

RESOLUTION NO. 2020- 363

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

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated August 25, 2020, for use of Second Generation Enterprise Zone Assistance Funds for the following project: Economic Development Loan to Garden Truck Stop, 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	
Garden Truck Stop, LLC	\$205,000.00

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

**VINELAND UEZ LOAN COMMITTEE
LOAN PROPOSAL**

Date: August 19, 2020

Borrower Name and Address (s): Garden Truck Stop, LLC
2114 W. Garden Road
Vineland, NJ 08360

Request: \$1,180,000 commercial term loan consisting of \$205,000 “new money” for the acquisition of real estate located adjacent to an existing truck wash/truck stop, diesel fueling station and, dining / convenience store located on W. Garden Road - opposite to the entrance of the Vineland Industrial Park – South, and with the remainder to restructure/payoff existing Vineland Revolving Loan Fund loans (3 loans) totaling approximately \$975,000 into one single loan of \$1,180,000 (\$975,000 + \$205,000) for a twenty year term.

Interest Rate: 5.00% **Term of Loan:** 20 Years

1. BACKGROUND: Zyggi Dobkowski and, his wife Diane Dobkowski, are the owners of Z & D Realty, LLC (“Z & D Realty”), a real estate holding company with property ownership interests in Vineland, NJ. Z & D Realty, LLC, previously owned B & E Apartments, a 40 unit apartment facility located on Park Avenue, near Valley Ave. in Vineland which was owned for over ten (10) years until sold in 2017. Z & D Realty currently owns two buildings in the heart of the Vineland Downtown Improvement District – Main Street Area. 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. It is currently utilized as a banquet, event / catering, reception hall. 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 (South Western flair themed – featuring pulled pork, steaks, papoosa, mofungo and other specialty spanish dishes) along with four residential apartments on the second and third floors. Zyggi Dobkowski had spent over thirty-one (31+) years in the food service and hospitality industry. He was a captain (similar to a restaurant manager position) at Caesar’s Atlantic City on a part time basis before retiring to operate the Landis Pig Roast and Garden Truck Stop full time. He had previous experience in the New York restaurant industry as well as having been employed by the son of RJ Reynolds (magnate of the cigarette company) in Palm Beach, Florida, and Alan Hale (the “Skipper” character actor of the Gilligan’s Island show) in California. Mr. Dobkowski, along with his wife Diane currently manage the Landis Pig Roast, Grant Plaza venture as well as their real estate investments and Garden Truck Stop. He currently resides in Egg Harbor Township with his wife Diane.

Mr. Dobkowski formed Garden Truck Stop, LLC (“Garden” or “Garden Truck Stop”), a single member - limited liability entity, to construct, operate and own the Garden Truck Stop located at 2114 W. Garden Road, Vineland, NJ. It has been operational for approximately one and one half years (March 2019) and is located across the street from the Vineland Industrial Park – South entrance off of W. Garden Rd.

The Garden Truck Stop, LLC has the opportunity to purchase the adjacent property. In so doing, this will allow for an expanded footprint and assist the project with being in compliance with City of Vineland Planning Board Approval (received on June 14, 2017 and is currently operating with a temporary certificate of occupancy) and improve the aesthetics of the area. The project is an almost complete (some site improvements are outstanding) truck stop inclusive of a truck wash (two-bay), a five-pump diesel fuel service area, a restaurant / convenience luncheonette area with an accessory apartment unit on second floor. Amenities such as a bathrooms and shower area along with tv/entertainment area is included on site for truck drivers.

1a. COMPETITION: Local competition - truck stop known as Major Truck Stop located on N. Main Road, Vineland, NJ and Riggins Truck Stop on S. Main Road. The next closest competitor will be that near the Delaware Memorial Bridge (Flying J – Carneys Point and PILOT Travel Center – Carneys Point).

1b. PROJECT: The project involves the acquisition of an adjacent residential dwelling and real estate. The project cost and funding are broken down below:

<u>Uses</u>		<u>Sources</u>	
Acquisition of real estate	\$ 261,000	VRLF (new money)	\$ 205,000 <i>(incl. in \$1,180,000)</i>
Closing costs	10,000	VRLF	975,000 <i>(incl. in \$1,180,000)</i>
Payoff / restructure	<u>975,000</u>	Borrower	<u>66,000</u>
Total	\$1,246,000	Total	\$1,246,000

2. COLLATERAL:

- a.) 1st Mortgage lien position on the real estate and improvements located at 2114 W. Garden Road, Vineland, Cumberland County, New Jersey a/k/a Block 602, Lot 8, **and 2160 W. Garden Road, Vineland, Cumberland County, New Jersey a/k/a Block 602, Lot 9,**
- b.) Assignment of rents and leases,
- c.) UCC-1 Filing and Security Agreement (State of New Jersey – general filing) on all machinery, equipment and business assets now owned and hereafter acquired of Garden Truck Stop, LLC,
- d.) UCC-1 Filing and Security Agreement (Cumberland County – general filing) on all fixtures and business assets now owned and hereafter acquired of Garden Truck Stop, LLC.
- e.) Evidence that mechanic lien (stucco) has been addressed and will be or has been removed (+-\$1,700).
- f.) All-inclusive deed.
- g.) Cross collateralization of all affiliated debt (including guarantor debt).
- h.) *Guaranty of Garden Truck Stop, LLC on the Z & D Realty, LLC loans.*

3. GUARANTORS:

- a.) Personal Guaranty of Zyggi Dobkowski,
- b.) Personal Guaranty of Diane Dobkowsk,
- c.) Z & D Realty, LLC,
- d.) Landis Pig Roast, LLC.

4. LIEN POSITION: First.

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

6. SIZE OF PARCEL: Combined properties will be +-10 acres (approx. +-5 acres each).

7. IMPROVEMENTS THEREON: +-12,000 sq. ft., two story building inclusive of a two bay tractor trailer/truck wash and diesel fuel dispensing facility. The two story building is improved with dining convenience area, 2nd floor office, mechanical room, customer shower area, and owner apt. living quarters.

8. LOCATION OF PROPERTY: Existing truck stop property is located at 2114 W. Garden Road, Vineland, Cumberland County, New Jersey a/k/a Block 608, Lot 8. The property to be acquired is located at 2160 W. Garden Road, Vineland, NJ a/k/a Block 602, Lot 9.

9. APPRAISAL INFORMATION: The Borrower has requested that due to substantial equity capital injection, that an appraisal be waived. City of Vineland has the property currently assessed at \$200,000 land and improvements at \$1,329,500. Assuming \$1,529,500 assessed value, LTV to assessed value will be 77% without including value of subject property being acquired and ultimately combined.

10. FINANCIAL

11. SUBSTANTIATION: DSCR = 1.03x (2020), DSCR = 1.22x (2021); LTV 77%

- Continued development along Garden Road Industrial Parks area (catalyst for future development – high visibility).
- 7 total jobs, 3 full time jobs for Borrower and truck wash jobs estimated at 4.
- Staging area for trucks could provide some traffic relief in the area.
- Acquired property will allow for elimination of residential structure and provide for future development of site which will also provide a prospective solution(s) to existing Planning Board requirements.

12. RECOMMENDATION: