



Marygrove Conservancy

marygroveconservancy.org

ABOUT THIS PROJECT


The Marygrove Conservancy stewards the Marygrove Transformational Project, a \$50 million cradle-to-career campus. The campus features a state-of-the-art, \$20 million early childhood center that opened in September 2021, and a K-12 school, The School at Marygrove, that opened in 2019 in a renovated facility. The campus serves as an educational anchor and community development catalyst in the Livernois-McNichols neighborhood in Northwest Detroit and formed in the wake of the closure of Marygrove College in 2019. Both facilities reflect national best practices for educational facility design that emphasizes bright spaces for active learning, family and community connectivity, community-engaged design, and innovative financing. This guarantee facilitated the start of construction for the early childhood center before the full financing package was in place.



WHY WAS THIS NEEDED?

Challenge: Detroit neighborhoods need more high-quality early childhood education spaces. A 2015 IFF report found more than 28,000 seats were needed to fill the gap. A new state-of-the-art center was a cornerstone of the Marygrove campus project and required a series of investments and partners to finance.

Solution: This guarantee provided 100% risk protection for the Conservancy to secure a \$3 million line of credit from IFF to begin the construction on the early childhood center before the full financing structure was in place. When a New Markets Tax Credit financing package closed in 2020, IFF was repaid and this guarantee ended.

<p>IMPACTED LOCATION</p>	<p>YEAR APPROVED</p>	<p>KRESGE PROGRAM</p>	<p>GRANT SUPPORT</p>
 <p>Livernois-McNichols neighborhood, Detroit</p>	<p>2019</p>	<p>Detroit</p>	<p>\$4 million</p>
	<p>TYPE OF TRANSACTION</p> <p>Guarantee</p>	<p>AMOUNT OF INVESTMENT</p> <p>Up to \$3 million</p>	<p>TERM OF INVESTMENT</p> <p>15 months</p>



ABOUT THE BORROWER

The Marygrove Conservancy is a nonprofit that carries on the legacy of Marygrove College after its shutter in 2019 and stewards the Marygrove campus as an anchor and asset for the community. The Conservancy oversees facilities management, operations strategy, capital development, management of the campus master plan, security, event rentals and more. The \$50 million commitment to build the Marygrove campus represents the largest philanthropic commitment to a Detroit neighborhood in the city's history. The campus' three guiding principles are to ensure it: provides access to opportunities for a diverse student population, with an emphasis on minimizing barriers to access, especially for students from the immediate vicinity; offers rigorous, research-based academic programs, so that students are equipped and empowered to define their own futures; and is led by exceptional faculty and staff, who are accountable and receive ongoing development to equip them to become leaders in their field and thus, best serve students and families.

IMPACT MEASURE

140: children the center will serve annually

KEY PARTNERS:

IFF

Key Considerations



Aaron Seybert
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Practice

- » A 100% guarantee was necessary to permit IFF to extend the loan without encumbering the campus.
- » The terms of the IFF loan extended to Q1 2021 to permit additional time to secure the New Markets Tax Credit financing without calling on the guarantee.
- » The line of credit allowed the Conservancy to draw up to \$3 million in funds to support the first three to four months of construction costs.
- » Total construction costs, not funded through grants, were estimated at \$7,600,000 through June 2020.
- » The Marygrove cradle-to-career campus represents a major milestone in Kresge's Detroit Program strategy, which pivoted in 2016 to focus on strategic, catalytic investments in Detroit neighborhoods.
- » One of those catalytic neighborhoods is the Livernois-McNichols district and its surrounding neighborhoods, where Kresge is leveraging a strategic set of investments to bring about comprehensive revitalization of the district, including investments in public spaces, commercial corridors, business development, community organizations and more.