

RESOLUTION NO. 2020- 277

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

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated June 23, 2020, for use of Second Generation Enterprise Zone Assistance Funds for the following project: Economic Development Loan to CCS Development 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	
CCS Development, LLC	\$140,400.00

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: City of Vineland Revolving Loan Fund
Second Generation Loan Committee
SUBJECT: **Applicant:** CCS Development, LLC
Loan Amount: \$140,400.00
DATE: June 23, 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 Forsosky
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.

2. COLLATERAL:

- a.) First position mortgage lien on the real estate located at 2112 S. Delsea Drive, Vineland, Cumberland County, NJ a/k/a Block 5601, Lot 76,
- b.) Assignment of Rents and Leases,
- c.) UCC-1 and Security Agreement filing (Cumberland County Filing for Borrower, CSS Development, LLC),
- d.) UCC-1 and Security Agreement filing (State of NJ filing for Guarantor, Interactive Security Systems, LLC),

3. GUARANTORS:

- a.) Interactive Security Systems, LLC
- b.) Jarred E. Selby

4. LIEN POSITION: 1st on commercial / business zoned real estate.

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

6. SIZE OF PARCEL: 115' x 392'

7. IMPROVEMENTS THEREON: a 1,543 sq. ft., one story office building with parking area.

8. LOCATION OF PROPERTY: 2112 S. Delsea Drive, Vineland, Cumberland County, NJ a/k/a Block 5601, Lot 76.

9. APPRAISAL INFORMATION: Request waiver of appraisal. The City of Vineland has the building assessed as follows:

Land	\$ 84,500
Building	<u>64,000</u>
	\$148,500

Based on Assessed Value – LTV is 95%.

Based on Improvements to be made to building, writer believes that the value would increase to a level that would provide for a minimum LTV of 90% or value of \$156,000.

10. FINANCIAL:

11. SUBSTANTIATION: DSCR = 1.78x, LTV = 90%.

- Assist small business with purchasing operating / headquarters location.
- A vacant building becomes occupied.

12. RECOMMENDATION: