

New Markets Tax Credit

PENNSYLVANIA



Fare and Square

Lack of access to healthy food is a critical issue in Chester, Pennsylvania, where more than 15,000 residents do not have adequate access to a full-service supermarket. Philabundance, the Delaware Valley's largest nonprofit hunger-relief organization, sought to help residents of Chester combat this critical situation, by creating the country's only not-for-profit grocery store called Fare & Square.

Fare & Square, set to open in the spring of 2013, will be located in a community that is a USDA-designated food desert and has been without a grocery store for over 11 years. Commercial grocery stores have increasingly fled urban areas such as Chester due to higher operating costs and limited space, forcing residents to travel far distances for fresh food.

Because of the severely distressed nature of Chester, the city had difficulty attracting healthy food retailers to the area, so The Reinvestment Fund (TRF), working with Nonprofit Finance Fund, stepped in to provide \$7 million in NMTC financing to Philabundance. This financing allowed Philabundance to acquire and renovate an abandoned grocery store property and covered equipment and other start-up costs. TRF also provided a \$1.3 million bridge loan made possible by Pennsylvania Fresh Food Financing Initiative and federal Healthy Food Financing Initiative funds. This project has also attracted considerable philanthropic and private support, including the Robert Wood Johnson Foundation, the Rockefeller Foundation, Sunoco and Wawa.

The Fare and Square supermarket will bring approximately 14,000 square feet of food retail space to Chester, offering a full range of food staples for purchase, all at below-market prices. The new store involves an innovative business model combining an emergency food pantry and a retail store that will, as Fare & Square grows, be introduced to other communities in need. Fare & Square promises several advantages for the community - access to fresh food, the creation of 30 permanent jobs, volunteer opportunities, and increased economic activity.

NMTC ALLOCATEE

The Reinvestment Fund (TRF)

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COMMUNITY PROFILE

- Chester, PA
- 28% poverty rate
- 12.2% unemployment rate
- Median income 44.6% of Area Median Income
- USDA Food Dessert
- Medically Underserved Area
- CDFI Hot Zone

PROJECT HIGHLIGHTS

- Renovation for not-for-profit grocery store
- Total Project Cost: \$7 million
- NMTC: \$7 million
- Co-Allocatee: Nonprofit Finance Fund
- Investor: TD Bank
- Jobs: 30 permanent



Top: Philabundance, a nonprofit hunger relief organization, is creating a not-for-profit grocery store called Fare & Square

Bottom: The Fare and Square project broke ground in September, 2012 and expected to be completed in 2013.