

### PROJECT BASICS

Type:

**Real Estate – Community Facility**

Total Development Cost:

**\$14.1 million**

LISC New Markets Tax Credit Allocation:

**\$14.3 million**

### PROJECT STAKEHOLDERS

LISC Program:

**WA State LISC**

Investor:

**US Bank**

Lender:

**US Bank**

Sponsor/Developer:

**Northwest Harvest**

### COMMUNITY NEED

- **Family income 75% of the area median**
- **CDFI Hot Zone**

### COMMUNITY IMPACT

- **94,225 sq. ft. of Community Space**
- **45 Construction Jobs**
- **23 Permanent Jobs**
- **Nearly 600,000 people served monthly**

### Project Snapshot:

- The project involves the acquisition and build-out of a new warehouse facility for Northwest Harvest, the only statewide hunger relief agency in Washington.
- The project has provided the organization with additional capacity and has allowed it to operate more efficiently.
- The Northwest Harvest project has created a total of 94,225 sq. ft. of space that features a loading dock (which they currently lack), climate-controlled storage areas (currently located off-site from their main distribution facility), and additional floor space.



### Project Background:

- In the two years prior to the project's inception, Northwest Harvest's services had leveled off due to space constraints. Operating at full capacity also highlighted the financial, logistical, and programmatic burdens of their decentralized warehousing and re-packing operations. On average, food had to be handled at least seven times prior to distribution which consumed valuable volunteer and staff time. Limited capacity for perishable items translated into shorter shelf-lives due to higher handling requirements, an inability to optimize climates for different items, and the need to make room for new items.
- Northwest Harvest grew out of hunger relief efforts begun by the Ecumenical Metropolitan Ministry in 1967. Poor economic conditions that soon followed necessitated the creation of this separate, secular hunger relief agency to distribute food to a network of independent food banks. Today, Northwest Harvest obtains 18 million lbs. of food annually for distribution to 300 food banks and meal programs. Of the 500,000 free food services provide monthly, more than half go to children and the elderly.
- In addition, Northwest Harvest conducts significant educational outreach through its volunteer program – one of the largest in the state. Tens of thousands of volunteers participate every year and provide 48,000+ hours of work annually. The new space allows the organization to tap a whole new volunteer base in the Kent community.

### Leveraging Solutions through New Markets Tax Credits (NMTC):

- The project was funded primarily through charitable contributions; however, the risks of multi-year pledges and the uncertainty of a fundraising gap (at the time) posed obstacles to obtaining adequate financing and starting the project on time. Our program offered a way to leverage existing contributions and commence the project.
- \$14.3 million in NMTC allocation authority provided a custom product with non-traditional and/or favorable terms including: a below-market interest rate; a longer interest-only payment period; a higher loan-to-value ratio; and a lower debt service coverage ratio.
- The project has allowed Northwest Harvest to continue to provide a safety net for the most vulnerable low-income people throughout the state.