

RESOLUTION NO. 2014- 231

A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO Z & D REALTY, LLC.

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated May 28, 2014, for use of Second Generation Enterprise Zone Assistance Funds for the following project: **Economic Development Loan to Z & D Realty, LLC**; 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 Z & D Realty, LLC	\$32,000.00
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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



Sandra Forosisky, Director
Economic Development Dept.
www.vinelandcity.org
email: sforosisky@vineland.org

640 E. Wood Street
PO Box 1508
Vineland, NJ 08362-1508
Phone: (856) 794-4000 ext. 462
Fax: (856) 405-4607

MEMORANDUM



TO: City Council President and Members

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

SUBJECT: **Applicant:** Z & D Realty, LLC
Loan Amount: \$32,000.00

DATE: May 28, 2013

Dear Council President Fanucci, Councilmen Procopio, Spinelli, and Councilwomen Calakos and Gonzales:

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 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,

A handwritten signature in blue ink that reads "Sandra Forosisky".

Sandra Forosisky
Director of Economic Development

SF/fd

cc: Frank DiGiorgio
file



VINELAND UEZ LOAN COMMITTEE
LOAN PROPOSAL



Date: 05/27/2014

Borrower Name and Address (s): Z & D Realty, LLC
(Zyggi & Diane Dobkowski).
242 Mystic Drive
Egg Harbor Township, NJ 08234

Request: \$32,000 commercial loan for equipment purchase for a downtown Landis Avenue restaurant business. Funding will be via traditional Vineland Urban Enterprise Zone Loan Program in the amount of \$32,000.00 amortizable at 2.50% for 10 years.

Interest Rate: 2.50%.

Term of Loan: 10 Years.

1. Background:

Zyggi and Diane Dobkowski are the owners of Z & D Realty, LLC, a real estate holding company which owns the B & E Apartments, a 40 unit apartment facility located on Park Avenue, near Valley Ave. in Vineland. Zyggi Dobkowski and his wife, Diane Dobkowski, through Z & D Realty, have purchased two buildings in the heart of the Vineland Downtown Improvement District – Main Street, from the Vineland Development Corporation. The building located at 619 E. Landis Avenue is comprised of approximately 11,200 sq. ft. (5,600 sq. ft. of ground level and 5,600 sq. ft. basement) and was the former retail location of a pharmacy and known back in the day as the Grant Building or Grant's retail store. This building is currently being renovated into a catering hall format/style building with kitchen. Each floor could be available to host events. The building located at 623 E. Landis Ave. has been renovated with a restaurant on the main street/ground level known as the Landis Pig Roast (SouthWestern flair themed – pulled pork, roasted chicken and popoosa etc.) and four residential apartments on the second and third floors.

Zyggi Dobkowski has spent the past twenty-eight (29+) years in the food service and hospitality industry. He is currently a captain (similar to a restaurant manager position) at Caesar's Atlantic City on a part time basis. He also has experience in the New York restaurant environment as well as having been employed by the son of RJ Reynolds (of the cigarette company) in Palm Beach, Florida, and Alan Hale (Skipper character of Gilligan's Island show) in California. Mr. Dobkowski plans on continuing his job in Atlantic City while, along with his wife, dedicating time to this venture and other real estate investments. He currently resides in Egg Harbor Township with his wife Diane, whom helps him manage the apartment complex in Vineland and the real estate holdings.

They have commenced improvements to the property, 619 E. Landis Ave., Vineland, NJ (formerly a Rite Aid Retail/Pharmacy and Grant's) into a hall which will be available for parties such as wedding receptions and community events. This building will also include a kitchen which could be utilized by those who intend to lease the hall. Recently, the Dobkowski's have discovered that they will be required to add a second hood/ansul system to the 623 E. Landis Ave. property to comply with the requirements of the City of Vineland's Licenses and Inspections Department. As such, Mr. and Mrs. Dobkowski have approached the UEZ for consideration and additional funding.

