

RESOLUTION NO. 2019- 400

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

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated September 10, 2019, for use of Second Generation Enterprise Zone Assistance Funds for the following project: Economic Development Loan to Jasselta, LLC (or is 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:

Jasselta, LLC (or its assigns) \$85,000.00 - via the Vineland UDAG/Small Business Loan Program

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
www.vinelandcity.org

640 E. Wood Street
PO Box 1508
Vineland, NJ 08362-1508
Phone: (856) 794-4100
Fax: (856) 405-0467

MEMORANDUM

TO: City Council President and Members

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

SUBJECT: **Applicant:** Jasselta, LLC
Loan Amount: \$85,000.00 via the Vineland UDAG/Small Business Loan Program

DATE: September 10, 2019

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

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 Vineland UDAG/Small Business Loan Program loan in the amount as stated herein above.

The committee finds that the loan will promote economic development, creation/retention of jobs, and/or tax ratables, as well as assisting a small business 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



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's office at 856-794-4144.

**VINELAND UEZ LOAN COMMITTEE
LOAN PROPOSAL**

Date: June 18, 2019 (Amended)

Borrower Name and Address (s): Jasselta, LLC
4 S. State Street
Vineland, NJ 08360

Request: \$85,000 commercial term loan through the Vineland UDAG/Small Business Loan Program.

Interest Rate: 6.00% **Term of Loan:** 5/10 Years.

1. BACKGROUND: Jennifer Asselta-Woods is the 100% owner of Jasselta, LLC d/b/a Lincoln Center Laundromat.

Mrs. Asselta-Woods was interested in owning and operating a business, more specifically a laundromat. On October 28, 2106, she purchased the laundromat business located at Lincoln and Dante Avenues (in the shopping center) for \$90,000. In addition to operating the laundromat, Mrs. Asselta-Woods is employed by the State of NJ as a judicial clerk.

Mrs. Asselta-Woods funded the purchase of the business and equipment with a down payment of cash, seller financing and non-traditional business financing which carried high interest rates. After two and one half years of successful business operation, she has continued to invest in the business and is interested in pursuing permanent financing and a business loan. She has approached the City of Vineland to explore options to accomplish a permanent financing structure. By accomplishing a permanent financing structure, the monthly payment savings will allow her to enhance business cash flow. She plans on providing additional services such as wash, dry and fold service with pick-up and delivery. She believes that this business service is needed as professionals and senior citizens would benefit. The increased service will create a part-time job opportunity leading to a full-time opportunity as this segment of her business grows. She plans on utilizing the enhanced cash flow for upgrading equipment and growing her business.

1a. PROJECT: Provide permanent financing to extinguish high interest rate debt which is impacting business operation.

Private Note Balance	\$22,250
Business Credit	51,500
Utilities and loan closing costs	<u>11,250*</u>
Total	\$85,000

*Includes a SJ Gas charge which was transferred to Jasselta, LLC from previous owner of \$938.00.

*Includes a Landis Sewerage charge of \$7,874. (explanation on file).

2. COLLATERAL:

- a.) UCC-1 filing and Security Agreement on all business assets of Jasselta, LLC d/b/a Lincoln Center Laundromat (location 1776 S Lincoln Ave, Vineland, NJ 08361),
- b.) Assignment of life insurance policy on Jennifer Asselta-Woods in the amount of \$75,000.
- c.) Subject to receipt and satisfactory review of executed lease by landlord demonstrating term acceptable to the Lender.

3. GUARANTORS:

- a.) Jennifer Asselta-Woods
- b.) Timothy B. Woods

4. LIEN POSITION: First position on all business assets.

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

6. SIZE OF PARCEL: N/A.

7. IMPROVEMENTS THEREON: N/A.

8. LOCATION OF PROPERTY: Equipment is located at 1776 S Lincoln Ave, Vineland, NJ 08361, unit #_____.

9. APPRAISAL INFORMATION: N/A.

10. FINANCIAL:

11. SUBSTANTIATION: LTV = NM, DSCR = 1.38x (business cash flow).

- Assist a small business owner / a women owned business.

12. RECOMMENDATION: