

RESOLUTION NO. 2022- 378

A RESOLUTION APPROVING VINELAND REVOLVING  
LOAN FUNDS FOR CCS DEVELOPMENT, LLC, (OR  
ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated August 23, 2022, for use of Vineland Revolving Loan funds for CCS Development, 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: CCS Development, LLC (or assigns)          \$180,000.00

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:** CCS Development, LLC  
**Loan Amount:** \$180,000.00  
DATE: August 23, 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, 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 PROPOSAL**

**Date:** July 29, 2022

**Borrower Name and Address (s):** CCS Development, LLC  
2936 Wynnewood Drive  
Vineland, NJ 08360

**Request:** \$180,000 commercial real estate loan for the acquisition of commercial real estate.

**Interest Rate:** 5.00%                      **Term of Loan:** 20 Years - one year interest only.

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**1. BACKGROUND:** Jarred E. Selby is the sole owner of business known as Interactive Security Systems, LLC, (“Interactive”), a security firm specializing in residential and commercial alarm, fire, camera and security systems / monitoring located in Vineland, NJ. Mr. Selby has been operating this business for several years (since 2018). Prior to owning his own business, Mr. Selby was employed by a local firm in the same industry. Mr. Selby formed CCS Development, LLC (“CCS”) in New Jersey in May 2020 for the purpose of purchasing the real estate located at 2112 S. Delsea Drive, Vineland, NJ which was financed with a Vineland Urban Enterprise Zone Loan. Mr. Selby’s business is growing. Due to growth, he now needs to expand and is desirous of purchasing property (vacant land) adjacent to his existing office building so that he may develop a storage building in the near future to help house business supplies, equipment, and personnel.

**1a. COMPETITION:** Multiple system operators such as Comcast, ADT. Local competition stem from all the other operators such as DNS, a similar business operation, and the Do-it-yourself or DIY utilizing the many brands available such as Simply Safe. Also the likes of Amazon (RING), Google etc.

**1b. BUSINESS CYCLE, INDUSTRY AND MARKET ANALYSIS / INDUSTRY OUTLOOK:** In the latest consumer research, it is clear that people value peace of mind and the ability to get connected to your home. They want cameras, sensors and someone to come and install it. They want one app to manage it. People are more aware of security in their home and the apps, combined with other companies’ commercials and advertisements are making more people aware of offerings. Second, people want to buy security today; they just have to decide whether to go the traditional route versus MSO (“multiple system operators e.g. Comcast) or DIY (“do it yourself”). All the projections out there suggest that market adoption is going to continually increase over the next five years. Visibility for security went from being a boutique item to now being ubiquitous because you can’t watch TV or listen to the radio without hearing about security ads. A rising tide lifts all boats, and while some professional dealers feared DIY would wipe them out, they are actually seeing the inverse of that and their interest in security increasing.

**1c. PROJECT:** Acquisition of commercial real estate – land to further construct storage building.

Purchase price	\$200,000	Borrower	\$ 30,000
Closing Costs	<u>10,000</u>	VRLF	<u>180,000</u>
Total	\$210,000	Total	\$210,000

Proposed VRLF loan will be interest only for 1 year. This will allow the borrower to engage an engineer and complete a site plan. Ultimately, the existing UEZ loan and the proposed funding will be combined (all-inclusive deed) and a new application will be made to increase loan for the building construction, and in the future, all loans will convert to one permanent funding once the properties are combined and construction completed.



**2. COLLATERAL:**

- a.) First position mortgage lien on the real estate to be purchased located at 2092 S. Delsea Drive, Vineland, Cumberland County, NJ a/k/a Block 5601, Lot 75,
- b.) Second position mortgage lien on the real estate located at 2112 S. Delsea Drive, Vineland, Cumberland County, NJ a/k/a Block 5601, Lot 76,
- c.) Assignment of Rents and Leases a.) and b.),
- d.) UCC-1 and Security Agreement filing (Cumberland County Filing for Borrower, CSS Development, LLC),
- e.) UCC-1 and Security Agreement filing (State of NJ filing for Guarantor, Interactive Security Systems, LLC).

**3. GUARANTORS:**

- a.) Interactive Security Systems, LLC,
- b.) Jarred E. Selby,
- c.) Jessica Schaper-Selby.

**4. LIEN POSITION:** 1st on primary commercial / business zoned real estate collateral to be acquired and 2<sup>nd</sup> on adjacent parcel collateral.

**5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:** N/A on property to be purchased. However, VRLF has a \$140,400 (original amount) current balance of +-\$133,660 on adjacent property / additional collateral.

**6. SIZE OF PARCEL:** 3.28 acres.

**7. IMPROVEMENTS THEREON:** Vacant land. Borrower intends to build a one story office building with parking area within one year.

**8. LOCATION OF PROPERTY:** 2092 S. Delsea Drive, Vineland, Cumberland County, NJ a/k/a Block 5601, Lot 75.

**9. APPRAISAL INFORMATION:** Request waiver of appraisal. The City of Vineland has the property to be purchased assessed as follows:

Land                      \$ 225,400

Based on Assessed Value – LTV is 80% (primary collateral).

**10. FINANCIAL**

**11. SUBSTANTIATION:** DSCR = 3.99x, LTV = 80%.

- Assist small business with expansion.
- A vacant lot will be improved, increasing future tax ratable.
- Construction jobs.
- Lead to increased company employment.

**12. RECOMMENDATION:**