



Vineland, New Jersey

RESOLUTION NO. 2025- 228

A RESOLUTION APPROVING VINELAND REVOLVING LOAN FUNDS FOR DICERBO HOLDINGS, LLC (OR ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated April 29, 2025, for use of Vineland Revolving Loan funds for DiCerbo Holdings, 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: DiCerbo Holdings, LLC (or assigns) \$560,000.00

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

Adopted: May 13, 2025

ATTEST:

City Clerk rgf

President of Council pfs

MEMORANDUM

TO: City Council President and Members

FROM: Vineland Revolving Loan Fund, LLC

SUBJECT: **Applicant:** DiCerbo Holdings, LLC
Loan Amount: \$560,000.00

DATE: April 29, 2025



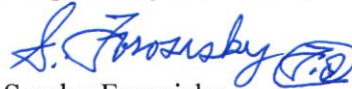
Dear Council President Spinelli, Councilmen English, Gomez, Vargas, and Councilwoman Arthur:

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 Forosisky
Director of Economic Development

SF/fd

cc: Frank DiGiorgio
file



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

Date: March 25, 2025

Borrower Name and Address (s): DiCerbo Holdings, LLC and
Raw Health Canine Food, LLC
565 N. East Boulevard
Vineland, NJ 08360

Request #1: \$560,000 commercial real estate – acquisition loan for the purchase of a commercial building.
Request #2: \$ 90,000 commercial loan – acquisition of machinery and equipment.

Interest Rate Loan #1:	6.25%	Term of Loan:	20 Years
Interest Rate Loan #2:	6.25%	Term of Loan:	10 Years

1. BACKGROUND: Basil DiCerbo is the owner of Raw Health Canine Food, LLC (“Raw Health”), a subchapter S-corp. formed in 2020. Mr. DiCerbo started his career as a class 2 Police Officer for the Atlantic City Police Department in 2014-2016. In 2016, Mr. DiCerbo was hired by the Camden County Police Department where he served in the City of Camden until 2019. Thereafter, he was hired by the West Deptford Police Department. He received numerous awards while working as a police officer.

While employed in West Deptford in 2021, he started his business, Raw Health Canine Food. While being a Police Officer in 2021, it was a financial burden to feed his canine raw food due to retailers selling fresh canine food at extremely high price or overpriced. Mr. DiCerbo noted that the food/kibble provided to feed his canine was not appropriate and lacked nutritional value. His canine was not as healthy, and his performance suffered. This gave him a reason to start his business, Raw Health. At that time, as a police officer, he states he was not highly compensated (making approximately \$50,000 annually) and could not afford to feed his canine the raw, healthy food. His goal in the beginning of this journey was to provide high quality raw dog food at an affordable price. Raw Health Canine Food sales took off in the first month as word spread from friends and family, and people began buying the food. He was able to rent his first location in March of 2021, a +-1,200 sq. ft. building located in Mount Ephraim, New Jersey. By August of 2021, the business rapidly outgrew the 1,200 sq. ft. location and the business moved to a leased location at 143 Harding Avenue, Bellmawr, New Jersey, which was +-4,500 sq. ft. The customers of the business consist of many Police K-9’s and every day pet dogs. In May of 2022, his daughter was born and he continued employment as a police officer while operating a growing business. However, he could not juggle a career and a growing business. While he enjoyed his career as a police officer, he made a difficult decision. In August 2022, Raw Health Canine Food was growing rapidly every month he resigned his police officer employment and put all of his effort and energy into Raw Health Canine Food. Shortly after his resignation as a police officer, Duke (his German shepherd K-9) was certified as an explosive detection K-9 and they began conducting K-9 sniffs for multiple venues like Lincoln Financial Field, and also worked with the Philadelphia Counter Terrorism Unit. Their pay for this service ranges from \$50-\$125 per hour depending on the assignment. In 2022, Mr. DiCerbo, along with his brother, started a new business - a pet supplement company called Pure Health Pet Nutrition where they have products made by a 3rd party company and are resold. In October of 2022, Mr. DiCerbo hosted the Raw Health Canine Food Dog Expo at the Atlantic City Convention Center. This event was a great event for the community. This event consisted of Police K-9 demonstrations, raffles, vendor booths & games for children like bounce houses etc. In November of 2023, while running Raw Health Canine Food and conducting K-9 sniffs periodically, Mr. DiCerbo started a meat distribution company that known as Cugines Quality Meats. Mr. DiCerbo was 80% owner with his cousin, a 20% owner. This business was successful in the short time that they operated it. In April of 2024, Vrola Meats/Tidal Seafood proposed a deal to acquire the company and keep Mr. DiCerbo on as an Account Executive for the company where he receives a generous weekly salary plus commission. Mr. Dicerbo continues his employment with Vrola/Tidal today.

1. BACKGROUND (Continued): Fast forward to the summer of 2024, Raw Health continued growing and outgrew the location in Bellmawr, NJ. Mr. DiCerbo began searching for a commercial property where he could grow for the long term. While searching for a property, he located a listing in Vineland, NJ - 565 N East Blvd. where he believes is a great location to work, grow and bring a positive impact to the community. As of this day, he is currently the President/Founder of Raw Health Canine Food, CEO/Founder of Pure Health Pet Nutrition, President/Founder of Dicerbo Holdings, Account Executive for Vrola Meats/Tidal Seafood and he is a private contractor for the Detection of Explosives with his K-9 partner Duke. It should be noted that Mr. DiCerbo's wife, Madeline DiCerbo (Maiden Name: Lagerholm), a Behavioral Analyst for the Clayton School District, was born and raised in the City of Vineland where her family still resides and her sister works for the Vineland City Health Department.

1a. PROJECT: The project involves the acquisition of a +-9,600 sq. ft. building (lite manufacturing / warehouse building) and the acquisition of machinery and equipment.

<u>Uses</u>		<u>Sources</u>	
Acquisition of building	\$625,000	VRLF	\$560,000
Acquisition of Machinery & Equip.	100,000	VRLF	90,000
<u>Closing and Soft Costs</u>	<u>50,000</u>	<u>Borrower</u>	<u>125,000</u>
Total	\$775,000	Total	\$775,000

1b. INDUSTRY / COMPETITION: The global dog food market size was estimated at \$41.44 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 5.1% from 2023 to 2030. This is attributed to the increasing awareness among consumers about the importance of providing balanced and nutritional food to pets. They are seeking products that cater to their pets' specific dietary needs and health requirements. Factors, such as product quality, pricing, brand reputation, innovation, distribution, and marketing strategies, drive the competition in the global market. Companies consistently invest in research and development to introduce enhanced formulations that align with the changing demands of pet owners. Moreover, they prioritize expanding their market presence through various distribution channels, encompassing specialty stores, supermarkets, and online platforms.

Key Companies & Market Share Insights

The global market is highly competitive with the presence of large-scale international as well as domestic companies that are increasingly strengthening their dominance over countrywide or regional markets. For instance, in India, Drools Pet Food Pvt. Ltd., a domestic company, is leading the market and competing against well-established brands, such as Pedigree. Furthermore, multinational companies are undertaking strategic initiatives, such as distribution agreements, partnerships, collaborations, mergers & acquisitions, to increase their geographical footprint and market relevance. For instance, in February 2023, Mars, Inc. announced the completion of the acquisition of Champion Pet foods. This acquisition includes two of the fastest growing and iconic brands, ORIEN and ACANA. Some of the prominent players in the global dog food market include: Mars, Inc., The J.M. Smucker Company, Nestlé Purina PetCare, Hill's Pet Nutrition, Drools Pet Food Pvt. Ltd., CANIN, Nulo, SCHELL & KAMPETER, Ainsworth Pet Nutrition, Agro Food Industries.

Other Insights

North America dominated the global market with a revenue share of 45.80% in 2022. This is mainly attributed to high pet ownership, a well-established pet food industry, a robust distribution channel, and ever-increasing pet humanization trends. Moreover, pet owners in North America are increasingly conscious of their pets' health and well-being. There is a growing demand for nutritious and balanced diets, leading to a preference for high-quality products. In Europe, similar to other regions, there is a noticeable trend towards premium and specialized dog food products. Pet owners are increasingly willing to spend more on high-quality, nutritious, and organic options. The dry food segment dominated the global market with a revenue share of 56.38% in 2022. This is attributed to numerous advantages associated with the product, such as convenience, cost efficiency, ease of storage, and portion control. In addition, high-quality dry products are formulated to provide a balanced diet with all the nutrients, vitamins, and minerals essential for a dog's health and well-being. It has a longer shelf life, allowing pet owners to buy larger quantities and store them without worrying about spoilage. Wet dog food comes in a moist, semi-liquid form packed in cans or pouches. Unlike dry products, which have a low moisture content, wet items

1b. INDUSTRY / COMPETITION (Continued):

contain higher water content, typically around 70-80%. The primary ingredients in wet dog food are often meat, poultry, or fish, along with other wholesome ingredients like vegetables, grains, and minerals. Dog snacks or treats are typically used as positive reinforcement during training sessions or to show affection to dogs. Some common dog snacks/treats include jerky treats, chew bones & sticks, biscuits & cookies, freeze-dried treats, cheese & yogurt treats, and fruit & vegetable treats.

Distribution Channel Insights: The specialty stores segment dominated the global market with a revenue share of more than 42% in 2022. This is attributed to various factors, such as wide product selection, expertise & knowledge, quality assurance, customer experience, and convenience. Supermarkets and hypermarket share widespread and easily accessible, making them convenient locations for consumers to purchase their everyday essentials, including dog food. People often visit these stores for their regular grocery shopping, making it convenient to pick up dog food at the same time.

- 2. COLLATERAL:** a.) First & Second position mortgage lien(s) on the real property located at 565 N. East Boulevard, Vineland, Cumberland County, New Jersey a/k/a Block 2333, Lot 1,
b.) Assignment of Rents and Leases,
c.) UCC – 1 filings and Security Agreements accordingly,
d.) Assignment of life insurance in the minimum amount of \$500,000 on Basil DiCerbo,
e.) Subject to zoning, planning approvals and city approvals,
f.) Evidence of no ust's and/or environmental issues outstanding.
- 3. GUARANTORS:** a.) Basil A. DiCerbo (for both loans),
b.) Raw Health Canine Food, LLC (for Dicerbo Holdings, LLC loan),
c.) DiCerbo Holdings, (for Raw Health Canine Food, LLC).
- 4. LIEN POSITION:** VRLF will have the first position mortgage on the real estate and file a priority UCC filing on the specific equipment/machinery (State filing on operating company/guarantor) and a general UCC filing (State and County) accordingly on the operating company and real estate holding company.
- 5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:** N/A.
- 6. SIZE OF PARCEL:** 127' x 173.15 (+- .50 acres).
- 7. IMPROVEMENTS THEREON:** The subject property improved with a +-9,600 sq. ft. (lite manufacturing / warehouse building, wood frame construction).
- 8. LOCATION OF PROPERTY:** 565 N. East Boulevard, Vineland, Cumberland County, New Jersey a/k/a Block 2333, Lot 1.
- 9. APPRAISAL INFORMATION:** An appraisal will be required and ordered demonstrating a minimum LTV of 90%. The City of Vineland currently has the property assessed for \$288,000 (land \$32,500, improvements \$255,500).

10. FINANCIAL:

11. SUBSTANTIATION: LTV = 90%, DSCR = 1.60x

- New, niche and growing business to locate and expand in Vineland.
- Creation of one new full-time and one-part time job opportunity.
- Underutilized facility will have new activity.

12. RECOMMENDATION: