



Case Study: Nonprofit Expands to Serve a Growing Community

Company Overview:

Name: Second Harvest Food Bank of Metrolina

Location: Charlotte, North Carolina, with approximately 700 partner agencies in 19 counties in North and South Carolina

Business profile: Regional distribution warehouse providing nonprofit agencies that feed the hungry with food and supplies

Business model: Collect fresh and canned grocery items to distribute to local hunger agencies

Second Harvest's Smart Growth Story:

Second Harvest began in 1981 as a way to help feed the hungry at multiple locations. Local nonprofit agencies can visit the Second Harvest warehouse to acquire food and household supplies to distribute to people in their communities. While distribution to emergency pantries, soup kitchens, homeless shelters, low-income day cares and senior programs is Second Harvest's main function, the organization takes a two-pronged approach to providing services. Second Harvest also runs its own programs, tackling needs for specific populations such as seniors, at-risk children and even pets through services such as backpack programs and mobile food pantries. Since 2004, the number of pounds of food and household items distributed has grown by more than seven times, with 50 million pounds distributed in 2016.

The SunTrust OneTeam Approach in Action:

As Second Harvest's many programs expanded, the organization found it needed to double its square footage. The expansion plan allows for better delivery truck access and increased capacity for storing fresh food. SunTrust had previously partnered with Second Harvest to support special events and fundraisers, but when it came time for the expansion, the bank stepped in to help secure a new markets tax credit, which is a federal program to provide efficient financing for certain types of businesses in distressed areas. The process was complicated to navigate, and Second Harvest looked to SunTrust to guide them through the details. "This is not an easy process, the new market tax credit process. [SunTrust] stuck it out with us and made it clear from the beginning that they wanted to be our partner in building this expansion," says Kay Carter, CEO of Second Harvest.

“Everyone [at SunTrust] is extremely knowledgeable. Everyone is well-versed in nonprofits. It's very different running a nonprofit than running a for-profit, and I think when you have lenders and bankers that understand that difference and are willing to work with the special challenges that come along with nonprofit management, that just makes things that much better.”

—Kay Carter, CEO of Second Harvest

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Looking to further grow your company?

Whether you're a nonprofit or for-profit organization, SunTrust has the expertise and solutions to meet your business needs.

The SunTrust OneTeam Solution:

SunTrust Community Capital assisted with structuring the new markets tax credit, and treasury and payment services helped set up accounts to facilitate the process. In addition to navigating the tax credits, SunTrust made it possible for Second Harvest to acquire a bridge loan for the expansion at a favorable rate. Money for the construction was needed upfront, but Second Harvest's funds were in capital pledges that came in over a period of time. SunTrust's loan bridged the gap as pledges became available. "I just have found SunTrust to be a wonderful partner. They couldn't be more supportive. They couldn't be more helpful," says Carter.

Facts and Figures

Second Harvest of the Metrolina serves over **700 local hunger agencies** in **19 counties** in North and South Carolina

Over **161,000 volunteer service hours** save **\$3.5MM** annually in labor costs allowing Second Harvest to devote these funds to fighting hunger

Doubling the size of Second Harvest's cooler and freezer space enables Second Harvest to provide additional **fresh food and produce**, which are particularly difficult to obtain in areas of high poverty and food deserts

The Benefit:

The facility expansion will allow Second Harvest to essentially double in size—they will have increased warehousing space, shopping floor space, cooler and freezer capacity and recycling capabilities. The number of loading docks will increase from one to four, which increases efficiency and saves staff time and resources. The end result of the expansion is that Second Harvest can continue to fulfill its mission by making sure that more goods will be able to reach those in need.