

RESOLUTION NO. 2022- 144

A RESOLUTION APPROVING VINELAND REVOLVING  
LOAN FUNDS FOR NORTH CYPRESS RENTALS, LLC (OR  
ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated March 22, 2022, for use of Vineland Revolving Loan funds for North Cypress Rentals, 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: North Cypress Rentals, LLC (or assigns)                      not to exceed \$990,000.00

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

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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:** North Cypress Rentals, LLC  
**Loan Amount:** not to exceed \$990,000  
DATE: March 22, 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 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



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's office at 856-794-4144.

**VINELAND REVOLVING LOAN FUND COMMITTEE  
LOAN PROPOSAL**

**Date:** March 7, 2022

**Borrower Name and Address(s):** North Cypress Rentals, LLC  
2076 E. Landis Avenue  
Vineland, NJ 08360

**Request:** up to \$990,000 commercial term loan – for the acquisition of a commercial – office building on E. Landis Avenue, an office building on E. Elmer Street, and renovation funding for the office building located on E. Landis Avenue, Vineland, NJ (\$960,000 for acquisition).

**Interest Rate Loan:** 5.00%

**Term of Loan:** 20 Years.

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**1.BACKGROUND:** Macleod Carre is the majority owner of North Cypress Rentals, LLC (“North Cypress”), a real estate and investment holding company formed in the state of New Jersey on March 9, 2009. The members of North Cypress Rentals, LLC are Macleod Carre 99%, and Robert Odorizzi, 1%. Currently, North Cypress is the owner of four properties, a commercial office property located at 616 E. Landis Avenue, Vineland, NJ, a commercial/office property located at 614 E. Landis Avenue, Vineland, NJ, a commercial office property located at 727 E. Landis Avenue, Vineland, NJ and a residential dwelling rental located at 341 E. Wheat Road, Buena Borough, New Jersey. 616 E. Landis Avenue is improved with a three-story office building comprised of a total of 18,822 sq. ft. 614 E. Landis Avenue, Vineland, NJ is improved with a 2 story office building comprised of 10,510 sq. ft. 727 E. Landis Avenue, Vineland, NJ is a 2-story office building comprised of 17,956 sq. ft. Currently, the properties have several tenants and all current tenants have leases. Additional square footage is being marketed for lease and is expected to be occupied shortly. North Cypress Rentals, LLC recently upgraded HVAC and facilitated additional renovations and improvements to each building. North Cypress Rentals, LLC is embarking on new acquisitions and is desirous of acquiring 817 E. Landis Avenue and 814 E. Elmer Street, Vineland, N.J.

Macleod Carre, is a graduate of Ohio State University (BS in Business Administration) and Columbia University (Master of Science in Social Work) and has worked in the fields of social work in New York and New Jersey and in higher education at Cumberland County and Salem Community Colleges as well as with the State of New Jersey and the state prison system. Previously he worked in Los Angeles in film and television production while serving as Executive Vice President of the largest prop and set decoration company. Subsequently he was a partner in a special event and conference production company which produced conferences and events in multiple states and overseas. After relocation to the East Coast in 2000 he produced meetings and conferences before deciding to teach at the college level and subsequently return to his original profession as a social worker. His ensuing career in social work included work in hospice and home care with Holy Redeemer and the VNA health group before being appointed to the position of Director of the Cumberland County Office on Aging. After brief stints working in a hospital and a rehabilitation facility in Southern New Jersey, he was recruited by Horizon Blue Cross to work in a new program called MLTSS. During this time he became an active member of the Vineland Downtown Improvement District Board of Directors. His interest in urban re-development motivated him to become an enthusiastic member of the Improvement District’s board of Directors and his commitment to the redevelopment of downtown Vineland caused him to make an even greater commitment. He began to invest in the downtown itself first acquiring 614 E. Landis Avenue, then 727 E. Landis and most recently 616 E. Landis. Recognizing that downtowns are unlikely to return to their previous role as retail meccas, he has actively recruited businesses to locate in the downtown buildings owned by North Cypress Rentals, LLC. He has done this in concert with his partner, Robert Odorizzi, by offering very competitive and attractive lease rates in all three buildings and most recently, endeavoring to employ innovation by creating

**1. BACKGROUND (CONTINUED):**

a shared office environment. This concept is being applied in other municipalities with great success since many start-up companies are seeking a brick and mortar location without the unsustainable overhead associated with an entire office suite. The plan for the building located at 616 E. Landis is to create a space that allows smaller start up enterprises to have a work space with supportive services where they can work and also meet with potential clients. Success with this concept promises to increase activity in the downtown Vineland core and make it a more attractive place to do business. Coupled with this, North Cypress Rentals, LLC will continue to serve the not-for-profits that are best located near public transportation in the downtown area and Mr. Carre’s presence as a resident of Vineland will insure that these businesses will be nurtured and expanded. One of the observations he has made as a member of the Improvement District is that too many properties in town are owed by out of town investors who see them solely as a financial investment and lack the commitment to the community. He has greatly valued his relationship with the Urban Enterprise Zone and with other members/network who share in his vision.

