



Marygrove Conservancy

marygroveconservancy.org

ABOUT THIS PROJECT

The Marygrove Conservancy is the steward of the Marygrove Transformational Project, a \$50 million cradle-to-career campus. The campus features a new, state-of-the-art early childhood center that opened in September 2021, and a K-12 school, The School at Marygrove, that opened in 2019 in a renovated, existing 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 facilities design that emphasizes bright spaces for active learning, family and community connectivity, community-engaged design, and innovative financing. This guarantee facilitated the liquidity needed to improve general campus operations, address deferred maintenance and to improve the campus infrastructure and all programs on the campus.



WHY WAS THIS NEEDED?

Challenge: After the closure of Marygrove College in 2019, a plan emerged to maintain the campus as a community asset by building a cradle-to-career educational campus. But the newly formed Conservancy inherited the legacy debts of the College and therefore had low cash-flow and needed risk mitigation to attract traditional financing for the multi-million dollar build out.

Solution: By issuing a guarantee, PNC Bank stepped in to issue a \$22-million line of credit for the campus build out. The line of credit will be repaid over 10 years by other earned income of the Conservancy, including grant proceeds.

IMPACTED LOCATION  Livernois-McNichols neighborhood, Detroit	YEAR APPROVED 2021 TYPE OF TRANSACTION Guarantee	KRESGE PROGRAM Detroit AMOUNT OF INVESTMENT Up to \$22 million	GRANT SUPPORT \$4.5 million TERM OF INVESTMENT 10-year term, .10 basis points
--	---	---	--



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

Campus will serve 1,000 students and their families annually

KEY PARTNERS:

PNC Bank

Key Considerations



Aaron Seybert

Managing Director
Social Investment Practice

- » The interest rate on PNC's line of credit would have been significantly higher without the Kresge guarantee, saving the Conservancy well over \$1 million in interest.
- » PNC also agreed to other concessionary terms as a result of the Kresge guarantee.
- » PNC was an ideal partner as the bank shared a broad commitment and partnership to the Marygrove campus and has worked with Kresge's Detroit Program on banking access and economic mobility for residents in the Livernois-McNichols district.
- » PNC opened a mobile banking hub at Marygrove to provide in-person banking access on campus.
- » The line of credit has allowed us to address significant deferred maintenance on the campus, preventing further deterioration of the historic buildings.