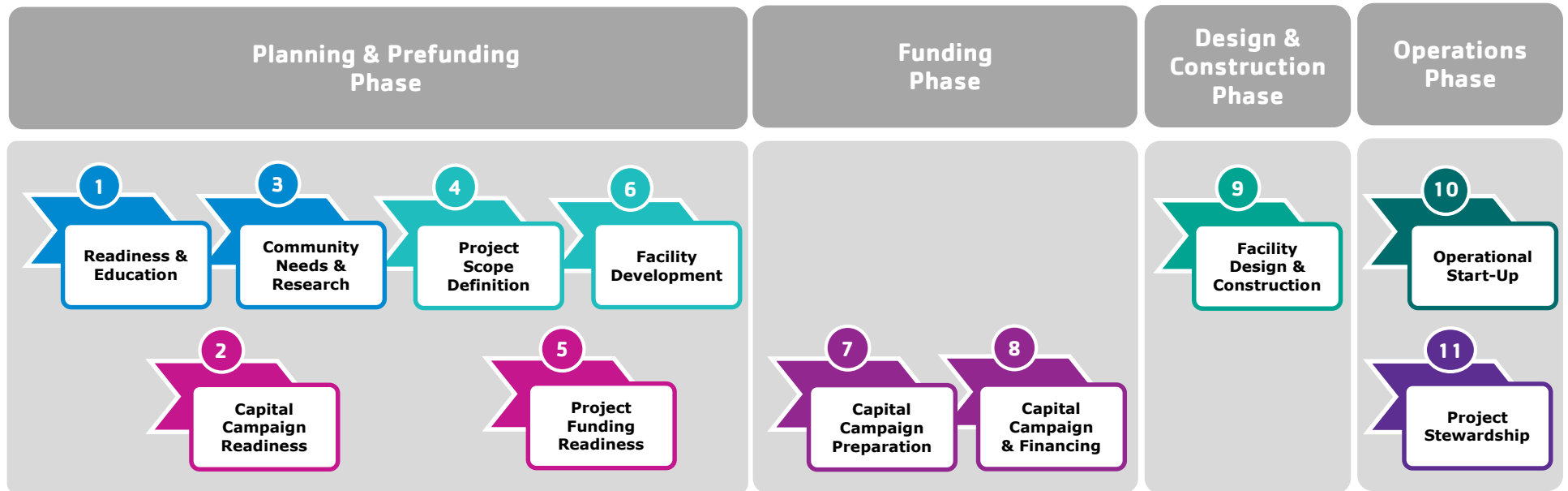


YMCA CAPITAL PLANNING & DEVELOPMENT Quick Reference Guide

PHASES AND STAGES OF CAPITAL PLANNING & DEVELOPMENT



KEY TO THE STAGES



PHASE I: PLANNING & PREFUNDING

| Stage 1 READINESS & EDUCATION | |
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| Capital Planning Readiness Assessment | This step helps you determine whether your Y is ready to embark on a capital development program. It defines, at a high level, areas that may need strengthening in the event that your Y's board and leadership staff decide to move forward on the capital planning and development pathway. During this step, your board and senior staff complete the online Capital Planning Readiness Assessment. |
| Leadership Education & Process Overview | This step helps your Y understand the importance of a systematic and deliberate approach to capital planning. Here, you review the phases of the capital planning and development process and explore the sequencing of events, the time line involved, and the available resources. |
| Next Steps Plan | Here, your Y's board and staff develop a plan to build the organizational capacity for beginning a capital project, based on gaps that were identified in the Capital Planning Readiness Assessment. |
| Y-USA Project Team | In this step, your Resource Director (RD) assembles a Y-USA project team that includes key Y-USA specialists, Gro Development, and others as needed. This step also helps the Y-USA team build awareness of the potential project and consider the optimal approach for the initial planning stages. |
| Project Planning Task Force | In this step, you create a project planning task force to advise the board on all matters pertaining to the Planning and Prefunding Phase for the capital development project. The task force's role is to collectively ensure that the board 1) develops and follows a thoughtful plan, and 2) has the information it needs to make crucial and timely decisions before moving to the next step. |
| Stage 2 CAPITAL CAMPAIGN READINESS | |
| Campaign Preparation Committee | In this step, you commission a Campaign Preparation Committee to review the Strategic Capital Campaign Discussion Guide and to develop an action plan. This committee also begins identifying top prospective donors and leaders for the capital campaign; develops the elements necessary to build the campaign's case for support; and commissions the Campaign Goal Feasibility and Planning Study. The committee coordinates its work with the project planning task force. |
| Strategic Capital Campaign Discussion | The Strategic Capital Campaign Discussion Guide helps your Y determine the individual readiness strategies needed to successfully embark on a capital campaign. |
| Campaign Leaders & Donor Prospect Identification | To be successful, most campaign plans require that the top 10 to 15 gifts make up 60% to 75% of the entire campaign goal. The involvement of highly respected community leaders who know how to motivate others is crucial. Now is the time to start informally identifying and meeting with individual prospects to discuss the project and deepen your Y's relationship with them. (Note: It is not yet time to recruit a campaign chair or ask for campaign donations—activities that occur later in the capital planning and development process.) |
| Stage 3 COMMUNITY NEEDS & RESEARCH | |
| Community Needs Assessment | During this step, you assess the critical social issues and needs of your community, using online surveys, community discussion groups, community leader forums, and/or stakeholder interviews. The needs you identify will drive your capital development plans. |
| Partnership Opportunities | Based on the critical issues identified through the community needs assessment process, your Y begins to identify and cultivate potential community partners for the future capital project. |
| Property Condition Assessment | In this step, a third-party firm performs an analysis of existing facility conditions. The Property Conditions Assessment (PCA) consists of an inspection and analysis of the condition and effective useful life of your building structure, envelope, interior elements, as well as the operational performance of building systems (e.g. plumbing, electrical, heating, air conditioning, etc.). A PCA is helpful for strategic planning and budgeting, particularly when making decisions involving renovating or expanding an existing facility. Separate assessments are done for each of your facilities which evaluates life expectancy, replacement costs, and asset replacement schedule. |
| New Branch Application Process | During this step, you initiate the new branch charter application process as required by the Certification and Membership Standards Office (CMS) of Y-USA: you notify Y-USA Field Services of the potential project and begin conversations with neighboring Ys. |

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| Market Research | In this step, you conduct research to determine the feasibility of your project in your current market place. This invaluable research may include a review of demographic trends, competitor analyses, internal strengths and financial position of your Y, impact to neighboring Ys, and membership and program satisfaction surveys. During this step, you will also hire a third-party firm to conduct a Membership Feasibility Study in your community. This critical study 1) evaluates the location preference for a facility, 2) projects membership potential, 3) tests pricing strategies, and 4) identifies preferences for facility venues. |
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| Stage 4 | PROJECT SCOPE DEFINITION |
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| Program & Services Portfolio | Here, you link the identified community needs and market research findings to specific programs and services your Y expects or wishes to provide. You use this portfolio of programs and services to shape the architectural programming needs and intent of your Y, two factors that drive the definition of scope for any capital project. |
| Architectural Programming & Scope Definition | Here, you define each building venue and its corresponding area in square feet; when combined, these indicate the total recommended facility scope in square feet. |
| Facility Development Strategy | Your Y may need to test a variety of several project sites and a variety of options for design concepts or theories. This objective evaluation gives your Y the opportunity to test each facility development option for potential costs, challenges, opportunities, and financial and operational viability. |
| Initial Project Budget | At this juncture, you budget values for major cost categories. This initial budget defines the total cost for a capital project, including forecasted hard and soft construction costs, capital campaign expenses, and financing costs. |
| New Branch Charter Submission | In this step, you submit the branch application as required by CMS for new branch development, for relocation of a current branch, or for development of a new Y within your Y's service area. |

| Stage 5 | PROJECT FUNDING READINESS |
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| Elements of a Case for Support | In this step, you create a donor-focused case for support. The case is a single document that contains the vital information a prospective donor may need or want to know about your Y. A well-done case for support can translate easily into various communication and solicitation materials (often referred to as case statements). Elements of your case can (and should) appear in your Y's communications, website, solicitation letters, cultivation packages, speeches, etc. |
| Top Donor Prospect List | Here, you identify prospects who have interest in the project, a link to your Y (either personally or through someone else), and the ability to make one of the top 25 to 50 gifts. Your Y's CEO and the Campaign Preparation Committee develop a list of names and contact information of these prospects who, if they choose to do so, have the capacity to make a gift of \$100,000 to \$1,000,000 or more over a three- to five-year period. |
| Operating & Capital Pro Forma Budgets | Operating pro forma budgets help you forecast revenue and expenses for your project. They are based on likely levels of participation in revenue-driven (not expense-driven) programs and are grounded in an organization's policies relative to debt, capital, cash, and growth guidelines in a way that holds the association to planned growth, based on the resources available. Capital projects are reviewed closely for cash-flow effects and the appropriate use of any required debt. A financial model involving a major capital project normally forecasts the organization's financial performance over a three- to five-year period. |
| Campaign Goal Feasibility & Planning Study | The Goal Feasibility and Planning Study tests the perceived need for your project among your top 25 to 40 potential donors and community leaders. It gauges their receptivity to providing the money needed, and it helps you determine the cultivation and solicitation strategies your Y will use. This study is an objective way for your YMCA to assess whether it has the potential and capability to raise from its philanthropic constituencies the specified amount of money within the specified time frame for the specified purpose. |
| Funding Sources & Financing Plan | Here, you begin determining the funding sources available for your project, prepare a cash flow analysis, and develop your financing plan. This preparation is essential in projecting the funds your Y needs to complete the project without imposing a heavy burden on your annual operating budget. |

| Stage 6 FACILITY DEVELOPMENT | |
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| Facility Committee | The Facility Committee is responsible for seeing that the previously determined Y architectural program and financial directions and policies are realized in building layout and construction details. It also selects the architect and construction team, reviews and approves the project's timing and sequencing, and approves and monitors the project budget. |
| Site Selection & Due Diligence | In this step, you evaluate potential facility location(s) relative to your capital project needs, goals, and budget. This evaluation typically includes an analysis of development requirements, costs, and merits of each potential location, including projected membership, total potential development size, site restrictions, and funding sources. |
| Schematic Design Package | The schematic design package marks the first phase in the design of a project and includes the preparation of initial scaled floor plans that follow detailed discussions with your Y and volunteer leadership. The schematic design may be done by Gro Development or a local architect. |
| Revised Project Cost Estimate | In this step, a third-party vendor provides a detailed cost estimate based on the schematic design plans and documents defining the construction, finishes, and building systems. |
| Renderings, Imagery, & Collateral Materials | A rendering is an artistic or photo-realistic architectural depiction of the planned finished facility. Typically a 3-dimensional image, a rendering shows the exterior or interior of the building. Additional artistic materials may be included to further demonstrate the concept of the project. These renderings, imagery, and collateral materials are helpful when you visually share your facility concepts to potential donors and partners. |

PHASE II: FUNDING

| Stage 7 CAPITAL CAMPAIGN PREPARATION | |
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| Capital Campaign Counsel | Your capital campaign counsel brings a depth of experience and objectivity in managing the capital campaign process and is skilled at planning and directing such campaigns. This counsel can identify where course corrections are needed in order to avoid mistakes and thus is able to dramatically decrease the amount of funds needing to be raised. |
| Capital Campaign Committee | The Capital Campaign Committee, comprised of board members and influential community leaders, advises the Y board and staff on all matters pertaining to the planning of the capital campaign. This committee is responsible for collectively ensuring that the necessary leadership is recruited and appropriately placed. It also functions as the campaign's Executive Committee, overseeing and coordinating the ongoing fundraising efforts of the campaign. This committee works in tandem with your capital campaign counsel, typically a third-party consulting firm specializing in financial development/capital campaigns. |
| Marketing Strategies & Materials | In this step, your capital campaign counsel, in conjunction with the CEO and the board's Marketing Committee, develops a communications and cultivation plan. In addition to outlining strategies for publicizing and building awareness of the community impact the Y currently has, these marketing materials begin to share information about the community issues that are driving the need for the campaign; at this point, the material do not mention the campaign. |
| Campaign Leaders & Donor Communication | During this step, your capital campaign counsel, in conjunction with the CEO, develops the strategies for communicating key information, such as update reports, to campaign leaders and donors in order to keep them apprised of progress throughout the campaign and during the construction phase. |
| Stage 8 CAPITAL CAMPAIGN & FINANCING | |
| Capital Campaign Plan & Launch | In this step, the capital campaign counsel helps manage and guide the capital campaign plan to carry out activities in preparation for the actual launch of the various phases of the capital campaign. |
| Public Announcement of Campaign | During this step, your Y makes a formal public announcement of its capital campaign. Best practices recommend delaying the major public announcement until 75% to 90% of the dollars have been quietly raised from the top gifts. |

**Financing
Plan Refinement**

During this step, you refine the pro forma operating and capital funding budgets, based on the most current information and taking into consideration the capital campaign's progress, the timing of the construction project, any new funding sources, and insights that have arisen since the original pro formas were created during Phase I.

PHASE III: DESIGN & CONSTRUCTION

| Stage 9 FACILITY DESIGN & CONSTRUCTION | |
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| Architect- & Engineers-of-Record | The architect-of-record is the individual or firm responsible for generating and coordinating formal documents for approval and construction of a facility. This person or organization's name and stamp appears on building permits issued for a specific project. The engineers-of-record are typically engaged by your architect to develop and document the design and specifications for the building systems for your project. |
| Construction Manager | The owner of the capital project—in this case, your Y—appoints a construction manager to work as the owner's agent during construction. The construction manager prepares bidding and contract documents, arranges construction contracts, manages the construction schedule, and manages the subcontractors so that all work is completed on time, within budget, and in accordance with contractual agreements. |
| Schematic Design & Cost Estimate Refinement | The refined schematic design is the initial design scheme that defines the general scope and conceptual design of the project, and includes the scale and relationships between building components. When the schematic design has been completed, the architect presents initial plans to your Y for approval to proceed. The cost estimate refinement occurs as more detailed information is developed throughout the design phases of the project. |
| Design Development & Construction Documents | In this step, design changes are finalized, and all allowable construction documents are assembled in a set for permitting and in preparation for the formal bidding process. |
| Bid Packages | During this step, your construction manager assembles all drawings, specifications, documents, estimates, paperwork, bid forms, and bid bonds into bid packages. These packages are issued to qualified subcontractors for formal bids on the scope of work. A contract is based on the bid package. |
| Ground Breaking Ceremony | The ground-breaking ceremony is a celebration of the successful efforts of many people in your community and Y. It also is a media event that shapes the public's perception of how the community will benefit from the project, reports the project status to donors and other stakeholders, and provides general Y public relations opportunities for your Y. |
| Project Construction & Administration | During this step, the construction commences. The general contractor and/or construction manager, the architect and engineers, and the project team together manage the construction administration. |
| Fixtures, Furnishings & Equipment | Sometimes referred to as FF&E, this step involves managing the selection, delivery, and installation of furnishings, and creating a layout for furniture in all venues of your Y's project. |
| Project Closeout & Facility Start-Up | This step marks the completion of the project work and the issuance of the certificate of occupancy; it occurs at the end of a project construction cycle, just before the operation begins. At this point, you confirm that all work is completed and all building systems are working properly. Your construction manager or general contractor should provide closeout manuals and warranty documents that include warranties, "as built" drawings, and serial number asset lists. |

PHASE IV: OPERATIONS

| Stage 10 OPERATIONAL START-UP | |
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| Transition Committee Commission | In this step, you commission a Transition Committee consisting of five to seven board members and staff to oversee all functions related to the operational start-up for the new facility or renovation/expansion. These individuals oversee membership and marketing strategies, public relations and communications, the Grand Opening, the time frame for critical staffing and programming initiatives, and so on. |

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| Staff Recruitment & Training | In this step, you determine the staffing patterns and needs for your new or renovated facility; develop job descriptions, staff organizational structure, recruitment strategies, and training plans; create a time line for implementation; and project the impact of these staffing activities on your Y's operating budget. |
| Marketing Strategies & Collaterals | Here, your Y develops a marketing plan to ensure that, by the time the project is completed, the greatest number of potential members and participants are aware of membership and program opportunities. This marketing plan typically includes a definition of target markets, pricing strategies, a programming list, historical membership and program statistics, membership and program goals for the next three to five years, marketing tactics and action steps, deliverables and collateral materials, and a time line for implementation. |
| Facility Grand Opening & Dedication | While primarily part of the Y's marketing strategy, the Grand Opening is a celebration of the new facility or renovation project for members and the community. It typically involves a ribbon-cutting ceremony to mark the formal opening of the facility. Community leaders, local government officials, donors, members, program participants, staff, and board participate in the celebration. A ceremony to dedicate the building and/or facility venues and rooms may occur at the same time as the Grand Opening, or you may schedule the dedication as a separate, more intimate event. |
| Preventative Maintenance Plans | At this juncture, you establish preventive maintenance plans, also referred to as preventive maintenance systems (PMS), outlining daily, weekly, monthly, and annual maintenance schedules for your facility's building systems. |

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| Stage 11 | PROJECT STEWARDSHIP |
| Donor Communication & Stewardship | Developing deeper relationships with the project's donors and volunteers is critical. Here, your Y engages in stewardship activities to ensure that donors and volunteers realize they have made an important difference in their community. These activities are grouped into four areas: acknowledgement, recognition, reporting on the project's impact in the community, and engagement. |
| Annual Community Support Campaign | In this step, you build on your capital campaign's success to raise significantly more money through the annual campaign. Because of your Y's diligence to the philanthropic process throughout its capital campaign, the annual campaign can easily be positioned for continued growth. |
| First Year Operating Budget | Now that the project is complete, you can prepare the first year operating budget. This budget should be based on the operating pro formas that were developed and approved by the board in earlier phases of the capital planning process. It is also important to ensure that the overall organizational cash flow and statement of financial position reflect the projections in the operating pro formas. |