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Americana YMCA QUICK FACTS

CDE

East Baton Rouge Community
Development Entity (EBRCDE)

TOTAL DEVELOPMENT COST

\$11,389,407

EBRCDE ALLOCATION

\$11,300,000

LOCATION

401 Liberty Way
Zachary, LA

NMTC CONSULTANT

taxadvantagegroup, llc

QALICB

Americana YMCA

LEVERAGED LENDER

YMCA of the Capital Area

NMTC INVESTOR

U.S. Bank

PERMANENT JOBS

17 Direct

CONSTRUCTION JOBS

150 Direct

TARGETED DISTRESS

Targeted Population
DRA Distressed Area
TIF Area

FINANCING COMPLETE

May 2012

Americana YMCA

ZACHARY, LA

Background

The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). Substantially all of the QEIs must in turn be used by the CDE to provide investments in Low-Income Communities (LICs).

The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. The NMTC program provides financing availability for projects in underserved geographic areas and with extremely favorable terms for businesses and real estate developers or owners. The result of these investments fulfills financing gaps for projects to be completed, and it allows projects to be enhanced with community-oriented components, which generate measurable community impacts.

Project

The Americana YMCA project was the construction of a 26,000 square foot community facility, with expansion capability of another 18,000 square feet, by the YMCA in Zachary, Louisiana. As a targeted population transaction, the project has created jobs, with at least 40% filled by residents of low-income households. The facility includes fitness space, a nursery, an outdoor pool and tennis court area and a 4,000 square foot community center. In addition to jobs, the project also provided needed community services through programs such as: the Black Achievers program, Healthy Kids Day program, child-care programs, before and after school care, youth sports, free health and wellness seminars, community health fairs, free meals to school-age children, the Homeless Outreach program and financial scholarships to people in need through the Changing Lives Campaign. The facility capacity is 650 average daily users.

The project is part of the Americana development plan, which has been approved by local governments, and is further supported by the Americana Economic Development District (the "District"), which has a Cooperative Endeavor Agreement with the City of Zachary. Infrastructure is funded by the District through TIF funds. It also received funding from the City of Zachary and Zachary Public School System to provide Council on Aging activities and athletic facilities. As the first project implemented as part of the Americana plan, the YMCA now serves as a catalyst for additional investment, which is expected to include 129 homes, 205 live/work spaces and 11 condo and apartment units, as well as a 10-screen movie theater and over 172,000 square feet of retail and office space. The total anticipated investment for the Americana master development is \$500 million.

The Financing

With total project costs just over \$11.3 million, EBRCDE fully funded the project. Project sources were primarily self-leveraged through cash donations, donated land, and a bridge loan provided by IberiaBank. At the time, conventional financing did not exist for projects that planned to service debt using membership fees and donated pledges. Additional funding would have to be raised through private contributions, which would delay, if not halt, the project timeline. Therefore, EBRCDE's NMTC funding bridged the gap providing over \$2.2 million of additional project equity.

Mark Goodson, executive vice president of the East Baton Rouge Redevelopment Authority, said, "We see it as a real benefit in terms of what it's offering the community that before didn't exist." Attorney Charles Landry went on to say, "This is going to be a game changer for Zachary."

For more information contact:
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