



## Marygrove Conservancy

[marygroveconservancy.org](http://marygroveconservancy.org)

### ABOUT THIS PROJECT

The Marygrove Conservancy is the steward of the Marygrove P-20 Partnership, a \$50 million cradle-to-career campus in the Livernois-McNichols neighborhood in Northwest Detroit. The campus serves as an educational anchor and community development catalyst and formed in the wake of the closure of Marygrove College in 2019. 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, a selective enrollment public high school that opened with a ninth-grade class in 2019. A K-8 school will open on the same site in 2022. This guarantee facilitated the historic renovation of the Liberal Arts Building, which houses the School at Marygrove, to help it meet its goals for learning, family and community connectivity, and community-engaged design.



### WHY WAS THIS NEEDED?

**Challenge:** Due to its nascent existence, its inheritance of the closed College's debt, and an operating deficit, Marygrove Conservancy is not yet able to attract traditional financing to complete the Liberal Arts Building renovations.

**Solution:** The financing of this facility was made possible by using Federal Rehabilitation Tax Credit (HTCs), a form of federal subsidy designed to offset the cost of rehabilitating historic buildings. The Kresge guarantee provided the backstop to complete the renovation and to protect the investor, PNC Bank, from compliance risk related to the historic tax credits.

IMPACTED LOCATION	YEAR APPROVED	KRESGE PROGRAM	GRANT SUPPORT
 <p>Livernois-McNichols neighborhood, Detroit</p>	2021	Detroit	\$4.5 million
	TYPE OF TRANSACTION	AMOUNT OF INVESTMENT	TERM OF INVESTMENT
	Guarantee	Up to \$14 million	.10 bps guarantee fee, five years



## 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 \$75 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, Barton Malow Construction, Plante Moran

## Key Considerations



### Aaron Seybert

Managing Director  
Social Investment Practice

- » As part of the preservation of Marygrove College, the Conservancy is focused on the historic preservation of the existing buildings.
- » Extensive research and engineering studies on the building were completed, giving confidence that the project could be completed at the projected cost and that no unforeseen issues would arise during construction.
- » The Conservancy locked in a guaranteed maximum price for the contract with the developer, another assurance that our guarantee would be at a low risk.
- » Risk of loss of the federal historic tax credits is extraordinarily low. We were able to generate a significant amount of subsidy for our partner using an unfunded guarantee without taking on significant risk.



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