

Jackie Robinson Family YMCA

New Markets Tax Credit Transaction



Paul Sullivan, Executive Vice President/Chief Financial Officer, YMCA of San Diego County

Sponsoring Entity

- ▶ YMCA of San Diego County, a California Nonprofit Public Benefit Corporation, established in 1882, tax exempt under section 501c3 of the IRS Code.
- ▶ Serves over 380,000 people in San Diego County through its mission: The YMCA of San Diego County is dedicated to improving the quality of human life and to helping all people realize their fullest potential as children of God through the development of the spirit, mind and body.

Project

- ▶ Replacement of a 23,000–square–foot YMCA building with a new 45,000–square–foot building at the same location.
- ▶ The new facility includes a fitness center, gymnasium with two basketball courts, multipurpose room, baseball and tee–ball field, childcare center and a technology area for teens.
- ▶ The facility primarily serves the communities in Southeastern San Diego.

Parties to the Transaction

QALICB: YMCA of San Diego County/JRFY, Inc., wholly controlled subsidiary of the YMCA of San Diego County, established in 2016, also tax exempt under section 501c3 of the IRS Code. Its sole purpose is to hold title to the Jackie Robinson site and to construct the improvements.

CDE: Civic San Diego

Investor: US Bancorp Community Development Corporation (Maria Bustria-Glickman)

Sponsor's Counsel: Bocarsly Emden Cowan & Arndt, Los Angeles (Eugene Cowan)

NMTC Advisor: United Fund Advisors, Portland (Chris Hasle)

CDE's Counsel: Nixon Peabody, Washington DC (Michael Goldman)

Investor's Counsel: Husch Blackwell, LLP, St. Louis (Steve McCandless)

NMTC Accountant: CohnReznick, Sacramento (Beth Mullen)

Timing

Date	Action
11/19/15	Concept presented to YMCA finance committee
11/25/15	YMCA board approval
12/1/15	Investor term sheet & NMTC Reservation Letter signed
1/27/16	NMTC transaction approved by CSD's Board
1/28/16	Transaction closed & funded

Sources and Uses of Funds

Sources of Funds

YMCA	18,045,594
NMTC Benefit	5,383,918
Total Sources	<u><u>\$23,429,512</u></u>

Uses of Funds

Acquisition	7,320,000
Construction	9,500,000
Soft Costs	4,923,000
FF&E	1,578,000
Contingency	1,000,000
Interest	263,494
Total Uses	<u><u>\$24,584,494</u></u>

Capital Project Budget

NMTC Allocation From Civic San Diego
US Bank Total Investment

23,000,000

\$7,843,900

\$7,843,900

Fees Paid at Closing

Advisor Fee

Sub-CDE Fee

YMCA Legal Counsel

Investor's Legal Counsel

CDE Legal Counsel

Accountant

Insurance Analyst

Title Company

Less Credit Provided by Investor

\$1,502,982

(\$1,502,982)

Reserves Established for Future Costs

Asset Management Fees to CDE

CDE Compliance Cost Allowance

Investment Fund Manager Fees

\$957,000

(\$957,000)

Net Benefit to Jackie Robinson YMCA

\$5,383,918

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