

RESOLUTION NO. 2025- 71

A RESOLUTION APPROVING VINELAND REVOLVING  
LOAN FUNDS FOR DAVID B. SCALES, JR. OR REAL  
ESTATE COMPANY TO BE FORMED (OR ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated January 28, 2025, for use of Vineland Revolving Loan funds for David B. Scales, Jr. or real estate company to be formed (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: David B. Scales, Jr. or real estate company                      \$89,000.00  
to be formed (or assigns)

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

Adopted: February 11, 2025

\_\_\_\_\_  
President of Council                      pfs

ATTEST:

\_\_\_\_\_  
City Clerk                                      kp



ECONOMIC DEVELOPMENT  
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*MS FOR RD  
1-29-25*



**MEMORANDUM**

TO: City Council President and Members  
FROM: Vineland Revolving Loan Fund, LLC  
SUBJECT: **Applicant:** David B. Scales, Jr. or real estate company to be formed  
**Loan Amount:** \$89,000.00  
DATE: January 28, 2025

Dear Council President Spinelli, Councilmen English, Gomez, Vargas, and Councilwoman Arthur:

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 Forsosky*

Sandra Forsosky  
Director of Economic Development

SF/fd

cc: Frank DiGiorgio  
file



**VINELAND REVOLVING LOAN FUND, LLC  
LOAN OFFERING**

**Date:** January 8, 2025

**Borrower Name and Address (s):** David B. Scales, Jr.  
2630 E. Chestnut Avenue, Suite C2  
Vineland, NJ 08361

**Request:** \$89,000 commercial term loan – real estate acquisition to acquire an office condominium unit.

**Interest Rate:** 6.25%                      **Term of Loan:** 20 Years.

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**1. BACKGROUND:** David B. Scales, Jr. is the owner / operator of a State Farm insurance agency servicing the greater Vineland area since opening in April 2019. His agency offers auto and motorcycle, home and condo, umbrella, health, business, life, renters, pet, boat and recreational vehicle insurance products. Mr. Scales’ insurance office is located at a leased location at 2630 E. Chestnut Avenue, Suite C2 in Vineland, NJ (in the Brewster Condominium Association condos at Chestnut and Brewster Roads adjacent to Martino’s Restaurant). Mr. Scales operates his business as a Schedule C - sole proprietor, and he employs 6 people. Desirous of purchasing the office space from which he operates his business, Mr. Scales has entered into a purchase agreement to acquire the leased condo-office space. The office is located in the Vineland Urban Enterprise Zone and he has applied for funding through the Vineland Revolving Loan, LLC to finance the purchase. Prior to owning and operating his own State Farm Insurance agency/business, Mr. Scales held various positions with La-Z-Boy including, store manager, warehouse manager, and general sales manager. Mr. Scales is involved in several local organizations including Board of Directors for Greater Vineland Chamber of Commerce, Board President for Cumberland County Habitat for Humanity, Vineland Rotary, Southern NJ Chamber of Commerce and he volunteers for Vineland Spirit and Truth Ministries.

<b>1a. PROJECT:</b>	<u>Uses</u>		<u>Sources</u>	
	Acquisition	\$90,000	Borrower	\$10,000
	Closing Costs	<u>9,000</u>	VRLF	<u>89,000</u>
	Total	\$99,000	Total	\$99,000

**2. COLLATERAL:**

- a.) First position mortgage lien on 2630 E. Chestnut Avenue, Unit C-2, Vineland, Cumberland County, NJ a/k/a Block 4405, Lot 2803, Qualifier C2,
- b.) Assignment of Rents and Leases,
- c.) UCC-1 filing and Security Agreement (County of Cumberland),
- d.) UCC-1 filing and Security Agreement (State of NJ),
- e.) Proof of building and fire insurance for condo to be purchased as well as condo association insurance.

**3. GUARANTORS:**

- a.) David B. Scales, Jr. (in the event Mr. Scales forms a business entity to own real estate),
- b.) Ashely G. Miller-Scales

**4. LIEN POSITION:** First.

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

**6. SIZE OF PARCEL:** The office condominium unit is 1,000 sq. ft. and is part of the Brewster Condominium Association.

**7. IMPROVEMENTS THEREON:** Office condominium unit/space.

**8. LOCATION OF PROPERTY:** 2630 E. Chestnut Avenue, Unit C-2, Vineland, Cumberland County, NJ  
a/k/a Block 4405, Lot 2803, Unit C2.

**9. APPRAISAL INFORMATION:** The City of Vineland has the property assessed at \$96,800 (land value at \$30,000 and improvements at \$66,800). Based on the assessed value, the LTV is 92%. In lieu of an appraisal, this writer believes the property's assessed value is not reflective of market value and that Mr. Scales is purchasing the property below assessed value and market value. Waiver of an appraisal is requested and consideration for same. At \$100 per sq. ft., value would be \$100,000 value or 89% LTV.

**10. FINANCIAL:**

**11. SUBSTANTIATION:** DSCR 3.52x, LTV 92%

- Assist small business with ownership of office unit/space vs. lease.
- Long term commitment to with purchase vs. lease.

**12. RECOMMENDATION:**