



Economic Development

Tax Credits Underwrite Central YMCA Renovation

By [Dennis LaRue](#) | April 6, 2016

YOUNGSTOWN, Ohio – Funding for the \$5 million in renovations that began six weeks ago at the Central Branch of the YMCA of Youngstown was anything but simple.

In a press event Tuesday morning at the downtown Y, its CEO, Tim Hilk, spoke of his education in the cumbersome and time-consuming intricacies and complexities of securing the state and federal tax credits that will help pay for refurbishing 20,000 square feet in the century-old building.

With him were Christopher J. Burnham, executive director of the Development Fund of the Western Reserve, the entity that allocated the New Markets Tax Credits; Bert Holland, senior vice president of Capital One, the bank that bought the tax credits and donated them to the Y; and U.S. Rep. Tim Ryan, D-13 Ohio.

Also present were Mayor John A. McNally and Bob Wollet, a vice president at PNC Bank here, the newest member on the Y board, “who started the process for us,” Hilk noted.

Wollet was instrumental in his bank’s purchase of the tax credits Mercy Health used to finance its geriatric and behavioral health-care units at St. Elizabeth Medical Center on Belmont Avenue.

All spoke on the need for public-private partnerships to help “distressed areas” that lack the resources to pay for revitalization measures on their own.

The Y board has been generous in its donations earmarked for the renovations, Hilk noted, but their gifts came to \$800,000, well short of the \$5 million needed. Efforts continue to raise funds to support the renovation. The tax credits will provide \$1.7 million — after legal and other application expenses are paid — for the renovation.

Of securing the tax credits from the U.S. and Ohio treasuries, Ryan said, “It’s like putting a puzzle together. ... You need public-private partnerships. Private [donations] alone wouldn’t have done this.”

Capital One’s Holland was succinct, “This is the type of project Capital One wants to support.”

It was left to Burnham, also president of the Development Finance Authority in Akron – the Summit County part authority – to offer a thumbnail sketch of how the financing came about.

The Development Fund of the Western Reserve, which serves 18 counties in northeastern Ohio, is the entity certified by both the Ohio and U.S. treasuries as a development agency. “Our community is northeastern Ohio,” Burnham said.

Congress passed the New Markets Tax Credit Program in 2000 to provide an incentive for private-sector investment in development projects for the public good in low-income communities suffering economic distress.

The premise was the U.S. Treasury would sell or grant tax credits – that is, reduce the tax bills of the corporations that bought them dollar for dollar – if they donated the proceeds to a cause or institution that used them in the public good.

In 2012, the Development Fund was allocated \$20 million in tax credits that it used to help finance three projects, Burnham said.

That proved successful and it reapplied for another allocation in June 2015, Burnham said, receiving \$45 million, \$5 million of which went to Mercy Health and the YMCA.

The Ohio Treasury allocated tax credits to the Development Fund as well.

Of tax credits, Burnham said. “It’s really powerful and it really works.”

Pictured at the Central YMCA press event announcing the New Market Tax Credits are Bert Holland from Capital One, U.S. Rep Tim Ryan, Timothy Hilk, CEO of the Youngstown YMCA, Tom Gacse, YMCA board president, and Chris Burnham from the Development Fund of the Western Reserve.