

Park Foundation

PROGRAM RELATED INVESTMENTS 2010 - 2015

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Park Foundation - Program Related Investments 2010-2015

Background

In 2010 Park Foundation made its first Program Related Investment (PRI). PRI's are loans that the Foundation makes to advance its grantmaking mission. As of December 2015 the Foundation had issued \$3 Million in loans to eight organizations for projects in Tompkins County, NY.

The following reports and photos submitted by the individual organizations provide an update on their use and the impact of the PRI within their organizations.

Alternatives Federal Credit Union - \$200,000 committed April 2010

We classify the \$200,000 investment received from Park on April 21, 2010, as Secondary Capital. Our federal regulator, the National Credit Union Administration, allows credit unions that predominantly serve low income people to count loans of this type toward their required capital ratio. This capital allows the credit union to grow. For each dollar received, Alternatives is allowed to hold an additional fourteen dollars in loans that provide necessary, affordable financing to homebuyers, business owners and consumers. The \$200,000 investment is leveraged to enable nearly \$3 million in new financing to low income borrowers. Since the end of 2010, Alternatives has increased its loan portfolio from \$41 million to \$64 million. Secondary Capital, including that received from Park, has been essential to this growth.

Alternatives Federal Credit Union - \$500,000 committed March 2012

The \$500,000 loan made on February 14, 2012, (modified June 26, 2012) from the Park Foundation has been utilized for two projects. First, Alternatives worked with Sue Consentini regarding the proposed Aurora Street Pocket Neighborhood (APN) in downtown Ithaca. In order to realize this goal, Alternatives provided a mortgage of \$130,000 for a lower income family of four who wanted to purchase a house in the APN. They were first-time homebuyers who had rented for many years. They had taken home buyer education classes and financial literacy classes as part of our First Home Club Individual Development Account (FHC IDA), which also provided them with matched grant funds towards their purchase. Tompkins County also provided them with a grant requiring that the home will be affordable if put back on the market in the future. Over a two-year period, the family worked with Alternatives' Certified Financial Counselor and IDA Coordinator Brendan Wilbur on growing their savings and improving their credit.

We used the remaining \$370,000 to finance home equity loans for solar installations. We offer a special reduced home equity rate of 4.49% for solar installations. This special product requires interest only payments for the first 18 months while the borrower receives NYSERDA rebates as well as tax credits. Borrowers can pay down the principal balance with those funds. After 18 months, principal and interest payments are required for the remaining 102 payments on the outstanding balance. Borrowers have been very happy with this product as it allows them to make smaller payments until the rebates and credits arrive. The Park funds were expended for seventeen loans with an average balance of \$22,000.



Ithaca Neighborhood Housing Services - \$500,000 committed November 2010

Ithaca Neighborhood Housing Services (INHS) received a \$500,000 Program Related Investment (PRI) in 2010. These funds have provided liquidity to INHS that have enabled us to pursue very important mission-related projects.

The first use of the Park Foundation PRI was to assist in the purchase of land for the 22-unit Holly Creek Townhome project. This project is located near Ithaca College and was built in two phases of 11 units each. The second phase was completed in March 2015. All 22 units in this project have been sold to low-income first time homebuyers. Holly Creek was developed under INHS's Community Housing Trust program, which is designed to ensure that homes remain permanently affordable to future generations of low-income buyers. This is accomplished by using subsidies from Federal and state housing programs to reduce the purchase price of the homes and using deed restrictions to ensure that they are resold at affordable prices. This program allows homeowners to build wealth through the return of their down payment, the payoff of loans and the capture of some appreciated value.

All of the Holly Creek units have been certified LEED Gold and Energy Star. In addition, this project won a Housing Challenge innovation award from the U.S. Department of Energy for leading the way toward zero

net energy homes. Pictures of the Holly Creek units are attached. The land cost for the Holly Creek site was \$620,000. Upon sale of all of the units, the project returned the PRI funds to INHS.