**1b. PROJECT:** Proposed property / project involves the financing the acquisition and renovations to real estate consisting of two (2) buildings, a commercial office building located at 817 E. Landis Avenue, and a residential/office facility located at 814 E. Elmer Street (located behind 817 E. Landis) inclusive of attached private parking lots (parking for 38 vehicles for employees or professional tenants). 817 E. Landis Avenue is currently owned by a real estate affiliated company of a long-time prestigious law firm which desires to lease back part of the building. The remaining square footage of the building is readily set for additional professional tenants requiring some upgrade to allow for privacy and designated space accordingly throughout the building.

<u>Uses of Funds</u>		<u>Sources of Funds</u>	
Acquisition (817 E. Landis)	\$ 699,300	Borrower	\$ 35,000 ( 3%)
Acquisition (814 E. Elmer)	160,700	VRLF	990,000 * ( 97%)
Acquisition (Personalty)	100,000	Total	\$1,025,000
Renovations (817 E. Landis)	45,000		
Misc., other & closing	20,000		
Total	\$1,025,000		

\*VRLF loan to be structured as a six month interest only period with full amortization beginning in seventh month to allow for some renovations to 817 E. Landis Avenue.

**2. COLLATERAL:**

- a.) First position mortgage lien on the real estate located at 817 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 4004, Lot 4,
- b.) First position mortgage lien on the real estate located at 814 E. Elmer Street, Vineland, Cumberland County, New Jersey a/k/a Block 4004, Lot 9,
- c.) Third position mortgage lien on the real estate located at 616 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 3020, Lot 4,
- d.) Fourth Position mortgage lien on the real estate located at 614 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 3020, Lot 3,
- e.) Fifth position mortgage lien on the real estate located at 727 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 4003, Lot 8,
- f.) Fifth position mortgage lien on the real estate located at 720 E. Elmer Street, Vineland, Cumberland County, New Jersey a/k/a Block 4003, Lot 16,
- g.) Fifth position mortgage lien on the real estate located at 718 E. Elmer Street, Vineland, Cumberland County, New Jersey a/k/a Block 4003, Lot 17,
- h.) Assignment of Rents and Leases for properties stated in a.), b.), c.), d.), e.), f.) above,
- i.) UCC-1 filing and Security Agreement (Cumberland County filing) each property,
- j.) Subject to receipt of any existing leases or supporting documentation requested.
- k.) Subordination of member or affiliated debt.

**3. GUARANTORS:** a.) Personal Guaranty of Macleod Carre.

**4. LIEN POSITION:** First, second, third and fourth as depicted in Collateral section #2 above.

**5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:** Vineland Revolving Loan Fund, LLC will have a primary mortgage position on the subject properties, (a.) 817 E. Landis Avenue, Vineland, NJ and (b.) 814 E. Elmer Street, Vineland, NJ. In addition, the following properties will be utilized as collateral with additional mortgage filings. The original loan amounts and positions are demonstrated below.

- (a.) 616 E. Landis Avenue, Vineland, NJ - Vineland Revolving Loan Fund, LLC, First, Second
- (b.) 614 E. Landis Avenue, Vineland, NJ - Vineland Revolving Loan Fund, LLC, First, Second, Third,
- (c.) 727 E. Landis Avenue, Vineland, NJ - Vineland Revolving Loan Fund, LLC, First, Second, Third, Fourth
- (d.) 720 E. Elmer Street, Vineland, NJ - Vineland Revolving Loan Fund, LLC, First, Second, Third, Fourth
- (e.) 718 E. Elmer Street, Vineland, NJ - Vineland Revolving Loan Fund, LLC, First, Second, Third, Fourth

<u>616 E. Landis</u>	<u>614 E. Landis</u>	<u>727 E. Landis</u>	<u>720 E. Elmer</u>	<u>718 E. Elmer</u>
VRLF 1 <sup>st</sup> \$495,000	VRLF 1 <sup>st</sup> \$265,000	VRLF 1 <sup>st</sup> \$362,500	VRLF 1 <sup>st</sup> \$362,500	VRLF 1 <sup>st</sup> \$362,500
VRLF 2 <sup>nd</sup> \$202,500	VRLF 2 <sup>nd</sup> \$105,000	VRLF 2 <sup>nd</sup> \$ 23,000	VRLF 2 <sup>nd</sup> \$ 23,000	VRLF 2 <sup>nd</sup> \$ 23,000
	VRLF 3 <sup>rd</sup> \$202,500	VRLF 3 <sup>rd</sup> \$495,000	VRLF 3 <sup>rd</sup> \$495,000	VRLF 3 <sup>rd</sup> \$495,000
		VRLF 4 <sup>th</sup> \$202,500	VRLF 4 <sup>th</sup> \$202,500	VRLF 4 <sup>th</sup> \$202,500

**6. SIZE OF COLLATERAL PARCELS:** (a.) +-.52 acres (b.) +-.17 acres (c.) +-.34 acres (d.) +-.24 acres, (e.) +-.19 acres, (f.) +-.22 acres., (g.) +-.22 acres.