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Z & D Realty, LLC

1. Background (continued):

The scope and cost of the project is as follows:

	<u>Funding Sources</u>		
	<u>Cost</u>	<u>UEZ</u>	<u>Borrower</u>
Equipment purchase – Hood and Ansul system	\$ 39,000	\$32,000	\$7,000

Z & D Realty, LLC, has received funding under the Restaurant Row Program, the Façade Exterior Program and from Vineland Development Corporation (for acquisition of the real estate). Under the Restaurant Row Guidelines, the owner was to convert the building to a restaurant type facility with kitchen to qualify. Due to the Restaurant Row Program no longer funding projects, consideration for funding under the program's interest rate of 2.50% is being offered to Z & D Realty, LLC for the subject project. Traditionally up to an 80% loan/funding with 40% forgiveness of the loan was offered, to be forgiven over a period of 15 years, with the remaining balance amortized at 2.50% interest rate over 15 years. However, Z & D Realty, LLC will not be offered any forgiveness for the subject request.

2. **Collateral:**
 - a.) Fourth Mortgage on the property located at 623 E. Landis Avenue, Vineland, Cumberland County, New Jersey Block 4002, Lot 8,
 - b.) UCC-1 filing and Security Agreement (specific filing) on hood equipment at 623 E. Landis Ave. (rear of property),

3. **Guarantors:**
 - a.) Personal Guaranty of Zyggi Dobkowski,
 - b.) Personal Guaranty of Diane Dobkowski,
 - c.) Guaranty of Landis Pig Roast, LLC.

4. **Lien Position:** Fourth.

5. **Dollar Amount and Holder of Prior Liens:** Existing first position mortgage lien on the real estate located at 623 E. Landis Avenue, Vineland, NJ (\$104,800) to Enterprise Zone Development Corporation of Vineland and Millvle, a second position mortgage lien to Enterprise Zone Development Corporation of Vineland (\$500,000 - \$300,000 amortizable and \$200,000 forgivable), a third position mortgage lien to Enterprise Zone Development Corporation of Vineland and Millville (\$102,600 façade exterior).

6. **Size of Parcel:** +/- 20' x 150'

7. **Improvements Thereon:** a +/- 6,048 sq. ft., three-story facility currently comprised of 2,016 sq. ft. of retail space, and 4,032 sq. ft. of residential space.

8. **Location of Property:** 623 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 4002, Lot 8.

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9. Appraisal Information:

The City of Vineland currently has the property located at 623 E. Landis Avenue assessed as follows: Land at \$70,000 and Improvements at \$130,000 for a total of \$200,000.

Appraised Value – as built anticipated	\$ 200,000
Total Value	\$ 200,000

Loans:

Total UEZ Loans (exclude non-forgivable portion)	\$ 424,000*
Total Loans	\$ 424,000

*Includes proposed \$32,000 plus outstanding balances of the amortizable loans. Forgivable portions are excluded.

LTV = 212% Based on Reval. Figure.

10. Financial: (on file)

11. Substantiation: LTV = 212%*, DSCR = 1.00x**

* Based on City of Vineland revaluation figure without consideration to façade exterior loan or forgivable loan portions.

** DSCR is computed based on a 1-to-1 projection.

- Assist small and new business owner to become compliant with Licenses and Inspections Dept.
- Enhancements and investment into a building in the Redevelopment Area and downtown Vineland.

12. Recommendation:

Hoodco Inc.

2800 Ridge Avenue Philadelphia, PA 19121 Phone: (215) 236-0951 Fax: (215) 236-8764

Date: 04/28/14

Job Name Landis Pork House

Contact Name Zygy Dombrowski

Street Address 623 Landis Ave

City, State, Zip Vineland NJ 08362

Phone Number 609-432-8646

Dear Sir or Madam:

We hereby submit specifications and estimates for:

Item#1-

- Fabricate and install one (1) NSF custom kitchen fresh air hood(s).**
- Fabricate and install one (2) NSF custom exhaust hood.**
- Fabricate and install one (1) NSF custom kitchen hood(s).**

Measuring:

Length	Height	Width	Front
15'	24"	48"	12"
8'	24"	48"	12"
8'	24"	48"	12"

The hood will be constructed of 18 gauge polished stainless steel. It will meet all NSF and NFPA fire code #96 regulations, and or IMC 2009 Code (All quote costs pending local township approval.) The hood will contain UL approved baffle filters, light(s), grease tray, and removable cup. The hood will be installed according to code.

Item#2

Furnish and install (3) exhaust fan(s). The fan setup includes 16 gauge, welded ductwork, meeting all code specifications.

CFM	HP	Volt	Phase	Speed Motor
5250		115	1	1
2800		115	1	1
2800		115	1	1

Item#3

Furnish and install (1) DMUA non-tempered return air fan. The fan setup includes

all light gauge welded ductwork, curbs, and plenum required to meet code specifications. GO BACK TO AGENDA

CFM	HP	Volt	Phase	Speed Motor
5250		115	1	1

Item#4

Fabricate and install stainless steel wall cover & top filler.

Item # 5 – Fire Suppression System

Furnish and install (2) Fire Suppression System(s), to provide protection for hood, duct, and total surface area. System includes automatic gas shut-off valve, ¾” through 1½”, and remote pull station.

Make and Model of Fire Suppression System Protex 4600

******IF A TEST IS REQUIRED IN TOWNSHIP, THE ADDITIONAL FEE WILL BE COLLECTED AT TIME OF THE TEST******

PLEASE NOTE:

1. All permit costs shall be the sole responsibility of owner or agent, Hoodco Inc. will provide all specifications and required drawings. If sealed Architectural Drawings are required by municipality, owner/agent will be responsible for all costs.
2. All electrical, plumbing, and gas work (including gas valve installation) shall be the sole responsibility of owner, and shall be performed by a licensed contractor.
3. Any additional work or product(s) required for job completion not specified in contract will be submitted to owner or agent. Owner or agent will be invoiced accordingly.
4. Hoodco Inc. will only provide temporary roof repair, permanent roof repair is the sole responsibility of the owner or agent.
5. Bonded roof must be re-bonded by professional roofer, and is responsibility of owner/agent.
6. All curbs for corrugated roofing will be fabricated and installed by others.
7. Hoodco, Inc. is not responsible for roof leaks due to faulty roofing or internal wetness.
8. Any and all structural modifications are the sole responsibility of owner/agent.
9. Additional charges for each audio/visual alarm if required by municipality and to be installed by others.
10. Tie-in to building fire alarm system will be completed by others.
11. Contract cost does not include Union or prevailing wages, if required.
12. We will not be responsible for Consequential Damages, due to delays in completion or inspection.
13. Contract cost is offered for 90 Days from date of issue.
14. A minimum charge of \$300.00 will apply for any/ and all re-inspections due to failure of items other than included herein.

Additional Terms and Conditions

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Terms: Payable by Cash, or Certified Check (checks of any other type are subject to direct banking institution verification for available funds). Any/and all

verification costs will be invoiced additionally. Checks returned for Non-Sufficient Funds or any other reason will be subject to our bank charges and an additional \$50.00 penalty charge.

We propose to furnish and install all materials mentioned above for the sum of \$39,000.00 Dollars, to Landis Pork House. Payments shall be made according to the following schedule.

50% upon signing of contract:	\$ 19,500.00
40% upon delivery of equipment:	\$ 17,550.00
10% upon completion of job:	\$ 1,950.00
Total:	\$ 39,000.00

- 1. All payments to be made prior to start of work at location site on day of arrival.**
- 2. All equipment and material furnished by Hoodco Inc. shall remain property of seller (Hoodco Inc.), until buyer has met all obligations as agreed upon through buyers contract agreement terms.**
- 3. Any and all balances are subject to a late charge at a periodic rate of 1.5% monthly on a past due basis after 15 days.**
- 4. All cancelled orders will be subject to a 50% service charge based on the full amount of contract.**
- 5. Final invoice date based upon completion of job. Delays of completion caused by weather, other contractors, etc. and not caused by Hoodco Inc. will incur additional costs for any and all additional time and material(s).**

Job Specifics

- 1. Fill in any additional costs here-if testing is required by township
Wet Test \$650.00 per tank
Air Test \$450.00 per tank
K-type Hand Held Fire Extinguisher \$250.00 – required in kitchen
Heat Sensor \$225.00**
- 2. In Outline Format**

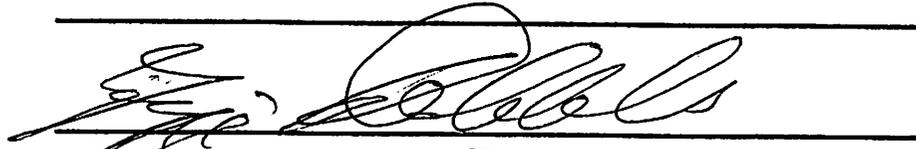
Respectfully Submitted,

**Phil Di Donato
President Hoodco Inc.**

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Date:

**Owner/Agent
Signature:**


Print Name: Zygi Dobkowski