These funds have now been deployed to help pay for the predevelopment costs of INHS's biggest project ever, the redevelopment of the former Neighborhood Pride grocery store at 210 Hancock St. in Ithaca. In 2014, INHS purchased the site for \$1.7 million and initiated a planning process for its redevelopment. This process included extensive engagement with the community through four public meetings that were attended by over 250 people. The outcome of these meetings was the development of a project plan that includes 53 apartment units, 12 townhome units and space for a Head Start project. Lake Avenue, which runs between the site and Cacadilla Creek, will be abandoned for traffic and developed into a creek-side pedestrian only park that connects with Conley Park and the Sciencenter.

Holly Creek Townhomes



Tompkins County Area Development - \$250,000 committed May 2013

The TCAD Loan Fund Program creates quality employment opportunities and strengthens the tax base by helping entrepreneurs start new businesses, helping existing businesses expand and attracting businesses to Tompkins County. Since 1989, TCAD has loaned \$2 million to 57 companies that have created 900 jobs.

Park Foundation created a green business loan fund at TCAD to support development of sustainable businesses in Tompkins County. TCAD utilizes a "triple bottom line" evaluation to select lendees from this fund.

The Piggery – From the Ithaca Farmer's Market to its retail space on Franklin Street, The Piggery is a value added, artisan meat processor selling a line of premium pork products. Raising heritage breeds of pigs on their farm, they turn their sustainably pastured pork into world-class charcuterie.

In 2013, The Piggery renovated their Franklin Street retail space to upgrade to a USDA inspected production facility, enabling them to enter the wholesale marketplace. A \$100,100 loan from the TCAD Sustainable Loan Fund leveraged \$900,000 in private funding to renovate the facility and purchase equipment. The Piggery retained 17 jobs and to date has created 5 new jobs. The company has grown

revenues over 150%, with wholesale sales accounting for almost 50% of total revenues. Their products can be found in over 100 retail locations in the Northeast.

“Before meeting with TCAD, we were considering relocation our wholesale business to either Cortland or Syracuse. Working with TCAD reinforced our mission to grow jobs in our community and helped create a foundation to keep growing our business in Tompkins County.”

– Heather Sandford, Owner, The Piggery

Challenge Workforce Solutions – a 45 year old not-for-profit vocational organization supporting people with disabilities and employment barriers in developing their skills and interests to meet the ever-changing needs of today’s workplace and be productive and contributing members of their community.

In 2012, Challenge launched a stand-alone business unit to provide career opportunities for the constituents it serves – the Finger Lakes Fresh Food Hub. A \$60,000 loan from the TCAD Sustainable Loan Fund leveraged a \$2 million investment in a state of the art food processing facility in the Village of Groton. The facility connects wholesale distributors, area farmers and consumers to support agricultural growth in our region and make local produce widely available through a very efficient distribution network. The Hub has created 13 new jobs since opening and is increasing revenues for local farmers by processing and distributing local products.

Finger Lakes Land Trust - \$500,000 committed May 2013

Through the utilization of a Program Related Investment from Park Foundation, the Finger Lakes Land Trust was able to move quickly to acquire one of the last remaining stretches of undeveloped shoreline on Canandaigua Lake. The investment made possible the acquisition of several acres of lakefront forest that include 390 feet of shoreline. In conjunction with this acquisition, the Land Trust also acquired 60 adjacent acres of forest that border New York State’s Bare Hill State Unique Area. Together, these acquisitions have resulted in the creation of a mile-long corridor of conserved lands extending from Canandaigua Lake’s eastern shore to the summit of Bare Hill.

Completion of the project has created momentum for the protection of additional lands at Bare Hill and negotiations are underway with two more landowners in this area. The Land Trust is now developing appropriate public access to the shoreline and also exploring the possibility of creating a “Shoreline to Summit” trail in partnership with the NYS Department of Environmental Conservation.

The Park Foundation’s program related investment was essential to the success of this project. The investment provided the resources needed to complete the project while also continuing to advance other land protection projects located throughout the 12-county Finger Lakes Region.



TCAction - \$200,000 committed November 2014

In 2014 Tompkins Community Action (TCAction) utilized a Park Foundation Program Related Investment Loan to support the renovation of our Head Start / Early Head Start Casey Center in Dryden, New York. Blending Park Foundation funding with private bank funding, we completed a 4,104 square foot (sq. ft.) renovation that expanded our facility from 2,346 sq. ft. to 6,450 sq. ft. This expansion created three new Head Start classrooms, serving children 3 to 5 years old and their families. Expansion included a new kitchen, designed to provide for training and community events; as well as a community meeting space for enrolled families, staff and community members to meet, train and deliver services to families. Funds also provided for the renovation of existing space to create two Early Head Start classrooms, serving children 1 to 3 years old and their families.

Classroom expansion increased the number of children served at the Center from 30 to 64 in a full day curriculum based Preschool program; that includes providing two-thirds of a child's daily nutrition; vision, hearing, and speech screenings and Family Engagement programming that supports both a child's and the families with School Readiness opportunities. These opportunities provide services to families living in 100% to 135% of the Federal Poverty Guidelines, reaching rural residents in Dryden; where the largest number of children (5 years and under) living in poverty reside in Tompkins County.

Head Start Classroom – Serving Children 3 -5 years old



Head Start Classroom – Serving Children 1- 3 years old



Finger Lakes ReUse - \$450,000 committed December 2014

In 2014, Park Foundation awarded Finger Lakes ReUse (ReUse) a two-year Program Related Investment (PRI) of \$450,000 to support ReUse during its expansion into a two-location operation. Finger Lakes ReUse is pioneering a replicable Community ReUse Center model, and the new Ithaca ReUse Center will serve as its flagship facility. To date, these funds have been used to cover the up-front operating costs associated with expansion into this second location – to support increased management, planning, and the staff time associated with developing the new facility and associated programs. Our Deconstruction Services crew performed the interior deconstruction and salvaged insulation, ceiling tiles, light fixtures, doors, steel beams, hardware, etc. and the renovations are now nearly completed. ReUse carried out a Phase II Environmental Review and closed on a \$350,000 construction loan from Alternatives Federal Credit Union this past summer. We expect to obtain a certificate of occupancy and begin operations in the facility in late 2015.

This PRI has provided ReUse with vital support and assistance to carry out our work, and has made it possible for ReUse to continue to offer our programs, products, and services to the community without disruption, including our Triphammer ReUse Center, eCenter computer refurbishing program, and ReSET job training program. Once we begin operations in the Ithaca ReUse Center, we will be able to generate revenue to support ongoing costs. Without this support, we would have needed to scale back the programs and services we provide to the public during this interim period. This PRI has given us the critical financing we needed to prepare our operations during this time of transformative growth.

State Theatre of Ithaca - \$200,000 committed February 2015

Our mission is to enhance the cultural life of Ithaca and the Finger Lakes by preserving, operating and promoting the historic State Theatre as an active venue for national, international and community performances and programming. With a total capacity just over 1,600 seats, the primary men's and women's restroom facilities had remained virtually untouched since the building's initial 1928 opening. The most common complaints we received since taking over ownership of this building nearly seven years ago were in regard to our outdated restrooms.

These funds were used to completely renovate our primary restroom facilities during the summer of 2015. We are extremely pleased with the final results of this completed project. An important element of the new design was realized through repurposing space once deemed necessary as a “lounge”. That allows for greater density of fixtures, as well as a better flow of traffic in and out of the restrooms – all accomplished within the existing footprint of the combined restrooms. Additional highlights include:

- The women’s room increased from 4 toilets and 1 sink to 7 toilets and 4 sinks
- The men’s room increased from 3 to 5 urinals and from 1 to 3 sinks
- Each room now has a baby changing table (we did not have any before)
- Adding high efficiency toilets will decrease overall water use
- LED Lighting is more energy efficient, saving money on electricity while offering a more ambient atmosphere
- The black and white Art Deco theme is a great addition to an already beautiful theatre.

The State Theatre officially launched our 2015/16 Season on September 23rd with a sold out show featuring the band “Wilco”. Amazingly, no waiting lines were reported for the women’s room...definitely a first for a sold out show here. With the completion of this project, The State Theatre has become an even greater asset for both members and visitors of this community. Patrons can spend more time enjoying the shows here and less time waiting in line to use the bathrooms.

