

RESOLUTION NO. 2023- 110

A RESOLUTION APPROVING VINELAND REVOLVING
LOAN FUNDS FOR JAMES V. MARONE (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 James V. Marone (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: James V. Marone (or assigns) \$35,000.00

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
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MEMORANDUM

TO: City Council President and Members
FROM: Vineland Revolving Loan Fund, LLC
SUBJECT: **Applicant:** James V. Marone
Loan Amount: \$35,000.00
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: January 31, 2023

Borrower Name and Address (s): James V. Marone
1138 E. Landis Avenue
Vineland, NJ 08360

Request: \$35,000.00 commercial real estate - term loan for building repairs.

Interest Rate: 5.00% **Term of Loan:** 10 Years.

1. BACKGROUND: Delsea Music, Inc, incorporated in New Jersey on Feb. 10, 1998 by Frank V. Marone and trading as M & M Music (“M & M”), has been serving the musical needs of the Southern New Jersey area since 1960. Located at 2006 S. Delsea Drive in Vineland, NJ, the store is only five minutes off of Exit 29 on Rt. 55. M & M is a licensed Fender, Guild, Peavey, Boss, Alvarez and Electroharmonix dealer and carries everything from starter guitar kits, amplifiers, effects pedals, PA systems, and microphones to stands, picks, cables, saxophones, and cymbals etc. M & M has knowledgeable staff and some of the best teachers in the area giving lessons on guitar, bass, piano, drums, saxophone, and voice. Its teachers are all professional musicians and educators who have extensive backgrounds in performance and music education. In addition to rentals and repairs of musical instruments, it provides lessons and camps. Delsea Music, Inc. t/a M & M Music was founded by Frank V. Marone (deceased in 2016) in 1960 and is now owned 50% by Carmella Marone (widow of Frank Marone and mother of James Marone) and 50% by James V. Marone. James “Jim” V. Marone operates M & M Music. Jim Marone owns the real estate located at 2006 S. Delsea Drive, Vineland, NJ.

Jim Marone approached the Vineland Economic Development Office to apply for an Urban Enterprise Zone (“UEZ”) for building improvements, primarily roof replacement/repairs, to the building located at 2006 S. Delsea Drive, Vineland, NJ, the location of M & M. M & M is a certified UEZ business and qualifies for Vineland UEZ incentives. The project details are listed below.

1a. PROJECT: The project involves the cost of roof replacement to a commercial building located in the UEZ and associated loan closing costs.

<u>Uses</u>		<u>Sources</u>	
Roof repair/replacement	\$35,375.00	VRLF	\$35,000.00
<u>Closing Cost</u>	<u>1,625.00</u>	<u>Borrower</u>	<u>2,000.00</u>
Total	\$37,000.00	Total	\$37,000.00

2. COLLATERAL:

- a.) First position mortgage lien on the real estate located at 2006 S. Delsea Drive, Vineland, Cumberland County, New Jersey a/k/a Block 5601, Lot 71,
- b.) Assignment of rents and leases,
- c.) UCC-1 Filing and Security Agreement (Cumberland County filing on real estate company only).

3. GUARANTORS:

- a.) Delsea Music, Inc.
- b.) Lucia A. Marone

4. LIEN POSITION: 1st position.

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

6. SIZE OF PARCEL: +- 2.15 acres.

7. IMPROVEMENTS THEREON: A +- 2,328 sq. ft., one story retail building with a 1,800 sq. ft. basement. Office is in the basement.

8. LOCATION OF PROPERTY: 2006 S. Delsea Drive, Vineland, Cumberland County, New Jersey a/k/a Block 5601, Lot 71.

9. APPRAISAL INFORMATION: The City of Vineland has the property assessed at \$260,000.00. The assessment breakdown is as follows: land at \$148,300 and improvements at \$111,700. The Borrower had an appraisal performed in 2017 which demonstrated an appraised value of \$267,300.00. Based on the City of Vineland assessed value, the LTV would be +-14%.

10. FINANCIAL:

11. SUBSTANTIATION: LTV = 14%, DSCR = 7.83x

- Assist a small business with improvements to retail facility located in UEZ on S. Delsea Drive. Improvements to enhance site.

12. RECOMMENDATION: