

RESOLUTION NO. 2014- 64

**A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO WORLDWIDE GLASS RESOURCES, INC. OR THEIR ASSIGNS.**

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated January 28, 2014, for use of Second Generation Enterprise Zone Assistance Funds for the following project: **Economic Development Loan to WorldWide Glass Resources, Inc.;** and

WHEREAS, it is considered to be in the best interest of the City of Vineland and the community in particular that Second Generation Enterprise Zone Assistance 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 Second Generation Enterprise Zone Assistance Funds for the following project, in accordance with the proposal submitted by the City of Vineland Revolving Loan Fund Second Generation Loan Committee:

**Economic Development Loan to  
WorldWide Glass Resources, Inc. or their Assigns      \$410,000.00**

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 Dept.  
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MEMORANDUM

TO: City Council President and Members

FROM: City of Vineland Revolving Loan Fund  
Second Generation Loan Committee

SUBJECT: **Applicant:** WorldWide Glass Resources, Inc.  
**Loan Amount:** \$410,000.00

DATE: January 28, 2014

Dear Council President Fanucci, Councilmen Procopio, Spinelli, and Councilwomen Calakos and Gonzales:

On behalf of the City of Vineland Revolving Loan Fund Second Generation Loan Committee, please accept this letter recommending a commitment be given to the above applicant for a second generation 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 Zone Loans. The committee further finds that the loan will promote economic development, creation of jobs, and/or tax ratables that will benefit the City of Vineland.

Further, please note that based on the information provided, the applicant has the present ability to repay said loan and 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,

A handwritten signature in black ink that reads "Sandra Forosisky".

Sandra Forosisky  
Director of Economic Development

SF/fd

cc: Frank DiGiorgio  
file



**VINELAND UEZ LOAN COMMITTEE  
LOAN PROPOSAL**

**Date:** January 3, 2013

**Borrower Name and Address (s):** Worldwide Glass Resources, Inc  
1022 Spruce Street  
Vineland, NJ 08360

**Request:** \$410,000 commercial term loan to assist glass vial and laboratory glass products manufacturer with purchase of manufacturing facility allowing company to locate and operate in Vineland.

**Interest Rate:** 5.00%

**Term of Loan:** 20 Years.

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**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, as a glass vial manufacturer and assembly company in Southern New Jersey. 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, petrol-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 23 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 has entered into a thirty-six (36) month lease (with two – three year renewal options) with Kimble Kontes, LLC to lease the manufacturing and warehouse facilities located at 1022 Spruce Street, Vineland, New Jersey. It also has an option to purchase the property. WWGR will relocate its manufacturing operation to Vineland in February 2014 and is interested in exercising it’s option to purchase the property located at 1022 Spruce Street, Vineland, NJ.

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 Worldwide Glass Resources and has been active here since March 2001. Chromatography is set of laboratory techniques for the separation of mixtures. In glass, the vials are used on the instruments which separate compounds.

**1a. COMPETITION:**

Chase Scientific (Thermo-Fisher), J.G. Finneran, Richland Glass.

**1b. PROJECT:**

Worldwide Glass Resources, Inc. has operated in Norma, NJ for over 11 years and is in the process of relocating to Vineland, NJ. This will result in the creation of new jobs for this growing glass vial manufacturer. The business will relocate to 1022 Spruce Street, Vineland, New Jersey, the former site of Kimble - Kontes Glass. Locating Worldwide into this facility, will provide the company with the opportunity to grow, leverage expertise of the local glass industry, and further develop an already successful manufacturing company. The first phase involved leasehold improvements and equipment purchase. Phase 2 comprises the acquisition of the facility. The project cost of Phase 2 is as follows:

Acquisition of facility	\$1,300,000	Worldwide Glass Resources	\$ 80,000
Closing Costs/Miscellaneous (est.)	15,000	M & T Bank (real estate)	825,000
	-	UEZ	<u>410,000</u>
Total	<u>\$1,315,000</u>	Total	<u>\$1,315,000</u>

**2. COLLATERAL:**

- a.) Second 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.) UCC-1 filing and Security Agreement – General filing(M & T Bank will have already filed a specific and general UCC filings - UEZ will have a general on all existing machinery and equipment and will be in subordinate position to primary lender, M & T Bank).
- c.) Subject to satisfactory review of environmental assessment.
- d.) Subject to commitment from M & T Bank.

**3. GUARANTORS:**

- a.) Personal Guaranty of James O. Crawford.
- b.) Personal Guaranty of Edward C. Poisker.

**4. LIEN POSITION:** Second behind M & T Bank on real estate as well as equipment, machinery, business assets.

**5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:** WWGR had banked with Fulton Bank and recently refinanced all debt into two loans and a line of credit with M & T Bank. The majority of the debt is for the financing of significant investment in machinery and equipment. The line of credit with M & T Bank is secured with accounts receivables. Below is the breakdown of existing debt:

<u>Original Loan Amount</u>	<u>Balance Outstanding</u>	<u>Monthly Payment</u>	<u>Payoff/Maturity Re-Price Date</u>
\$ 750,000.00 (Line)	448,000.00	1,500.00	-
200,000.00	200,000.00	3,700.00	10/06/2018
<u>1,050,000.00</u>	<u>1,050,000.00</u>	<u>14,395.00</u>	<u>10/06/2018</u>
\$2,000,000.00	\$1,698,000.00	\$19,595.00	

**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. Worldwide Glass has already invested significant capital investment in improvements to the space which it will occupy (running plumbing for glass lines as well as clean packaging room).

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

**9. APPRAISAL INFORMATION:** An appraisal will be required. A minimum value of \$1,375,000 will be necessary to support a 90% LTV. It is anticipated that the appraisal will likely exceed this figure.

**10. FINANCIAL:**

**11. SUBSTANTIATION:** DSCR = 1.39x, LTV = 90%

- Assist company with locating to Vineland.
- Vacant facility will be utilized.
- Creation of 7 – 10 new jobs by mid year 2014. Longer term, it is anticipated that an additional 20 + jobs will be created over the next 3 – 5 years from anticipated business growth. Currently this company employs 52.
- Provide the company with the opportunity with space to grow operations in the future.

**12. RECOMMENDATION:**