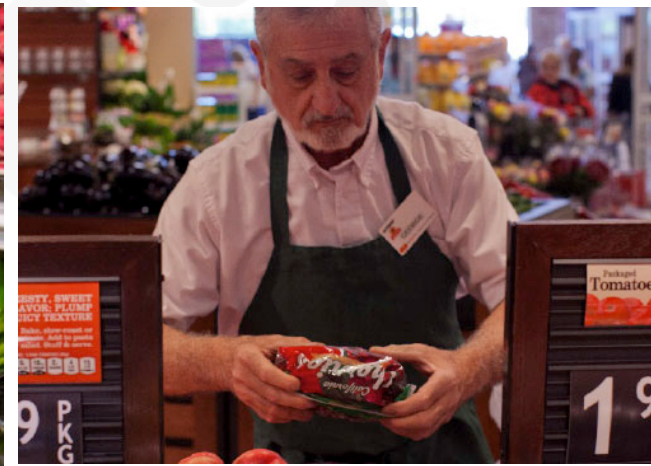




REINVESTMENT  
FUND



HONOR CAPITAL  
VETERANS BUILDING COMMUNITY



# Honor Capital & Save-A-Lot Partnership

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Marcus Scarborough, Honor Capital  
Donna Nuccio, Reinvestment Fund

Sponsored by:  
**Bank of America** 

# Today's Agenda

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1. Introduction to Reinvestment Fund and Honor Capital
2. Save-a-Lot franchise structure
3. Benefits of the franchise model for financing
4. Reinvestment Fund and Honor Capital projects



# Reinvestment Fund

**\$2 billion** in community investments

**\$1 billion** of capital under management

**865** individual & institutional investors

**3,000** projects financed



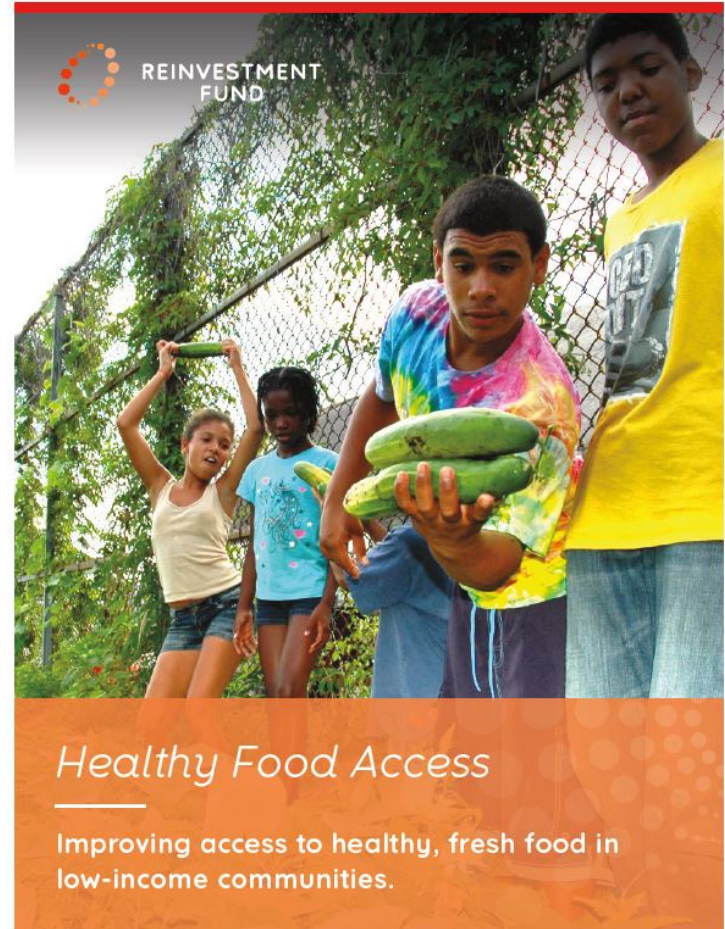
# How We Work to Improve Healthy Food Access

Financing

Research & Analysis

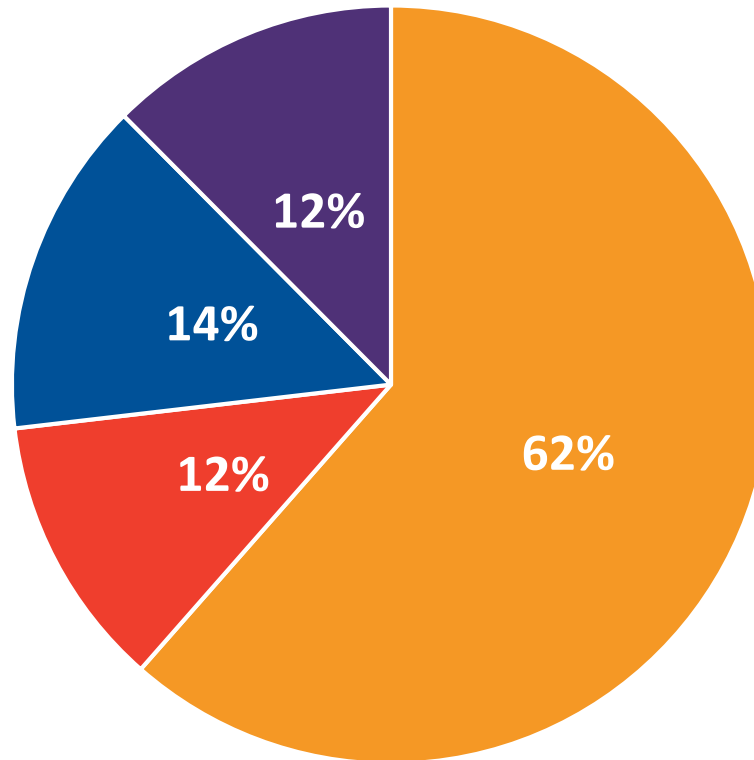
Capacity Building

Public Policy



# Our Food Investments

**\$295 million** in food related investments.\*



■ Full Service Stores

■ Limited Assortment Stores

■ Other Direct to Consumer (including coops, alternative models and emergency food providers)

