



Berkshire Family YMCA--Community Preservation Funding Application for FY21

1. **Project Description:** Please give a detailed project description, including specific objectives.

The YMCA's historic building is an anchor of Pittsfield's downtown; both architecturally and as a health and recreation facility used by area residents of all ages, income levels and abilities. The objectives of our project are to restore, preserve and improve our historic building. To date we have received funds from CPA totaling \$185,000, which have been integral to leveraging project funds from other sources, and YMCA leadership is grateful for CPC support. We are now very close to completing project financing through a New Markets Tax Credit transaction, which will allow us to complete construction while we continue to raise funds in the community. In this proposal we would like to update the CPC on our progress and request \$90,000 of funding for the remainder of the historic preservation work.

We are requesting CPA funds to restore the building's historic façade to its original 1909 condition. Most dramatically, this will mean re-opening bricked-up and glass block windows on the Melville Street side of the building, which have been covered since the 1960s. Once the brick has been removed, historically accurate, energy efficient one-over-one window units will be installed bringing light, air and exterior views inside. Failing mortar joints will be cleaned and repointed on the entire brick façade at North and Melville Streets to ensure the longevity of the building's brickwork and to prevent interior leaks. Mortar used in repointing will match the color, texture, tooling and appearance of the existing mortar. In areas where the masonry has been cracked or broken, the existing masonry will be removed and the areas reconstructed using new bricks, cast stone, or brownstone as required to match the existing as closely as possible. New masonry units, where necessary, will be toothed into the existing brickwork and isolated brick replacements will be made within the existing brick locations and openings.

The project will also include safety upgrades, expansion and renewal of the Y's childcare facilities, which will allow us to hire four additional staff members, create more space and improve security and safety. We will also add an indoor track to the 1980's addition, which will offer more opportunities for indoor recreation in cold and inclement weather, plus provide flat, smooth-surfaced exercise options for seniors, people with disabilities and those who are rehabilitating from injuries in a monitored, climate-controlled facility.

Lastly, the project will add a regulation basketball court to support the Y's growing basketball program that currently leases space throughout the city to host youth practices and games. The court will allow more space for the Y's group exercise classes, programs for active older adults, and youth programs.

Overall, this project will make the YMCA more sustainable and self-sufficient, increasing the number of child-care slots we can provide to families of modest means, modernizing our aquatic, fitness, health and wellness for children and adults, while also conserving and highlighting an important part of our City's architectural landscape and history.

2. **Goals:** How does this project accomplish the goals of the CPA? (See Guidelines for Project Submission for general criteria)

This project aligns with CPA goals to preserve Pittsfield's historic downtown buildings and streetscape. Revitalization of the Y will have a positive impact on the local economy by increasing the number of people using services in downtown Pittsfield, by improving the physical streetscape, and by offering more and better opportunities for healthy recreation and high-quality childcare downtown. This project is completely in sync with other downtown revitalization efforts being led by the city of Pittsfield and private developers. This project also provides us the opportunity to bring our historic building to ADA compliance.

The Y provides health and recreation opportunities to underserved members of the community in many capacities. We offer financial aid to anyone who needs it, but we also understand that not everyone feels comfortable asking or receiving help. We price the costs of programs at a level our community can pay, and most times offer them free for our members. We also provide complimentary membership to all of our childcare participants, so they have the opportunity to participate in all the Y has to offer.

3. **Timeline:** Describe the schedule for project implementation, including a timeline for all critical milestones? Will this be a multi-year project? If yes, what is the anticipated schedule and funding sources.

The multi-year capital campaign, called Full of Possibilities, was launched in FY20, and is following a traditional community campaign model with three phases. The first, quiet Friends and Family phase, has involved the recruitment of a campaign steering committee composed of both Y insiders – board and staff – as well as close friends of the Y – business leaders, long time members, etc. The Friends and Family phase began in 2019 and is designed to conclude at the start of construction. Construction will take 12 months and will begin as soon as the final piece of the funding matrix is approved. All required permits, and pre-construction items have been completed, such as hazardous materials testing and remediation. As the Friends and Family fundraising phase winds down, the campaign's Leadership Giving phase will be launched, with a focus on securing multi-year commitments from the largest philanthropic and corporate entities throughout Berkshire County. Leadership Giving is expected to last between nine and twelve months. Active solicitations for Leadership Gifts were suspended in 2020 due to the pandemic, but we are planning to resume this spring.

At the conclusion of the Leadership Giving phase, the Y will organize and launch the Community Phase, which will focus on securing commitments from Y members, local business and service organizations, as well as the general public. This initiative will coincide with the completion of the major renovation and construction effort, to maximize visibility and to build enthusiasm and excitement around the facility.

The project has had success raising capital campaign funds this year. In April we learned that we had secured a highly competitive \$1 million Early Education and Out of School Time state grant for childcare construction. We have secured Massachusetts Historic Tax Credits totaling \$300,000 with applications under consideration for an additional \$350,000; we've also secured the conditional promise of debt financing through Mass Development and the Life Initiative. The project just received a verbal commitment for a \$3.2 million New Markets Tax Credit (NMTC) investment, which will be key to leveraging additional private funding and will receive official word in February (of this year). The Y's

operating cash flow is projected to be able to support over \$4 million to service long term debt. Both bonding and traditional bank financing are being considered as options for the long term debt. Our Capital Campaign is endeavoring to solicit the support of major donors, foundations and corporations so that borrowing can be minimized. CPA support has been helpful in proving community support in this endeavor.

4. **Budget:** Please provide a full budget including the following information, as applicable. **ATTACHED**
  - a. Total amount of the project cost, with itemization of major components. Include all anticipated expenditures, such as engineering, architectural services, construction, landscaping any other relevant costs.
  - b. Additional funding sources. Please include those that are available, committed, or under consideration.
  - c. Describe the basis for your budget and the sources of information you used.
5. **Support:** Do you have authorization from the property owner? Have the appropriate City Boards and Commissions expressed support and/or approved the project? Who are the project partners? What is the nature and level of community support for this project?

Local political leadership is highly supportive of the project as it fits well within the priorities articulated in the most recent Strategic Plan for Downtown Pittsfield (2016-2020), to enhance downtown as a place to live and work. Y leadership has met with Pittsfield's Mayor, City Councilors, local legislators and business leaders. The mayor, Senator Hinds and Senator Pignatelli have written letters of support for the project for grants and potential lending institutions. The mayor has encouraged the Y to apply to the City's GE Fund once the childcare expansion is complete. Congressman Neal's office has been especially helpful in securing a New Markets Tax Credit allocation.

The Y has discussed this project in many meetings with community leaders, who have been supportive and enthusiastic about potential collaboration. For example, local corporation General Dynamics is currently in discussion with the Y about a membership package where they will provide complimentary memberships to approximately 175 new employees per year. This will give us direct access to new members of the community and show them the benefits of the Y. We had a similar conversation with Berkshire Health Systems, which would like to create a membership incentive for their employees and also rent space to run their cardiac rehabilitation program at the Y. Berkshire Bank would like to create an employee incentive program to use the Y. All of these programs will help to bring new members into the facility, providing more opportunities for childcare connections.

Entities such as Berkshire Health Systems are viewing the project as an opportunity to build new partnerships with the Y around issues such as healthy living, cardiac rehabilitation, and child and youth wellness. The project was presented at the Y's Annual Meeting in February 2020, and at the Rotary Club meeting in December, it was received positively at both. Several news articles about the project have appeared local media outlets, and the Y has also received recent accolades for stepping forth as the first childcare agency to offer emergency childcare at the start of the pandemic.

The Y owns the building.

