

RESOLUTION NO. 2022-180

A RESOLUTION APPROVING VINELAND REVOLVING
LOAN FUNDS FOR SWEET HOME REAL ESTATE, LLC
(OR ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated April 26, 2022, for use of Vineland Revolving Loan funds for Sweet Home Real Estate, 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 Vineland Revolving 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 Vineland Revolving Loan Funds for the following project, in accordance with the proposal submitted by the Vineland Revolving Loan Fund, LLC Committee:

To: Sweet Home Real Estate, LLC (or assigns) not to exceed \$645,000.00

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
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MEMORANDUM

TO: City Council President and Members

FROM: Vineland Revolving Loan Fund, LLC

SUBJECT: **Applicant:** Sweet Home Real Estate, LLC
Loan Amount: \$645,000

DATE: April 26, 2022



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

On behalf of the Vineland Revolving Loan Fund Committee, please accept this letter recommending a commitment be given to the above applicant for a Vineland Revolving Loan Fund 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 Zones. 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 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 REVOLVING LOAN FUND, LLC
LOAN PROPOSAL**

Date: March 22, 2022

Borrower Name and Address (s): Sweet Home Real Estate, LLC
24 Ridge Avenue
Bridgeton, NJ 08302

Request: \$645,000 commercial real estate loan for the acquisition of 619 - 623 E. Landis Avenue, Vineland, NJ.

Interest Rate: 5.00%

Term of Loan: 20 Years.

1. BACKGROUND: Leonardo Lopez Juarez and Dulce Y. Gomez Casteneda (husband and wife), formed Sweet Home Real Estate, LLC ("SHRE") on February 25, 2022 in the State of New Jersey for the purpose as a real estate holding company. Mr. Lopez Juarez owns and operates a general contractor/construction company known as Leo Construction. Dulce Gomez Casteneda and Leonardo Lopez Juarez is employed in a management position at Gateway CAP, a non-profit service company. Dulce and Leo own several residential rental properties in Bridgeton, New Jersey. They would like to expand into commercial property ownership. Dulce and Leo are interested in acquiring a real estate and business operation located in Vineland, NJ. They are entering into a contract to purchase 619 E. Landis Avenue, Vineland, Cumberland County, NJ (location of El Tuque Restaurant, 4 residential apartments, and Grant Plaza). They plan on continuing to lease the residential apartments and restaurant operation. However, they plan on taking an active role in operating the Grant Plaza as a hall and catering event business, leasing the hall for parties and celebrations such as weddings, birthday parties, special events and quincenieras etc. The Vineland Revolving Loan Fund, LLC is the lender for the current owner, Z & D Realty, LLC which is selling the property and business assets.

1a. PROJECT: The project involves the acquisition of real estate (inclusive of improvements), all restaurant equipment, catering hall furniture and equipment, and all business assets associated with the property located at 619 E. Landis Avenue, Vineland, NJ (combined 619 E. Landis Avenue and 623 E. Landis Avenue, Vineland, NJ).

<u>Uses</u>		<u>Sources</u>	
Real Estate	\$1,200,000	Borrower	\$ 250,000
Other Assets	200,000	VRLF proposed	645,000 (90% of City's assessed value)
Closing	20,000	Seller financing	525,000 (415,820* + 109,180)
Total	\$1,420,000	Total	\$1,420,000

*Represents the \$ figure of forgivable loans advanced to seller by Lender when seller redeveloped properties under façade and restaurant row forgivable loans for the subject property. Lender has agreed to accelerated forgiveness.

2. COLLATERAL:

- a.) First position mortgage lien on the real estate located at 619 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 4002, Lot 7,
- b.) Assignment of rents and leases,
- c.) UCC-1 filing and security agreement (Cumberland County Filing), and UCC-1 filing and security agreement (State of NJ Filing),
- d.) Subordination signed by Borrower/Guarantors and by (seller) Z & D Realty, LLC,
- f.) VRLF loan proceeds to be utilized to pay down existing non-forgivable loans of +\$565,000.

3. GUARANTORS:

- a.) Leonardo Lopez Juarez,*
- b.) Dulce Y. Gomez Casteneda,
- c.) Leo Construction, LLC,
- d.) Guaranty of Operating Company to be formed.

*Does not have full immigration status as of this writing.

4. LIEN POSITION: First.

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

6. SIZE OF PARCEL: +-.27 acres.

7. IMPROVEMENTS THEREON: 619 E. Landis Avenue (former Landis Pig Roast now the El Tuque Restaurant – was a former commercial retail store converted to restaurant and four unit apartment building – 1,784 sq.ft., and apartments +- 4,090 sq. ft. of apartments space on 2nd and 3rd floor). The second building, to the right is 5,600 sq. ft. known as Grant Plaza – catering hall (former Block 4002, Lot 8 known as 623 E. Landis Avenue, Vineland is the location of Block 4002, Lot 8). Current owner combined both properties into one lot known as Lot 7 of Block 4002.

8. LOCATION OF PROPERTY: 619 E. Landis Avenue, Vineland, Cumberland County, New Jersey
a/k/a Block 4002, Lot 7.

9. APPRAISAL INFORMATION: The City of Vineland has the subject property assessed at \$717,800 (land at \$135,000 and improvements at \$582,800). Based on assessed value, the LTV would be 90%. Borrower requests consideration to waive appraisal and utilize City's assessed value for valuation.

10. FINANCIAL:

11. SUBSTANTIATION: DSCR (Projection) = 4.00x, DSCR (Current 0.54x), LTV = 90%

12. RECOMMENDATION: