

To learn more about the Pennsylvania Fresh Food Financing Initiative, contact:  
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#### About the Partners:



Capital at the point of impact.

#### The Reinvestment Fund

Combining expert knowledge with innovation and determination, TRF identifies the point of impact where capital can deliver its greatest financial and social return. TRF's investments in homes, schools, and businesses reclaim and transform neighborhoods—driving economic growth and improving lives throughout the mid-Atlantic.

Since its inception in 1985, TRF has made \$790 million in community investments. These investments have resulted in over 17,000 housing units and over 6.9 million square feet of commercial space, 38,385 jobs and 441 businesses, 23,900 charter school slots, and 1.5 million MWh of clean, renewable energy. For more information, visit [www.trfund.com](http://www.trfund.com)



#### The Food Trust

The Food Trust is a nationally-recognized nonprofit working to ensure that every child has access to affordable nutritious food. The Food Trust manages urban farmers markets, conducts nutrition education classes in public schools, and works to improve the connection between local farms and urban communities. The Food Trust convenes the Food Marketing Task Force, an advisory group of leaders from the supermarket industry, city government, and the nonprofit sector, who developed ten policy recommendations for supporting new food retail in a report called *Stimulating Supermarket Development: A New Day in Pennsylvania*. For more information contact Caroline Harries at 215.575.0444 or visit the The Food Trust web site at [www.thefoodtrust.org](http://www.thefoodtrust.org).



#### Greater Philadelphia Urban Affairs Coalition

The Greater Philadelphia Urban Affairs Coalition (GPUAC) works with supermarket developers, operators and other clients to enhance contracting opportunities for disadvantaged, minority and women-owned businesses. GPUAC also helps our clients successfully employ females, minorities and community residents. GPUAC's overall mission is to bring together business and community leaders to solve urban problems, operate programs, and support an array of government and private sector-sponsored initiatives to help the disadvantaged and working poor of the Metropolitan Philadelphia region. For more information contact Carlos Jones at 215.851.1824 or visit the GPUAC web site at [www.gpuac.org](http://www.gpuac.org).



The Pennsylvania Fresh Food Financing Initiative (FFFI) is an innovative program that increases the number of supermarkets and grocery stores in underserved communities across the state.

Investing in quality food markets in underserved communities directly benefits low- and moderate-income communities. Supermarkets create jobs, serve as retail anchors, and provide access to nutritious food at affordable prices.

FFFI is designed to meet the financing needs of supermarket operators that want to operate in these communities, where infrastructure costs and credit needs are often higher and unmet by conventional financial institutions. The initiative helps new supermarkets get off the ground and existing ones to refurbish and replace old capital to improve efficiency and lower costs.

FFFI provides grants and loans to qualified food retail enterprises for predevelopment costs including, but not limited to, land acquisition financing, equipment financing, capital grants for project funding gaps, construction and permanent finance, and workforce development.

#### Eligible stores:

- are located in a low- to moderate-income census tract;
- provide a full selection of fresh foods;
- locate in areas that are currently underserved.

The Reinvestment Fund (TRF) also offers stores technical assistance and financing to support energy efficiency and conservation measures.

As of July 2008, FFFI has committed \$41.8 million in grants and loans to 58 stores across the state, ranging in size from 900 to 69,000 square feet. In total, these projects are expected to bring 3,495 jobs and over 1.4 million square feet of fresh food retail across Pennsylvania.

FFFI was created through the leadership of State Representative Dwight Evans, and is a program of Pennsylvania's Department of Community and Economic Development. Managed by TRF, The Food Trust, and the Greater Philadelphia Urban Affairs Coalition, FFFI is anticipated to become a \$120 million one-stop-shop for financing fresh food retailers in underserved areas.



## FFFI GRANT PRODUCTS

### Pre-development grants

- for early costs associated with project feasibility including professional fees, market studies, appraisals, and deposits on land and buildings and other holding costs.

### Land assembly and other capital grants

- for relocation, demolition, environmental remediation, unstable foundations and soil conditions
- also for other project costs related to land assembly and infrastructure improvement
- grants may also be used to finance energy related investments such as retrofitting existing fluorescent fixtures, installing ENERGY STAR lighting or refrigeration equipment, implementing heat recovery systems to recover waste heat, and more.

