

RESOLUTION NO. 2022-181

A RESOLUTION APPROVING VINELAND REVOLVING
LOAN FUNDS FOR WORLDWIDE REAL ESTATE
ASSOCIATES, LLC (OR ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated April 26, 2022, for use of Vineland Revolving Loan funds for Worldwide Real Estate Associates, 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: Worldwide Real Estate Associates, LLC (or assigns) not to exceed \$270,000.00

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:** Worldwide Real Estate Associates, LLC
Loan Amount: \$270,000

DATE: April 26, 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



**VINELAND REVOLVING LOAN FUND, LLC
LOAN PROPOSAL**

Date: March 30, 2022

Borrower Name and Address (s): Worldwide Real Estate Associates, LLC
1022 Spruce Street
Vineland, NJ 08360

Request: \$270,000 commercial mortgage loan - permanent for roof repairs to industrial building for affiliated glass vial and laboratory glass products manufacturer.

Interest Rate: 5.00%

Term of Loan: 20 Years.

1. BACKGROUND:

Worldwide Glass Resources, Inc. ("WWGR" or the "Company") is a manufacturer and provider offering engineering and technical expertise in the design and production of glass laboratory vials and accessories. WWGR was established in March 2001 by James "Jim" Crawford, President of the Company and Ed Poisker, as a glass vial manufacturer and assembly company in Southern New Jersey. Mr. James "Jim" Crawford has spent the majority of his career in the glass vial manufacturing and chromatography area. He has experience working at Wheaton Science Products where he was Chromatography Product Manager, J.G. Finneran Associates where he held the position of Global Chromatography Marketing Manager, and Kimble Glass, also as Global Chromatography Manager. Upon leaving Kimble Glass, he formed WWGR and has been active here since March 2001 along with Edward Poisker, the other principal/owner of WWGR. Chromatography is set of laboratory techniques for the separation of mixtures. In glass, the vials are used on the instruments which separate compounds.

In 2003, WWGR emerged as one of the leading laboratory vial manufacturers in the United States. It operates as a manufacturer, reseller and assembler of glass vial and apparatus serving the global laboratory markets. The company's customer base includes scientists and decision makers in such markets as pharmaceutical R&D, petro-chemical, biotech, environmental, food & fragrance, government, etc. The foundation of the company's success is their commitment and focus to their customers, the investment in their employees, and reinvestment in the company through continued engineering and development of technologies, products and processes. With over 25 years of experience, the company's highly qualified staff offers customers the ability to develop custom vials to meet specific requirements and standard vials and products for everyday laboratory use. Some of the products that are manufactured include: chromatography vials, industrial glass, custom vials, sample vials and closures, flat bottom vials (shell vials), and round bottom tubes.

WWGR via Worldwide Real Estate Associates, LLC ("WWREA") purchased the facility located at 1022 Spruce Street, Vineland, NJ from Kimble Kontes, LLC. (WWGR previously leased from Kimble Kontes and was able to acquire building with assistance of a VRLF loan) to base its headquarters as well as the manufacturing and warehouse facilities in 2016. WWREA leases portions of the facility to WWGR and several unaffiliated third party tenants. WWGR relocated its manufacturing operation to Vineland in February 2014 and is owned by the same principals of WWREA.

1a. COMPETITION:

Thermo-Fisher, J.G. Finneran, Richland Glass.

1b. PROJECT:

WWREA is interested in financing permanent roof repairs and replacement to its facility in Vineland, NJ. The project cost is as follows:

Cost of repairs	\$ 300,000	Borrower	\$ 40,000
Closing Costs (est.)	10,000	VRLF	270,000
Total	\$ 310,000	Total	\$ 310,000

2. COLLATERAL:

- a.) Fourth position mortgage lien on the real estate located at 1022 Spruce Street, Vineland, Cumberland County, New Jersey a/k/a Block 2302, Lot 12.
- b.) Assignment of rents and leases.
- c.) UCC-1 filing and Security Agreement – (Cumberland County Filing) subordinate position to OceanFirst).

3. GUARANTORS:

- a.) Personal Guaranty of James O. Crawford.
- b.) Personal Guaranty of Edward C. Poisker.
- c.) Corporate Guaranty of Worldwide Glass Resources, Inc.

4. LIEN POSITION: Fourth behind OceanFirst Bank’s first mortgage, and an existing second mortgage to the Vineland Revolving Loan Fund, LLC and an Ocean First 3rd mtg. for an equipment loan secured by the real estate.

5. DOLLAR AMOUNT AND HOLDER OF PRIOR MTG. LIENS: Below is the breakdown of existing debt or Worldwide Real Estate Associates, LLC. Worldwide Glass Resources, Inc. the operating company has its own debt and is demonstrated on the spreadsheet analysis:

	Original Loan Amount	Balance Outstanding	Payoff/Maturity Re-Price Date
Ocean First	\$1,450,000.00	\$1,225,000.00	07/00/2027
VRLF (2 nd)	410,000.00	335,000.00	09/00/2036
Ocean First (3 rd)	1,500,000.00	553,000.00	07/00/2024 (equipment loan)
	\$3,360,000.00	\$2,113,000.00	

6. SIZE OF PARCEL: +-18.10 acres.

7. IMPROVEMENTS THEREON: The improvements consist of masonry block and metal panel buildings (3 buildings) with a total of +-124,609 sq. ft. broken down as follows: 111,232 sq. ft. of production/manufacturing/warehouse space (ceiling heights of 14’ to 20’ range) inclusive of four tailgate doors and one drive in door, and +-13,360 sq. ft. of office space. Building is 100% wet sprinkler with gas fired heat ceiling units.

8. LOCATION OF PROPERTY: 1022 Spruce Street, Vineland, Cumberland County, New Jersey a/k/a Block 2302, Lot 12.

9. APPRAISAL INFORMATION: Request consideration to waive appraisal. City of Vineland has the property assessed at \$2,000,000. Note that the property was purchased in 2016 for \$2,000,000. An Insurance company valuation for replacement of facility indicates a value of \$13,851,000. This is not reflective of market value, however. To arrive at a 90% LTV (including the proposed debt), the property would require a value of \$2,348,000. This writer believes that figure is achievable and that the property’s value equals or exceeds the \$2,348,000 figure. LTV = 105.65% based on assessment.

11. SUBSTANTIATION: DSCR = 1.93x, LTV = 105.65%*

*Based on COV assessed value of \$2,000,000.00. Writer believes value is substantially higher, but would only require appraisal to be \$2,348,000 to achieve LTV of 90%.

- Assist a Vineland based company with improvements to facility.
- Company employs 82 and plans 3 additional hires this year.

12. RECOMMENDATION: