

Our History, Our Future

By Robert Engelman

Setting the Stage

Nigel Taplin became Tesseract's head of school at the beginning of the 2003-2004 academic year. In the spring of 2004, the Tesseract School Board of Trustees launched its first major long term planning process culminating in the November 2004 publication entitled "Challenge, Hope, Innovate, Excel," Tesseract's first strategic plan as an independent school. This plan focused on goals and initiatives in five major areas:

- Educational Program
- Faculty/Administration
- Students and Families
- Facilities
- Financial Development

The Facilities goal for the 2004-2009 Plan was simple, to "Create a Quality Facility Consistent with a Premier Independent School." At the time Tesseract had one facility of approximately 22,000 square feet, which served 10 grade levels, all administrative functions and had a realistic capacity of 300-320 students. There was no library, no cafeteria, limited administrative and meeting spaces, and no athletic facilities beyond a small playing field. The campus was landlocked and The Town of Paradise Valley had made it very clear that building additional facilities, outside the school's current footprint, would not be approved. Tesseract owed approximately \$2.3 million on the property at that time. Likewise, Tesseract also owned nine acres of land at 40th Street and Shea Boulevard that potentially could be developed, and subject to a \$900,000 mortgage.

Option Review

In early 2005, the board of trustees engaged the consulting arm of DWL Architects to review all of Tesseract's facilities related options. The goal was to recommend a course of action to the trustees based on the richness of the Tesseract educational experience, demographic trends relative to enrollment opportunities and challenges, expected cost of any facilities renovation or expansion, and the financial implications of each alternative from both an operating and a capital raising perspective. Timing of the implementation of each option was also a critical issue reviewed in the DWL study.

DWL looked specifically at five different scenarios:

- Retain Doubletree for lower school and build a new middle school at Shea without site provisions for a future high school.

- Retain Doubletree for lower school and build a new middle/high school at Shea in two or more phases as the high school population expanded.
- Sell Doubletree and build a new EC-8 campus at Shea.
- Sell Doubletree and create a campus for EC-12 on the Shea property.
- Sell Doubletree and Shea, find new land (12-18 acres) and build an entire EC-12 campus.

Besides using available public data, DWL made extensive use of parent and non-parent focus groups, faculty interviews and trustee workshops in gathering their data and putting together their recommendations and estimates. Ultimately the trustees, after extensive review and discussion, felt that retaining the intimacy of the Doubletree campus for lower school children and building (in phases) a modern middle/high school campus at Shea would best enhance the educational program, be the most practical, add the most value to the community, and would allow the school the best opportunity to raise the millions of dollars needed to undertake the project.

While the reasons to add the high school program were numerous, among the most compelling was the fact that there was only one other non-public, non-parochial school in the entire Phoenix metropolitan area. The educators and administrators felt that both the academic program as well as the social development of the student body would be enhanced with a high school component. The fact that Tesseract would have its own high school was shown to be a definite competitive marketing advantage even with early childhood applicants. It was clear from the research that without a high school component, it was unlikely that Tesseract could raise the funds necessary to build a new middle school at Shea. Finally, the long-term fund-raising data from graduates of eighth grade versus graduates of a high school created a very compelling case for future financial sustainability, though clearly a very long term event.

The final Campus Master Plan included 40,000+ square feet of academic space, 5,000 square feet of administrative space, a 10,000 square foot gymnasium, a modern performing arts center, swimming pool, full size soccer field, outdoor basketball court and parking for upwards of 200 cars. Phase I would include a 20,000 square foot academic building, the gym, the playfields and the parking facilities. Additional buildings would be built as

enrollment grew and funds became available. Subject to funding, a goal to have the first phase of the campus open for the 2008-2009 academic year was formally established in mid 2005.

Funding Issues

Having decided on a course of action, but not knowing from where the funds would come to implement the desired program, the board hired Young and Company, a leading Phoenix based fund-raising consulting company. They conducted a fund-raising study during the summer/fall of 2005. Their objective was to quantify fund-raising potential, help identify key contributors, and address leadership, marketing, external donor and recognition issues, should there be a capital campaign.

After reviewing public data and interviewing more than 40 Tesseract families, Young and Company ultimately recommended that the board undertake a \$9 million fund-raising campaign to be launched approximately one year hence. In the interim, extensive planning needed to take place not only relative to the anticipated campaign, but also to the actual development of the property in order to ensure potential contributors that the project was actually going forward. Lingering credibility problems, dating back to the time the school was owned by the Tesseract Corporation, (pre-conversion to an independent school in 2001), meant that potential major contributors were quite skeptical of promises. Obtaining a better sense of zoning and master plan approval from city authorities, plus accurate cost estimates, were critical to the ability to initiate a campaign.

Breaking New Ground, The Capital Campaign For Tesseract School

By the end of 2006, the groundwork had been done and the “buzz” in the community was positive. Accordingly the trustees felt the timing was right to launch Breaking New Ground, The Capital Campaign For Tesseract School. An initial goal of \$9 million was established (later to be increased to \$12 million). By mid-2007, half the initial goal had been committed and the board authorized the entire building project to move forward. Through the ensuing twelve months, approximately \$1.5 million more was committed, bringing total funds raised to \$6 million—primarily from the 200 families who were at Tesseract in 2006. Bank and vendor financing was obtained to not only fund the pledge commitments, but also fill the gap between the amount of funds raised at the time and the total cost of the project. This financing, which has been amortized as pledge payments have been collected, matures in July 2011.

Construction came in on time and on budget. The campus opened in September 2008 and enrollment has continued to grow. However, the economic shocks of

the fall of 2008 and the subsequent recession have had a material impact on the school’s capital fund-raising operations. In recognition of the economic turmoil, the school decided to suspend most capital fund-raising in October 2008. Since then we have focused on bringing the approximately 170 new families who have joined the Tesseract community since the Capital Campaign was launched up to speed on the whole long-term development program.



Robert Engelman, Tesseract Board of Trustees Member and 10th-Grade Parent

Future Additions

The Board of Trustees’ Buildings and Grounds Committee has responsibility for the stewardship of the campus master plan. Last summer a new chemistry lab was built at Shea. This summer a physics lab will be built, the library will be divided and become two classrooms, and next fall some educators will have to double-up using the same room. The school is clearly out of its extra space, but will be able to operate with the current structure through the 2010-2011 academic year.

By the fall of 2011, new facilities will be required. It is the board’s intention to use modular classrooms for fifth and sixth grades in 2011-2012. The board would like to build a new 10,000 square foot building on the east end of the property to house the entire middle school, and would like to have this facility in place for the 2012-2013 school year. This will require approximately \$6 million more in fund-raising with approximately half devoted to the new facility and half devoted to servicing the current obligation which currently totals \$8+ million (there are approximately \$2.3 million of pledges still to be collected). In order to meet the fall of 2012 occupancy goal, these funds will have to be committed by the middle of next year to allow time for construction. Without this additional funding, Tesseract plans to expand its use of modular classrooms to the entire middle school. This action will complete the separation of the middle and high school classrooms.

While we fully understand that what happens inside the classroom is the critical issue—and the physical classroom is secondary, research has shown that physical environment can play a very important role in learning. If Tesseract is going to achieve its long-term goal of being the “premier independent school in the Southwest,” we as a community must band together, reach into our pockets, and make a stretch-commitment to fund the Campus Master Plan. It’s hard, but it can be done. Our children deserve it, our community deserves it. ●