### Soft costs and other preopening costs

- for training costs, security and other preopening expenses

### Construction grants

- for general conditions, builder overhead and profit, labor, materials and contingency funding

Grants are limited to \$250,000 per store. There are also limits to overall grants to one operator.

## Hometown Market, Williamsburg



Hometown Market is a 7,000 sq ft. market located in Williamsburg. As the only full-service market in the town, this grocery store provides access to fresh and healthy produce and meat, and affects the health of local customers. Owned and managed by grocers who own Hometown Market in Claysburg, the owners have 30 years of combined experience in the grocer business, and have developed a good relationship with the Williamsburg community.

The owners received a \$100,000 grant and \$470,500 in loans from FFFI to refinance the cost of purchasing and opening a Hometown Market in Williamsburg. The new market created at least 25 jobs in the community.

## Sprankle's Neighborhood Markets, Vandergrift and Apollo

Randy and Brenda Sprankle own and operate three stores near Pittsburgh, and with help from FFFI, the Sprankles will be bringing two more stores under their management. The Sprankles already had a long relationship with the two stores in the nearby towns of Vandergrift and Apollo. So when the store owners decided to retire and sell their two stores, the Sprankles were ready to buy. Both stores are the only supermarkets in their towns.

With the addition of the two stores, the Sprankles will continue the tradition of fresh foods and friendly customer service in these areas. The two new stores are full service supermarkets with fresh produce, meat, deli, and grocery departments. The Sprankles received loans totaling over \$1.2 million toward the purchase of the supermarkets, equipment, and inventory.

## ShopRite of Island Avenue, Philadelphia



The ShopRite of Island Avenue is a 57,000 sq. ft supermarket located in the Eastwick section of Philadelphia. The Island Avenue ShopRite boasts not only fresh and affordable foods, but a strong connection to the Eastwick community. ShopRite has created a dedicated community meeting room and offers prepared foods by Philadelphia's own Delilah's Southern Cuisine.

The ShopRite received a \$5 million loan for construction and renovation of the store and \$250,000 in grant funding from FFFI to help with workforce development training costs. The supermarket has created 258 quality jobs in the community, most of which qualify for attractive employee benefits.

## Ha Ha's Market, Philadelphia

The 900 square foot Ha Ha's Market, located in the Logan section of Philadelphia, carries fresh produce, fresh fish, and spices. The store was established in November of 1989 by the Has, a Korean immigrant family.

The FFFI was able to provide Ha Ha's Market with \$25,000 in grant funding and \$30,000 in loan funding. The money has enabled the Has to renovate their refrigeration units; repair the HVAC equipment; purchase a much-needed new ice machine; replace the windows in the store; and expand their store, increasing the fresh food options available. Sales at Ha Ha's market have tripled since these improvements were made.



FFFI grant and loan funds used toward the payment of construction, renovations, demolition, infrastructure improvements, remediation, build-out, alteration, or installation of machinery and equipment (\$25,000 and above) may trigger applicability of the Pennsylvania Prevailing Wage Act to a project. The PA Department of Labor and Industry has final authority to make prevailing wage applicability determinations and may be contacted by calling 717.787.4671 or 800.932.0665.

## SUPERMARKET FINANCING LOAN PRODUCTS

TRF's financing is subject to all terms and conditions typically required by TRF for supermarket projects, as well as ones unique to a particular transaction. The terms presented below are typical of TRF's financing but vary according to specific project and borrower circumstances.

### Uses:

Equipment, Acquisition, Construction/ Renovation, Leasehold Improvements, Energy Efficiency Measures

### Rates:

Variable rates are indexed to LIBOR rates. Fixed rates are indexed to U.S. Treasury rates

### Term

#### Operator loan:

5 or 7 year term,  
5 or 7 year Amort

#### Real Estate loan:

5 or 7 year term  
10/15/20 Amort

### Collateral

#### Operator loan:

Leasehold mortgage  
Priority lien on accounts, receivables, fixtures and equipment, assignment of leases, and real property  
Real Estate loan: All of the above and first mortgage

Equipment leasing and energy improvement lease financing is also available.

Real estate projects which have multi-tenant uses beyond a supermarket tenant may be eligible.