■ Food Systems (farms and distributors)

\* (1/2004- 6/7/2018) | Distribution as of 1/2017

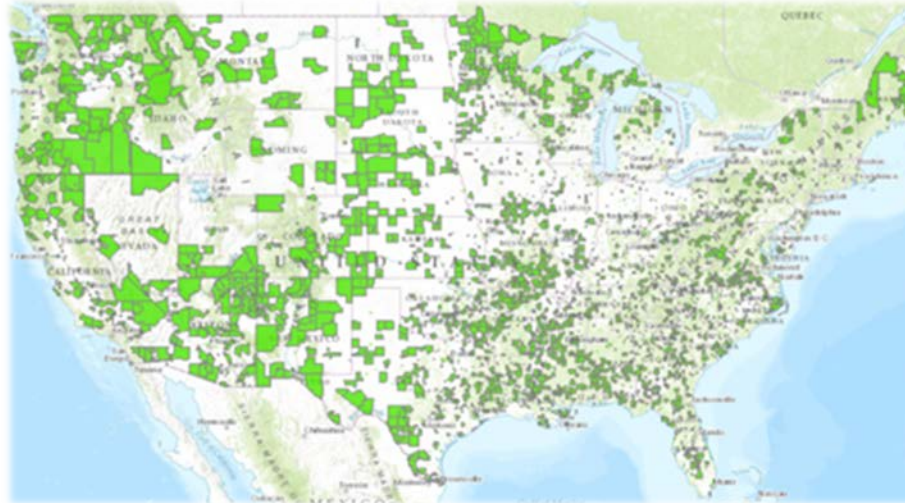
# USDA Healthy Food Financing Initiative

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- Program of the USDA
- Established by the Agricultural Act of 2014 (Farm Bill)
- Program seeks to create and preserve quality jobs, by providing technical assistance and capital to eligible fresh, healthy food retail projects in hard to reach underserved areas.
- Initially, the program will provide \$1.8 million in support to SNAP retailers



# Honor Capital - Impact Grocers



*Census tracts of food deserts encompassing 23.5M Americans*

- Provide affordable, fresh food to at least 20 underserved low-income communities while creating at least 500 new jobs by year end 2018.
- Dramatically improve our customers' lives both nutritionally and financially by providing up to \$50,000,000 (\$2.5M per store) in savings to low income, elderly, families, and single parents.
- Achieve the return and social impact our investors seek.

# Honor Capital



**10 Stores  
Nationwide**



**3 Mobile  
Grocery Units**





# Save-a-Lot Franchise Model

- Services provided:
  - Site selection
  - Branding
  - Wholesale services
  - New store incentives
  - Training
  - Operational Assistance
  - Merchandising
  - Store Layout & Design

# Franchise Model – Benefits for financing

- *Golden rule in grocery financing: the borrower must have grocery experience*
- While Honor Capital had 1-2 years of experience, they benefited from the franchise model with:
  - Existing brand and marketing support,
  - Financial incentives from SAL,
  - Store design and merchandizing support,
  - Wholesale services with strong private label program, and
  - Ongoing business support.
- Veteran company ownership and leadership provides significant organizational capacity and strength.

# Winfield, KS



15,000

Square-feet of new retail

30+ 

full-time or part-time jobs  
created & retained

- Opened on February 17<sup>th</sup> in the county seat for Cowley County and is in a rural food desert.
- The Economic Director of Cowley County described a grocery store in this location as the **“number one need for the citizens of the county.”**

<https://vimeo.com/184718279>

# Nine Store NMTC Financing

- Permanent financing for 9 stores in 6 states (KS, OK, SC, GA, VA, & NC)
- Combination of 3 existing Honor Capital stores, acquisition of 3 existing Save-a-Lot stores and 3 new stores.
- Financing in partnership with Enterprise (Loan Fund and CDE), IFF, Chase and Reinvestment Fund.
- Financing supported equipment and installation, store updating, inventory, marketing and working capital.

270+  
full-time or part-time jobs  
created & retained

40,000  
low income shoppers served

# Contact Information

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## **Marcus Scarborough**

Vice President – Community Engagement  
Honor Capital, LLC

[Marcus.Scarborough@honorcapitalllc.com](mailto:Marcus.Scarborough@honorcapitalllc.com)

210-793-7383

@HONORCAPITAL

## **Donna Leuchten Nuccio**

Director of Healthy Food Access  
Reinvestment Fund

[Donna.Nuccio@reinvestment.com](mailto:Donna.Nuccio@reinvestment.com)

215-574-5881

@ReinvestFund @ReFresh\_News