

RESOLUTION NO. 2020-339

A RESOLUTION AMENDING RESOLUTION 2020-276, A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS TO BENNY ELECTRICAL CONTRACTOR, INC. (OR ITS ASSIGNS).

WHEREAS, on July 14, 2020, the City Council of the City of Vineland adopted Resolution No. 2020-276, entitled "A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO BENNY ELECTRICAL CONTRACTOR, INC. (OR THEIR ASSIGNS); and

WHEREAS, a loan increase has been requested due to an increase in project cost; and

WHEREAS, it becomes necessary to amend Resolution No. 2020-276 to change the loan amount from \$35,000.00 to \$45,000.00; now, therefore,

BE IT RESOLVED that Resolution No. 2020-276 be and the same is hereby amended to increase the original loan amount by \$10,000.00.

Adopted:


President of Council

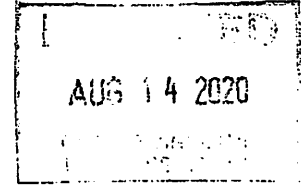
ATTEST:

City Clerk

**Office of Economic Development
City of Vineland, New Jersey**

Memorandum

To: Robert Dickenson, Business Administrator
From: F. DiGiorgio 
CC: S. Forsisky
Date: August 14, 2020
Re: **City Council Resolutuion # 2020-276 - Amendment**



Thank you for your attention to this matter. Attached is City Council Resolution # 2020-276 approving a Second Generation Enterprise Zone Assistance Funds loan to Benny Electric, Inc. The Vineland Revolving Loan Fund, LLC Loan Committee will be ratifying the approval for the increase at its next scheduled meeting on August 25, 2020 (the same day as the City Council meeting). Due to timing, approval from City Council will coincide with the Loan Committee approval. However, the settlement of the loan is scheduled for prior to month end August 2020. Therefore, this coordination to achieve formal approval from City Council is necessary prior to month end. Please amend this Resolution to reflect an increase in the loan amount from \$35,000 to \$45,000.



ECONOMIC DEVELOPMENT
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MEMORANDUM

TO: City Council President and Members

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

SUBJECT: **Applicant:** Benny Electrical Contractor, Inc.
Loan Amount: \$45,000.00

DATE: August 25, 2020

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 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 ratable(s) 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: May 27, 2020 **Amended Date of Proposal:** August 13, 2020.

Borrower Name and Address (s): Benny Electrical Contractor, Inc.
2816 N. West Boulevard
Vineland, New Jersey 08360

Request: \$35,000 commercial term loan. **Amended Request: \$45,000 (increase of \$10,000).**

Interest Rate: 5.50% **Term of Loan:** 7 Years

1. BACKGROUND: Benyamin “Benny” Kashani emigrated to the United States of America in 1983 from Israel. He was employed as a truck driver in North Jersey until 1984. Thereafter, he took on a job with Kaiser Electric where he worked for thirteen (13) years as an apprentice and electrician. He has been an electrician since 1989. In 1998, he formed his business, Benny Electrical Contractor, Inc. (“S Corp.”) in the State of New Jersey. Benny Electric Contractor, Inc. is an electrical/electrician contractor specializing in industrial, commercial and residential electric service installation and repair.

Mr. Kashani is interested in growing his business and upgrading some business assets. He is in need of an additional service truck/van. He has approached the City of Vineland for assistance in achieving this goal. Mr. Kashani has attempted to access credit via traditional avenues. However, due to a divorce situation and being a small business, traditional access to capital has not been successful. A review of the business financials demonstrates capacity to cover the debt service associated with this request and his credit is improving. Benny Electrical Contractor, Inc. is a previous borrower and has a satisfactory repayment history.

1b. PROJECT: Project involves funding a small business loan in the amount of \$45,000. Collateral will be business assets and motor vehicle.

2. COLLATERAL:

- a.) UCC-1 filing and Security Agreement (State of NJ filing) on all business assets now owned and hereafter acquired of Benny Electrical Contractor, Inc.,
- b.) Evidence that Benny Electrical Contractor, Inc. is in compliance with all State of New Jersey requirements,
- c.) NJ Motor Vehicle Commission Financing Statements on motor vehicles now owned or to be purchased of/by Benny Electrical Contractor, Inc.
- d.) Subordination of shareholder / owner debt, if applicable.
- e.) Any additional collateral and/or documentation deemed necessary by counsel.
- d.) Payoff of existing COV/UDAG Loan with remaining balance of +-\$4,000.00 is required.**

3. GUARANTORS:

- a.) Benyamin Kashani

4. LIEN POSITION: First position on all business assets and first position on motor vehicles owned by Benny Electrical Contractor, Inc.

5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:

6. SIZE OF PARCEL: N/A.

7. IMPROVEMENTS THEREON: N/A.

8. LOCATION OF PROPERTY: Business assets and motor vehicles are located at 2816 N. West Boulevard, Vineland, Cumberland County, New Jersey a/k/a Block 703, Lot 15.

9. APPRAISAL INFORMATION: LTV calculation was based on collateral value of motor vehicle at time of underwriting (\$40,000). \$35,000 loan / \$40,000 value or 87.5%.

10. FINANCIAL:

11. SUBSTANTIATION: LTV = 90%, DSCR = 1.42x

- Assist small business owner with small business loan.
- Previous borrower with excellent repayment history.

12. RECOMMENDATION: