



taxadvantagegroup



ExxonMobil YMCA QUICK FACTS

CDE

East Baton Rouge Community
Development Entity (EBRCDE)

TOTAL DEVELOPMENT COST

\$6,466,000

EBRCDE ALLOCATION

\$6,100,000

LOCATION

7717 Howell Boulevard
Baton Rouge, LA 70807

NMTC CONSULTANT

taxadvantagegroup, llc

QALICB

Howell Place YMCA

DEVELOPER

YMCA of the Capital Area

SQUARE FOOTAGE

12,000

LEVERAGED LENDER

YMCA of the Capital Area

NMTC INVESTOR

Capital One

PERMANENT JOBS

20 Direct

CONSTRUCTION JOBS

140 Direct

TARGETED DISTRESS

Poverty Rate 31.6%

MFI 57.7%

Unemployment 9.6%

State Enterprise Zone

FEMA Major Disaster

Declaration

FINANCING COMPLETE

September 2010

ExxonMobil YMCA BATON ROUGE, 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

In September 2010 the ExxonMobil YMCA began construction on a 12,000 square foot facility located on 2.8 acres of land at Howell Place in North Baton Rouge, LA. The site, donated by Howell Place developer Richard Preis, is part of a 200-acre plot of north Baton Rouge land located at I-110 and Harding Boulevard that has been transformed from unused acreage to a business park. It is home to various businesses including, Baton Rouge Surgical Hospital, Hilton Garden Inn, Microtel Inn, Marriott Spring Hill Suites, Neighbors Federal Credit Union, Wal-Mart Distribution Center, Burger King, IHOP, Country Kitchen, Sonic Drive-In Restaurant, Foot Surgical Center and Howell Place Dialysis Center.

This new facility will allow the YMCA to fulfill its mission of building “Strong Kids, Strong Families and Strong Communities” for the North Baton Rouge Community. The YMCA of the Capital Area currently has 28,894 members and serves an additional 100,000 people through programs in the community. With the addition of this facility, the YMCA will have the unique capacity to address many of the challenges facing the community today, helping to nurture the potential of youth and teens, improve health and well-being and provide opportunities to support neighbors.

The Financing

The NMTC Program filled a gap in financing that allowed the ExxonMobil YMCA to begin construction on the new facility earlier than anticipated. With total project costs exceeding \$6 million, the NMTC subsidy contributed approximately \$1.3 million in capital to the project. The additional sources of leverage used to complete the overall financing structure were secured from the following: ExxonMobil grant, Community Development Block Grant (CDBG), State of Louisiana, Developer Land Donation and the ExxonMobil YMCA capital campaign. taxadvantagegroup helped secure the CDE Allocation and worked in partnership with EBRCDE and the project team to negotiate the investment and manage due diligence, resulting in a successful closing. The additional subsidy infused into the project allowed the YMCA to secure sufficient capital to bring the project to fruition.

“The importance of NMTC financing for the Howell Place YMCA is that we were able to fill the gap in the total source of their funds, which would have otherwise required an extensive donor campaign. By using NMTC the Y is now able to solicit charitable contributions for other projects, thereby advancing the growth of their services to a broader geographical base East of Baton Rouge Parish.”

—Walter Monsour, Executive Director of East Baton Rouge Community Development Entity, LLC

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