

RESOLUTION NO. 2023- 109

A RESOLUTION APPROVING VINELAND REVOLVING
LOAN FUNDS FOR BAGEL U REALTY, LLC (OR
ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated February 28, 2023, for use of Vineland Revolving Loan funds for Bagel U Realty, 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: Bagel U Realty, LLC (or assigns) \$450,000.00

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

Adopted:

President of Council

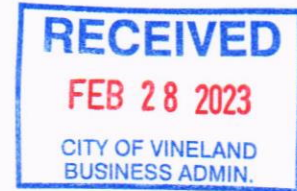
ATTEST:

City Clerk



ECONOMIC DEVELOPMENT
www.vinelandcity.org

640 E. Wood Street
PO Box 1508
Vineland, NJ 08362-1508
Phone: (856) 794-4100
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MEMORANDUM

TO: City Council President and Members
FROM: Vineland Revolving Loan Fund, LLC
SUBJECT: **Applicant:** Bagel U Realty, LLC
Loan Amount: \$450,000.00
DATE: February 28, 2023

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: February 15, 2023

Borrower Name and Address (s): Bagel U Realty, LLC
1259 Magnolia Road
Vineland, New Jersey 08361

Request: \$450,000 commercial real estate loan for the acquisition of a commercial/retail building in Vineland, NJ.

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

1. BACKGROUND: Victor Villar is the 100% owner of VEV Enterprises, LLC t/a Bagel University, a bagel and sandwich restaurant located at 1406 S. Main Road, (Unit #2 & #3), Vineland, NJ. Mr. Villar has operated Bagel University since 2016. Mr. Villar purchased the business from his father who ran the business for 12 years prior. In addition to Bagel University, Mr. Villar is 50% owner of Manny & Vic's Pizzeria Restaurant located on N. Delsea Drive which he has operated for 20 years, as well as 50% owner of MV Food Solutions t/a Macs and Munchies, a food service/catering trailer. Recently, Mr. Villar and a business partner sold the MVP Sports Bar & Grill in Buena, NJ, an establishment which he also was involved in operating for 14 years.

Bagel University has been operating from a leased location. Mr. Villar has identified a retail property located at 54 N. Main Road, Vineland, NJ which he wishes to purchase. The property consists of a +- 4,900 sq. ft. masonry-retail building, and was the former location of a sneaker / sports apparel retailer. Mr. Villar believes he can consolidate and grow his Bagel University operation by 20% while moving his MV Food Solutions into an owned facility which will help him long term as well as control his overhead costs. He plans on introducing new food items (allowing for evening business) as part of his growth plans. The new visibility of the location will bring him opportunity in this endeavor. He also will lease out a portion of the space to be acquired to an additional food service operator involved in specialty desserts, Macs Amore, whom will pay his realty company monthly rent. This will further assist with lowering the cost of ownership of the building and operating overhead.

1a. PROJECT: Acquisition of commercial real estate building. Borrower will improve and fit out building for a bakery / restaurant operation from his resources.

<u>Uses</u>		<u>Sources</u>	
Acquisition	\$500,000	Borrower	\$ 60,000
Closing Costs	10,000	VRLF	450,000
Total	\$510,000	Total	\$510,000

With the assistance of a VRLF loan, he plans on acquiring the facility and investing his own resources in fit out and equipment.

2. COLLATERAL:

- a.) First position mortgage lien on the real estate located at 54 N. Main Road, Vineland, Cumberland County, New Jersey a/k/a Block 3109, Lot 4,
- b.) Assignment of Rents and Leases,
- c.) UCC-1 filing and Security Agreement (County of Cumberland filing) on the Borrower,
- d.) UCC-1 filing and Security Agreement (State of NJ filing) on the Guarantor, VEV Enterprises, LLC.

3. GUARANTORS:

- a.) Victor E. Villar
- b.) VEV Enterprises, LLC

4. LIEN POSITION: First.

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

6. SIZE OF PARCEL: +/- .23 acres, irregular shaped lot.

7. IMPROVEMENTS THEREON: +/- 4,900 sq. ft. retail building, masonry.

8. LOCATION OF PROPERTY: 54 N. Main Road, Vineland, Cumberland County, New Jersey a/k/a Block 3109, Lot 4.

9. APPRAISAL INFORMATION: The City of Vineland has the property assessed for \$388,100 (land \$28,900 and improvements \$359,200). An appraisal will be required demonstrating a 90% LTV, minimum value of \$500,000.

10. FINANCIAL:

11. SUBSTANTIATION: DSCR = 1.17x, LTV = 90%

- Small business will own/control its facility.
- Project creates 2 full time and 3 part time employment positions.
- Previous program borrower with excellent repayment history.
- Assist small business expansion.

12. RECOMMENDATION: