

January 8, 2022

To: TRHS Foundation Board

From: Executive Committee

## **Roosevelt for Generations Capital Campaign Update**

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### **Fundraising+Project Status**

#### **- Fundraising Phases, Timing + Goals**

- As of 1/7/2022, over \$2.9 million has been raised by the capital campaign, with six months of fundraising strategy remaining. The next steps will be:
  - **Special Gifts Phase** (target donations of \$5-10K), which will be led by the fundraising consultants through the end of February 2022.
  - **Public Phase** (all donation levels), led by the Foundation, Campaign Cabinet, and staff, through the end of May 2022.
- **Current Goals:** The original goal was to raise \$5m for the Track+Field, Reimagined Library and Endowment. Late summer of 2021, the fundraising consultants recommended and the Board concurred with reducing the goal to \$3m for solely the Track+Field and Reimagined Library projects.

#### **- Project Status + Timelines**

- **Track+Field:** The City of Des Moines has issued the permit for the Track+Field construction, and we have the funds either in-hand or pledged to be able to move forward. Mid-January, the project will go to the DMPS Board for official approval and then sent to bid, with bids due in February. On March 1st, in partnership with DMPS, we hope to award a bid and begin construction, aiming to complete the Track+Field project by fall of 2022.
- **Reimagined Library:** Design is being revised to maintain the integrity of the Reimagined Library project, yet account for the budget reduction. This project will begin in late spring of 2023 to ensure completion for the first day of the 2023-24 school year. This schedule allows us more time to fundraise for the library project and minimizes construction impact on student use. This timeline also allows the Foundation to apply for Polk County and Prairie Meadow grants in 2022-23, potentially for an additional \$200K.
- Brief overviews and renderings here: [Fundraising Flyer](#)

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### **Board Action Items: Bridge Loan and Foundation Loans**

#### **- Bridge Loan**

- As discussed at the December 2021 Board meeting, the Foundation will secure a bridge loan in order to be able to begin construction on the Track+Field project. Bankers Trust has been the most flexible and offered the most attractive terms of the three banks the Campaign Finance Committee approached.
- A bridge loan will allow us to begin the capital projects with momentum from the Public Phase, with current construction bids and permits in place, and in anticipation of Roosevelt's centennial, as originally planned. The loan will allow us to pay down our portion of the costs as multi-year pledge payments are received, versus waiting three to five years for all pledges to be received in order to begin construction (with likely increased costs). For

example, if someone pledged \$30K over three years and made an initial \$10K payment in 2021, we can borrow against the remaining \$20K so that the entire \$30K can be utilized upfront.. The Foundation will make monthly payments on the bridge loan as donations are received. There will be interest charges associated with the bridge loan, which the Executive Committee recommends to be paid and accounted for as a Campaign account expense, not a Foundation general fund expense.

- At the December 2021 Board meeting, it was discussed that the Foundation may need to pledge a portion of our \$300K+ endowment funds held at the Community Foundation as collateral for the bridge loan. Due to fundraising success over the last month, these assets no longer need to be pledged as collateral for the loan.
- The Foundation has received an initial commitment letter from Bankers Trust outlining the terms of the bridge loan. The commitment letter and terms will continue to be finalized as additional capital campaign contributions are received, and as bids come in for the Track+Field project in February.
- **Next Steps: The Board will be presented with accurate bridge loan information to discuss and approve at the February 2022 meeting.** This timeline will allow for the Track+Field project to be awarded in March as scheduled in the bidding process outlined above. The Campaign Finance Committee will present the details of the bridge loan to the Board at the February Board meeting. An attorney will have reviewed the documents on behalf of the Foundation before the meeting and provide a recommendation as well.

#### - Foundation Loans

- Now that the capital campaign fundraising goals are likely to be met or exceeded, the Foundation can choose to address the \$101,138 loaned from the Foundation's general fund account to the Campaign account prior to Campaign donations being received. This loan covered expenses for the fundraising consultants and early design-related costs associated with the Track+Field which were incurred in late 2019 and early 2020.
- The Campaign Finance Committee has requested that we consider granting that money to the Campaign. The Executive Committee has discussed and recommends forgiving the loan and converting it to a donation to the Campaign. Currently, the Foundation maintains solid balances in our operating and endowment accounts. The Exec Committee discussed several possibilities, including specifically allocating the amount between the two projects. In the end, we determined that donating the funds without restrictions is the best option, as it will allow for the bridge loan and interest payments to be lowered and ensure that more money is available to directly support both projects.
- **Next steps:** Discussion on forgiving the loan to the Capital Campaign and converting it to a donation will take place at the January 2022 Board meeting and a vote will be taken.