SOURCES & USES							
Summary of Anticipated Capital, Transaction and Professional Costs							
Berkshire Family YMCA							
		Through Sept 2020	At Closing				
			Feb. 2021	Feb. 2022	Feb. 2023	Comments	
USES OF FUNDS							
Hard Costs	\$	7,550,029					
Soft Costs	\$	2,060,211	\$ 800,000			See Y Cost Incurred Schedule	
FF&E	\$	350,000				Waiting for Revisions from OPM	
NMTC Costs	\$	1,741,000					
Interest Reserve/Working Capital	\$	-				TBD	
Developer Fee						TBD	
Refinance Existing Debt	\$	330,000				Existing Permanent Debt to be refinanced	
Refinance Line of Credit	\$	-				Existing Line of Credit to be refinanced	
<b>TOTAL USES OF FUNDS</b>	<b>\$</b>	<b>12,031,240</b>					
SOURCES OF FUNDS							
		Through Sept 2020	Cash Available At Closing				
			Feb. 2021	Feb. 2022	Feb. 2023	Comments	
Grants/HTCs/Donations/Pledges							
EEOST Grant*	\$	1,000,000	\$ 200,000	\$ 200,000	\$ 300,000	\$ 300,000	Includes CDAC \$200K loan and takeout at closing
Pittsfield CPA Funds	\$	275,000		\$ 185,000	\$ 90,000		
State Historic Tax Credits	\$	650,000				\$ 650,000	\$300,000 committed. Is net/net projection based on \$900,000 ceiling - \$4.9 million QREs
Federal Historic Tax Credits	\$	-					
State Earmark	\$	250,000			\$ 250,000		
Grants Foundations	\$	2,000,000	\$ 300,000	\$ 300,000	\$ 600,000	\$ 800,000	Note - Capital Campaign goal is at least \$3.5 million from grants.
Individual Giving	\$	2,000,000		\$ 50,000	\$ 350,000	\$ 1,600,000	Individual gifts and corporate giving. Achieving that goal will reduce the
<b>Subtotal</b>	<b>\$</b>	<b>6,175,000</b>	<b>\$ 500,000</b>	<b>\$ 735,000</b>	<b>\$ 1,590,000</b>	<b>\$ 3,350,000</b>	
Mass Dev							
Bridge Loan Advance / (Repayment)				\$ 5,450,000	\$ (350,000)	\$ (1,600,000)	Bridging Individual Giving, Permanent Debt of \$3.5 million
Life Initiati				\$ 3,290,000	\$ (1,240,000)	\$ (1,750,000)	Bridging Grants, MAHTCs, Earmark, CPA
<b>Subtotal Bridge Loans</b>				<b>\$ 8,740,000</b>			
				\$ 3,276,000			\$12 Million * .39 * .70 per credit
<b>Total</b>				<b>\$ 12,016,000</b>			



Individual														
Membership		\$ 500,000.00		\$ 500,000.00				\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 500,000.00		
Community		\$ 1,500,000.00		\$ 1,500,000.00				\$ 300,000.00	\$ 500,000.00	\$ 400,000.00	\$ 300,000.00	\$ 1,500,000.00		
<b>Subtotal Requests</b>		<b>\$ 2,000,000.00</b>	\$ -	<b>\$ 2,000,000.00</b>		\$ -	\$ -	<b>\$ 425,000.00</b>	<b>\$ 625,000.00</b>	<b>\$ 525,000.00</b>	<b>\$ 425,000.00</b>	<b>\$ 2,000,000.00</b>		
<b>TOTAL ALL CAMPAIGN REQUESTS</b>		<b>\$ 6,175,000.00</b>												
<b>Maximum Potential Yield from Campaign</b>		<b>\$ 8,307,815.00</b>												
Notes:	Green highlighted lines = under submission/review.													
	Yellow highlighted lines = renewal or additional approach planned or underway													
	Requests from institutions are based on giving history/capacity and relationship with the YMCA													
	Requests are, in most cases, maximum projections.													
	Additional Institutional Prospects will be evaluated and approached throughout the campaign													
	<b>2020 *** Note - 2020 campaigning was suspended for the majority of the year due to Covid - Final Pledge payments may extend to 2025-2026</b>													

**Basis Explanation**

The YMCA's design and construction team have conferred on all cost estimates. The team includes architects, contractors and a project manager that collectively have decades of experience with similar projects. Income sources were estimated with the expertise of fundraising and tax credits consultants who also collectively have decades of similar experience.