**7. IMPROVEMENTS THEREON:** Property (a.) a two-story office building comprised of a total 12,904 sq. ft., with basement space, and parking lot fronting on Elmer Street. Property (b.) a two-story, one family dwelling comprised of 2,400 sq. ft. used as an office. Property (c.) a three-story office building comprised of a total of 18,822 sq. ft. including basement office space. Property (d.) a two-story office building comprised of 10,500 sq. ft. Property (e.) a two-story office building comprising a total 17,956 sq. ft. (+-8,978 sq. ft. on each floor) with basement area. Property (f.) a parking lot, and Property (g.) a parking lot. The parking lots have separate block and lot numbers and are located to the rear of the building.

**8. LOCATION OF PROPERTY:** a.) 817 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 4004, Lot 4,  
b.) 814 E. Elmer Street, Vineland, Cumberland County, New Jersey a/k/a Block 4004, Lot 9,  
c.) 616 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 3020, Lot 4,  
d.) 614 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 3020, Lot 3,  
e.) 727 E. Landis Avenue, Vineland, Cumberland County, New Jersey a/k/a Block 4003, Lot 8,  
f.) 720 E. Elmer Street, Vineland, Cumberland County, New Jersey a/k/a Block 4003, Lot 16,  
g.) 718 E. Elmer Street, Vineland, Cumberland County, New Jersey a/k/a Block 4003, Lot 17.

**9. APPRAISAL INFORMATION:** An appraisal will be ordered on the commercial office building.

The residential/office unit will be based on assessed value. Based on the proposed loan and existing UEZ/VRLF loans for the collateral identified above, the LTV is calculated at +-99%. For informational purposes, the City of Vineland's assessed valuation values the properties was utilized and is broken down as follows:

- Property a.) Two (2) story office building comprising a total of 12,904 sq. ft. Land at \$258,500, Improvements at \$536,400, = \$794,900.
- Property b.) Two (2) story residential dwelling used as an office (registered as a residential dwelling in City's Tax Assessor's office) Land at \$16,800, Improvements at \$143,000 = \$159,800.
- Property c.) Three (3) story office building comprising a total of 18,822 sq. ft. Land at \$147,500, Improvements at \$352,500 = \$500,000.
- Property d.) Two (2) story office building comprising a total of +-10,500 sq. ft. Land at \$74,400, Improvement \$220,600, = \$295,000
- Property e.) Two (2) story office building comprising a total 17,956 sq. ft. (+-8,978 sq. ft. on each floor) with basement area. Land at \$145,000, Improvements at \$244,400 = \$439,400.
- Property f.) Parking lot. Land at \$28,400, Improvements at \$13,200 = \$41,600.
- Property g.) Parking lot. Land at \$32,900, Improvements at \$11,100 = \$44,000.

<u>Assessed Value</u>	<u>Loans (approximate balances)</u>		
Property a.) \$ 794,900	Proposed Loan	\$ 990,000	
Property b.) \$ 159,800			
Property c.) \$ 500,000	Existing Loan	478,000	(616 E. Landis)
Property d.) \$ 295,000	Existing Loan	282,000	(614 E. Landis – \$91,000 and \$204,000)
Property e.) \$ 439,400	Existing Loan	327,000	(727 E. Landis)
Property f.) \$ 41,600	Existing Loan	17,000	(727 E. Landis)
<u>Property g.) \$ 44,000</u>	Existing Loan	<u>202,500</u>	(616, 614, 727 E. Landis)
Total \$2,275,200	Total	\$2,296,500	

Assume properties valued at +-\$32 per sq. ft., therefore, property c.) is valued at \$550,000 and property d). is valued at \$550,000 each and property e.) is valued at \$400,000, inclusive of f.) and g.) parking areas, (based on improvements and additional future income growth), this writer believes the LTV could = 90% based on an assumed combined market value of over \$2,500,000. Utilizing assessed values, the LTV is 100%+.

<u>Appraised Value</u>	<u>Proposed Loan - Subject</u>
Property a.) \$1,200,000	Proposed Loan \$ 990,000

LTV = 81%

## **10. FINANCIAL:**

### **11. SUBSTANTIATION:**

LTV = 81% (subject property and loan);

DSCR (proposed acquisition without additional space rented) 0.98x;

DSCR = Projected at over 1.10x with all acquired space rented - global.

- Proposed Debt Service will be 0.98x. Upon completion of improvements, Borrower will be able to add tenants to 817 E. Landis Avenue property and 814 E. Elmer Street which will increase debt service capacity potentially leading to debt service coverage globally at 1.10x.
- Additional space to be leased will lead to further occupancy and prospective “feet on the street” for Landis Avenue businesses which could lead to further business opportunities etc.
- Borrower has a history of leasing vacant office space on Landis Avenue and securing office tenants.

### **12. RECOMMENDATION:**