

RESOLUTION NO. 2023- 07

A RESOLUTION APPROVING VINELAND REVOLVING LOAN FUNDS FOR DEW DROP FARMS, LLC AND/OR BRIATZ, INC. (COLLECTIVELY OR INDEPENDENTLY) (OR ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated December 20, 2022, for use of Vineland Revolving Loan funds for Dew Drop Farms, LLC and/or Briatz, Inc. (collectively or independently) (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: Dew Drop Farms, LLC and/or Briatz, Inc. | \$425,000.00 |
| (collectively or independently) (or assigns) | |

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute all documents associated with this loan.

Adopted:

President of Council

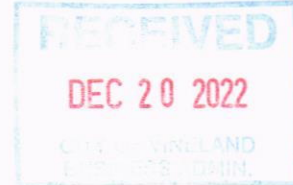
ATTEST:

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:** Dew Drop Farms, LLC and/or Briatz, Inc. (collectively or independently).
Loan Amount: \$425,000.00

DATE: December 20, 2022

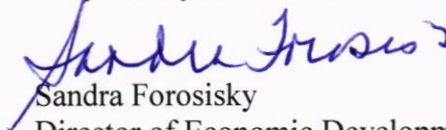
Dear Council President Arthur, Councilmen Acosta, Franceschini, Spinelli, and Vargas:

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, LLC 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: November 14, 2022

Borrower Name and Address (s): Dew Drop Farms, LLC and Briatz, Inc. (Borrowers)
1060 New Pear Street
Vineland, NJ 08360

Request: \$425,000 commercial term loan for leasehold improvements and acquisition of equipment.

Interest Rate: 5.00%

Term of Loan: 20 Years.

1. BACKGROUND: David L. Guidarini, a local businessman and investor, is the 100% owner of two entities known as Briatz, Inc. and Dew Drop Farms, LLC. Briatz, Inc. is a business operating company which will lease real property from Dew Drop Farms, LLC, to operate a restaurant and bar establishment to be known as the Dew Drop Inn. Mr. Guidarini is a retired U.S. Postal Service employee, current business owner (construction, electrician and welding), and was the former owner/operator of liquor and packaged goods store known as Brewster Fine Wines and Liquor.

On December 21, 2015, Mr. Guidarini acquired the property located at 140 E. Wheat Road, Vineland, NJ. This building/site was the former site of Bernardi's Tavern. Mr. Guidarini acquired the property with the intention of renovating and opening a restaurant offering seafood, standard fare, desserts, alcoholic and regular beverages. Since the acquisition, Mr. Guidarini has been self-funding the improvements to the site, including an addition as well as improvements to the exterior and interior of the building. The former Bernardi's Tavern was closed for several years, the building required extensive renovation (portion of rear of building collapsed) and all equipment required replacement. As previously stated, Mr. Guidarini, has been slowly renovating and purchasing equipment completely out of pocket and performing renovations at his personal pace. To date, he has expended \$620,000. He is now ready to acquire the final equipment and complete exterior renovations with this loan request.

1a. PROJECT: The project involves funding the completion of exterior leasehold improvements and equipment acquisition.

| <u>Use of Funds</u> | | <u>Source of Funds</u> | |
|--------------------------|---------------|------------------------|----------------|
| Acquisition of Property | \$ 20,000 | Borrower | \$ 673,000 |
| Completed Improvements | 300,000 | VRLF Loan | <u>425,000</u> |
| Purchased Mach. & Equip. | 300,000 | Total | \$1,098,000 |
| Exterior improvements | 228,000 | | |
| Machinery & equipment | 154,000 | | |
| Signage | 18,000 | | |
| Miscellaneous | 68,000 | | |
| <u>Closing costs</u> | <u>10,000</u> | | |
| Total | \$1,098,000 | | |

Borrower requires approximately \$478,000 to complete project. After borrower +/-10% contribution, the remaining +/- \$425,000 is requested as a loan in the Source of Funds for the project above. Included in Borrower's contribution/expenditures to date of \$673,000 is \$100,000 expended for a solar array which is located on the property, generators, a building addition which includes a second kitchen, and a drive up window.

2. COLLATERAL:

- a.) First position mortgage lien on the real estate located 140 E. Wheat Road, Vineland, Cumberland County, New Jersey a/k/a Block 1301, Lot 24,
- b.) Assignment of Rents and Leases,
- c.) Hypothecation Agreement from Dew Drop Farms, LLC,
- d.) UCC-1 Filing and Security Agreement for borrower(s) as necessary.
- e.) Assignment of Life Insurance or Cash Account of \$100,000.

3. GUARANTORS:

- a.) Personal Guaranty of David L. Guidarini,

4. LIEN POSITION: First.

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

6. SIZE OF PARCEL: +-0.879 acres.

7. IMPROVEMENTS THEREON: The property is improved with a +- 3,200 sq. ft. masonry and frame, one-story building previously utilized as a restaurant / bar. In addition, the property is improved with solar panels in the rear and parking lot.

8. LOCATION OF PROPERTY: 140 E. Wheat Road, Vineland, Cumberland County, New Jersey a/k/a Block 1301, Lot 24.

9. APPRAISAL INFORMATION: The City of Vineland has the property assessed for \$50,000 broken down as follows: land 39,400, building \$10,600. An appraisal will be waived due to investment by owner and providing Key Man Insurance or Cash Collateral Account – see Collateral section above.

10. FINANCIAL:

11. SUBSTANTIATION: DSCR = 3.82x, LTV = 90%

- New dining establishment.
- Job creation.
- Increased real estate tax ratable.

12. RECOMMENDATION: