

RESOLUTION NO. 2021- 180

A RESOLUTION APPROVING A UDAG/SMALL BUSINESS
LOAN TO LATONYA’S, LLC (OR ASSIGNS).

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated March 23, 2021, for a UDAG/Small Business Loan to Latonya’s, 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 UDAG/Small Business Loan 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 Funds for the following project, in accordance with the proposal submitted by the City of Vineland Revolving Loan Fund Second Generation Loan Committee:

| | |
|------------------------------|-------------|
| UDAG/Small Business Loan to: | |
| Latonya’s, LLC (or assigns) | \$35,000.00 |

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
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: Vineland Revolving Loan Fund, LLC

SUBJECT: **Applicant:** Latonya's, LLC
Loan Amount: \$35,000.00 via the Vineland UDAG/Small Business Loan Program

DATE: March 23, 2021

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

On behalf of the Vineland Revolving Loan Fund, LLC 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 ratable(s), 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,

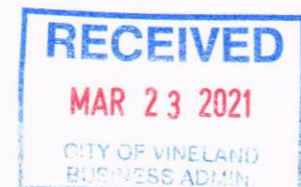
Sandra Forosisky
Director of Economic Development

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.



**CITY OF VINELAND
LOAN PROPOSAL**

Date: March 10, 2021

Borrower Name and Address (s): Latonya's, LLC
1252 Livia Lane
Vineland, NJ 08360

Request: \$35,000 commercial term loan under the City of Vineland's UDAG/Small Business Loan Program.

Interest Rate: 5.00%

Term of Loan: 10 Years.

1. BACKGROUND: Tamara Latonya Bell is the 100% owner of Latonya's, LLC, a limited liability company formed in the State of New Jersey on November 9, 2020. Ms. Bell is an African-American woman entrepreneur. Nearly two years ago, Ms. Bell realized she had fashion sense. People would always come up to her and ask her about the fashion, fashion accessories and hair accessories she wore. After experiencing a very traumatic injury, a long stay in the hospital and overcoming a life threatening injury, Ms. Bell secured her business registration and started an on-line business, Latonya's, LLC, which is open 24 hours per day, 7 days per week and has operated for over 2 years. Currently, this on-line business provides quality products such as quality wigs (human hair), boots, shoes, handbags, sunglasses (Latonya's Shades) and much more. The business uses platforms such as Mercari, Tradsey, Amazon, and Latonya's World. Ms. Bell's objective is to set up a boutique business to retail (on-line and in person) all of the aforementioned products and much more. She has invested in social media and provides opportunities for in-person customer contact at her home where her business is based. She is also establishing an address on Landis Avenue (Main Street) to provide support for her in-person retail component. One of the top products of Latonya's Boutique is human hair wigs in all colors and lengths. Many competitors carry only synthetic wigs. Latonya's wigs are 100% human hair imported from India. The wigs are produced for the finished product in Vineland, NJ. The natural hair from India is from a temple in India through a company called India Hair Company. People travel to southern India to visit two temples to secure answers to their prayers. It was suggested that to secure the answers, they must give a sacrifice. To this end, many sacrifice their hair. In India, human hair is valuable. It is used to sell or barter with hair collectors so that ultimately the hair could be used for lifelike wigs. Synthetic wigs are typically of lesser quality and only last about 6 months. Ms. Bell indicates that wigs have a life span of up to 2.5 – 3 years. In addition, real hair wigs start at \$260 and go higher in price depending on the length and hair type, pattern, whether it is straight or curly etc.

Ms. Bell believes that a small business loan can provide the necessary capital for her business to grow exponentially. The beauty industry is significant in the African-American community. Her target market will be African-American women and women in general. Nielson, a ratings and research measuring service, reports that African American women beauty buying habits top the charts as African Americans are likely to spend nine times more than their non-black counterparts on hair and beauty products. She is desirous of obtaining a small business loan to grow her business. Covid-19 had a temporary negative impact as it was difficult to obtain supplies and inventory at times and impacted sales negatively. A portion of the loan will assist with remedying this situation. In addition, Ms. Bell proposes to employ 1 to 2 additional employees as a result.

1a. PROJECT: \$35,000 commercial term loan to be used for inventory and business expansion.

2. COLLATERAL:

- a.) First position mortgage lien on the real estate located at 1252 Livia Lane, Vineland, Cumberland County, New Jersey a/k/a Block 1806, Lot 14,
- b.) Assignment of rents and leases,
- c.) Hypothecation Agreement from Tamara L. Bell regarding the property located at 1252 Livia Lane, Vineland, NJ.

3. GUARANTORS:

- a.) Tamara Latonya Bell

4. LIEN POSITION: First.

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

6. SIZE OF PARCEL: 110' x 150"

7. IMPROVEMENTS THEREON: Single family, two story - residential dwelling comprising 1,896 sq. ft.

8. LOCATION OF PROPERTY: 1252 Livia Lane, Vineland, Cumberland County, New Jersey a/k/a Block 1806, Lot 14.

9. APPRAISAL INFORMATION: The City of Vineland has the property located 1252 Livia Lane, Vineland, NJ assessed for \$235,400 (\$39,500 land and improvements at 195,900).

Loan-to-value $\$35,000 / \$225,000 = 16\%$

10. FINANCIAL:

11. SUBSTANTIATION: DSCR = 2.19x, LTV = 16%

12. RECOMMENDATION: