

RESOLUTION NO. 2019- 7

A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO OUTLAW'S BURGER BARN & CREAMERY, LLC (OR ASSIGNS).

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated December 27, 2018, for use of Second Generation Enterprise Zone Assistance Funds for the following project: Economic Development Loan to Outlaw's Burger Barn & Creamery, LLC (or 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:

Outlaw's Burger Barn & Creamery, LLC (or assigns) \$61,000.00

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



Economic Development Dept.
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MEMORANDUM

TO: City Council President and Members
FROM: City of Vineland UEZ Committee
SUBJECT: **Applicant:** Outlaw's Burger Barn & Creamery, LLC
Loan Amount: \$61,000.00
DATE: December 27, 2018

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

On behalf of the City of Vineland UEZ 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: November 29, 2018

Borrower Name and Address (s): Outlaw's Burger Barn & Creamery, LLC
2312 Monroe Ave.
Vineland, NJ 08361

Request: \$61,000 (\$38,000 new money, \$23,000 existing loan) commercial term loan for renovations and repairs to an established restaurant business space/facility.

Interest Rate: 6.00% **Term of Loan:** 10 Years.

1. BACKGROUND: Ryan M. Briggs has owned and operated his restaurant, Outlaw's Burger Barn & Creamery, LLC (Outlaw's), for approximately two years. Prior to owning this restaurant, he had previously worked in the food service industry for seventeen years, primarily as a sous chef (Greenview Inn – 4 years), the head chef for the HealthSouth Rehab Hospital in Vineland and as an Assistant Director of Food Service for Linwood Care Center in Linwood, NJ. In 2016, he purchased the business and equipment assets of an existing restaurant establishment in Vineland previously known as Deeks Deli and Custard in Vineland, New Jersey. Mr. Briggs quickly rebranded the location at 1370 S. Main Road, Vineland, NJ, as the Outlaw's Burger Barn & Creamery. He has operated the Outlaw's restaurant from the leased location since 2016. He approached the UEZ to assist in financing his initial equipment acquisition (new and used equipment) and for permanent funding of leasehold improvements. A UEZ loan for the restaurant project was finalized in 2016. Due to an overwhelmingly successful debut, Mr. Briggs subsequently invested additional personal resources to increase the restaurant's seating space by reducing the custard/creamery portion of the business operation. Thereafter, Mr. Briggs leased additional space in the same neighborhood strip center to create a stand-alone, take-out space known as Outlaw's Take-Out. Recently, Mr. Briggs has opted to make a change. He will be closing the take-out operation and will renovate and adjust the remaining custard area in the restaurant to include improved space utilization. The project cost is \$40,000 and will include relocation of kitchen hood, vents, fire suppression, sinks, new flooring, new ceiling tiles, new exterior door, roofing repairs, improved patio area, adding an awning to rear of space for enhancing storage, and resurfacing some concrete in need of repair.

1a. PROJECT: The project cost breakdown is as follows:

<u>Costs</u>		<u>Funding Sources</u>	
Leasehold Improvements/repairs	\$40,000	UEZ	\$38,000
Misc./Closing	2,000	Borrower	4,000
Total	\$42,000	Total	\$42,000

1b. COMPETITION: Competition, overall for restaurants (and at this location), is typically high. This location/area has several establishments including Magnolia Diner, Pizza Queen, La Locanda Restaurant, and Bagel University within a close proximity of the vicinity of this restaurant. However, each restaurant has a different menu and no one directly competes on a menu basis.

2. COLLATERAL:

- a.) Second position mortgage lien on the real estate located at 2312 Monroe Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 4406, Lot 3.01 (personal residence) – amount of \$61,000,
- b.) UCC-1 Filing and Security Agreement (State of NJ and Cumberland County) general on all equipment, machinery, business assets now owned and hereafter acquired of Outlaw's Burger Barn & Creamery, LLC (location 1370 S. Main Road, Unit 1, Vineland, NJ),

2. COLLATERAL (CONTINUED):

- c.) Hypothecation Agreement from Ryan Briggs and Erin Briggs regarding the property stated in (a.),
- d.) Primary Motor Vehicle Lien on Outlaw's Food Truck.

3. GUARANTORS:

- a.) Ryan M. Briggs
- b.) Erin L. Briggs

4. LIEN POSITION: First on UCC-1 Filing; First on Food Truck; Second on mortgage.

5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS: Primary residence has an existing mortgage balance in the amount of +\$161,000 (original loan amount of \$168,000).

6. SIZE OF PARCEL:

7. IMPROVEMENTS THEREON: The business currently operates from two, leased commercial condo - end units located at the Rogers Corner Condominium located at Main and Magnolia Roads (former Deeks Deli & Custard). The official restaurant unit is comprised of 1,387 sq. ft. of restaurant/custard space. The second unit is a former Chinese Restaurant operation which Mr. Briggs renovated for a take-out location. The take out unit will be closed. The improvements will be made to the original unit.

8. LOCATION OF PROPERTY: The business and equipment will be located at 1370 S. Main Road, Unit 1, Vineland, NJ and Unit 1.

9. APPRAISAL INFORMATION: (A.) Personal Residence was appraised on March, 2016 by Michael Terruso and demonstrated value of \$190,000. (B.) Equipment valued at \$20,000 (C.) Food Truck valued at \$50,000.

<u>Collateral Value</u>		<u>Debt</u>	
Personal Residence	\$165,000	Personal Residence Mtg. Outstanding	\$161,000
Equipment	20,000	Proposed UEZ Debt (total)	<u>61,000</u>
Food Truck	<u>50,000</u>	Total Debt	\$222,000
Total Value	\$235,000		

LTV = 95%