOSAL**

**Date:** December 15, 2015

**Borrower Name and Address (s):** Boys and Girls Club of Vineland  
1370 S. Main Road, Suite #1106  
Vineland, NJ 08360

**Request:** \$35,000 commercial term loan – permanent financing for improvements to a building to be utilized as the headquarters of the Boys and Girls Club of Vineland.

**Interest Rate:** 4.00%

**Term of Loan:** 15 Years

---

**1. BACKGROUND:** Boys and Girls Club of Vineland (“BGCV” or the “Company”) provides mentor programs that provide educational, cultural, and recreational opportunities to at-risk youth. The goals of the programs are to provide children with a safe and fun place to meet where they can learn social skills, have nutrition, educational training and exercise opportunities. Training with computers, tutoring, and career counseling are also provided. In addition, an important goal is to promote volunteerism in the community. BGCV is a 501 C-3, Non-Profit Corporation, formed in 2004. Christopher Volker is the Executive Director and has been involved with this organization for eleven years in Vineland. BGCV receives funding from various grant sources as well as through fundraising activities.

On July 1, 2015, the Bay Atlantic Federal Credit Union, formerly Kimble Federal Credit Union, conveyed to the BGCV, the property located at 560 Crystal Avenue, Vineland, NJ as a donation. The BGCV will utilize this facility, a former banking branch and office building, as its headquarters as well as for program services. This will allow the BGCV to have physical office space and to save on lease expense relating to rentals of program service space from third parties allowing for a more efficient operation as well as having its own usable location.

**1a. PROJECT:** The subject loan request is for assistance to complete property and building improvements. Documentation provided demonstrates that improvements in the form of roof repairs, updated electrical and plumbing/hvac, and exterior improvements totaling approximately \$35,000 (not including soft costs) are necessary to renovate the building. A three month interest only period to provide a draws based upon an approved schedule will be required. Thereafter, the interest only period will term out to a fifteen year, full amortization schedule. Below are the categories of improvements and sources of funds.

<u>Uses</u>		<u>Sources</u>	
Plumbing	\$ 9,600	Borrower	\$ 1,000
Electrical	8,550	<u>UEZ</u>	<u>35,000</u>
HVAC Upgrades	9,950	Total Sources	\$ 36,000
Exterior and Fencing	4,200		
Fire Protection/Security	2,700		
<u>Soft Costs</u>	<u>1,000</u>		
Total Costs	\$36,000		

**2. COLLATERAL:**

- a.) First position mortgage lien on the real estate located at 560 Crystal Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 2328, Lot 2,
- b.) Assignment of Rents and Leases,
- c.) UCC – 1 Filing and Security Agreement (Cumberland County Filing),
- d.) UCC-1 Filing and Security Agreement (State of NJ Filing).

**3. GUARANTORS:** N/A.

**4. LIEN POSITION:** First.

**5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:** N/A.

**6. SIZE OF PARCEL:** +-1.21 acres.

**7. IMPROVEMENTS THEREON:** 2,025 sq. ft. masonry block building comprised of one story on 1.2 acres of land inclusive of an attached bank-canopy. Building constructed in 1973, Former site of Bay Atlantic Credit Union (formerly Kimble Credit Union). Facility is serviced by natural gas. No visible environmental conditions visible.

**8. LOCATION OF PROPERTY:** 560 Crystal Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 2328, Lot 2.

**9. APPRAISAL INFORMATION:** The property will real estate tax exempt in 2016. However, for valuation purposes, the City of Vineland's assessed valuation is as follows:

Land	\$138,100
Building	191,900
Total	\$330,000

Based on the above, the LTV would equal 11%. Applying a value of \$100,000, the LTV would be 35% (slightly less than \$50 per ft.).

LTV = 35%

**10. FINANCIAL:**

**11. SUBSTANTIATION:** LTV = 35%, DSCR = 1.62x.

- Assist a local service provider with improvements to facility which in turn will allow efficiency and long term benefit from reduced occupancy expense.
- Service organization provides services to at-risk, local youth.

**12. RECOMMENDATION:**