

RESOLUTION NO. 2017-_____

A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO GARDEN TRUCK STOP, LLC (OR ITS ASSIGNS).

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated August 31, 2017, for use of Second Generation Enterprise Zone Assistance Funds for the following project: **Economic Development Loan to Garden Truck Stop, LLC (or its assigns);** 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:

Economic Development Loan to:

GARDEN TRUCK STOP, LLC (or its assigns) \$700,000.00

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

MEMORANDUM

TO: City Council President and Members

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

SUBJECT: **Applicant:** Garden Truck Stop, LLC (or its assigns)
Loan Amount: \$700,000.00

DATE: August 31, 2017

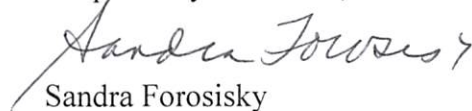
Dear Council President Spinelli, Councilmen Acosta, Franceschini, Vargas, and Councilwomen Calakos:

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: July 31, 2017

Borrower Name and Address (s): Garden Truck Stop, LLC
2114 W. Garden Road
Vineland, NJ 08360

Request: \$700,000 commercial term loan for a truck wash/truck stop, diesel fueling station and scale, restaurant, convenience store facility to be located on W. Garden Road opposite to the entrance of the Vineland Industrial Park – South.

Interest Rate: 5%

Term of Loan: 20 Years

1. BACKGROUND: Zyggi Dobkowski and, his wife Diane Dobkowski, are the owners of Z & D Realty, LLC (“Z & D Realty”), a real estate holding company with property ownership interests in Vineland, NJ. Last year, Z & D Realty, LLC, sold the B & E Apartments, a 40 unit apartment facility located on Park Avenue, near Valley Ave. in Vineland which they owned for over ten (10) years. Z & D Realty currently owns two buildings in the heart of the Vineland Downtown Improvement District – Main Street Area. The building located at 619 E. Landis Avenue is comprised of approximately 11,200 sq. ft. (5,600 sq. ft. of ground level and 5,600 sq. ft. basement) and was the former retail location of a pharmacy and known back in the day as the Grant Building or Grant’s retail store, is currently utilized as a banquet, event / catering, reception hall. The building located at 623 E. Landis Ave. has been renovated with a restaurant on the main street/ground level known as the Landis Pig Roast (SouthWestern flair themed – pulled pork, roasted chicken and popoosa etc.) and four residential apartments on the second and third floors. Recently, Mr. Dobkowski formed Garden Truck Stop, LLC (“Garden” or “Garden Truck Stop”), a single member - limited liability company, to construct, operate and own the Garden Truck Stop located at 2114 W. Garden Road, Vineland, NJ.

Zyggi Dobkowski has spent the past thirty-one (31+) years in the food service and hospitality industry. He is currently a captain (similar to a restaurant manager position) at Caesar’s Atlantic City on a part time basis. He has previous experience in the New York restaurant industry as well as having been employed by the son of RJ Reynolds (magnate of the cigarette company) in Palm Beach, Florida, and Alan Hale (the “Skipper” character actor of the Gilligan’s Island show) in California. Mr. Dobkowski plans on continuing his job in Atlantic City while, and along with his wife, manage the Landis Pig Roast, Grant Plaza venture as well as their real estate investments. He currently resides in Egg Harbor Township with his wife Diane.

The Garden Truck Stop, LLC’s project, the subject project, has received City of Vineland Planning Board Approval on June 14, 2017. Clearing of the ground at 2114 W. Garden Road has commenced and pending a perfected plan submission, applying for permits, and approval of UEZ funding, construction is planned for later this year. The project will be a complete truck stop inclusive of a truck wash (two-bay with), a five-pump diesel fuel service area, a restaurant / convenience luncheonette area with an accessory apartment unit on second floor, and a truck scale. Amenities such as a bathrooms and shower area and tv/entertainment area will be included on site for truck drivers.

1a. COMPETITION: Local competition in from of one other truck stop known as Major Truck Stop located on N. Main Road, Vineland, NJ. The next closest competitor will be that of , near the Delaware Memorial Bridge (Flying J – Carneys Point and PILOT Travel Center – Carneys Point).

1b. PROJECT: The project will be a complete truck stop inclusive of a truck wash, a five-pump diesel fuel service area, a restaurant area with an accessory apartment unit on second floor, and a truck scale. The project cost and funding are broken down below:

<u>Uses</u>		<u>Sources</u>	
Pumps, tanks	\$ 165,000	UEZ	\$ 700,000*
Pumps, tanks -Labor	175,000	Borrower	<u>1,125,000</u>
Canopy, concrete	85,000	Total	\$1,825,000
Asphalt	175,000		
Site Work	175,000		
HVAC	150,000		
Equipment	100,000		
Building	225,000		
Electrical	30,000		
Truck Scale	125,000		
Land Acquisition	225,000 (already paid)		
Land Clearing / Grading	50,000 (already paid)		
Soft Costs/contingency	<u>95,000</u>		
Total	\$1,825,000		

*Borrower will begin funding the project on the onset with UEZ providing a six month, interest-only loan, converting to an amortizing loan. Borrower funds will be injected into project first. Approximately \$300,000 have been spent as of this date (acquisition of land, soft costs etc.).

2. COLLATERAL:

- a.) First mortgage lien position on the real estate and improvements located at 2114 W. Garden Road, Vineland, Cumberland County, New Jersey a/k/a Block 608, Lot 8,
- b.) Assignment of rents and leases,
- c.) UCC-1 Filing and Security Agreement (State of New Jersey – general filing) on all machinery, equipment and business assets now owned and hereafter acquired of Garden Truck Stop, LLC,
- d.) UCC-1 Filing and Security Agreement (Cumberland County – general filing) on all fixtures and business assets now owned and hereafter acquired of Garden Truck Stop, LLC.

3. GUARANTORS:

- a.) Personal Guaranty of Zyggi Dobkowski,
- b.) Personal Guaranty of Dian Dobkowski.

4. LIEN POSITION: First.

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

6. SIZE OF PARCEL: +-5 acres.

7. IMPROVEMENTS THEREON: Currently, the property is land.

8. LOCATION OF PROPERTY: 2114 W. Garden Road, Vineland, Cumberland County, New Jersey a/k/a Block 608, Lot 8.

9. APPRAISAL INFORMATION: The Borrower has requested that due to substantial capital injection, that an appraisal be waived. The Loan-to-Project cost is 35%.

10. FINANCIAL:

11. SUBSTANTIATION: DSCR = 5.80x, LTV 90%

- New real estate tax ratable for City of Vineland.
- Development along Garden Road Industrial Parks area (catalyst for future development).
- Creation of a minimum 7 total jobs, 3 full time jobs for Borrower and contractor truck wash jobs estimated at 4.
- Staging area for trucks could provide some traffic relief in the area.
- Developer is existing customer of UEZ Loan program with excellent repayment history.

12. RECOMMENDATION: