

I am Valerie Jablow, a DC parent. My commentary here on the application of Rocketship to create a new school in Ward 5 outlines several factors that I would hope you take into consideration before your vote:

- Self-interest of the applicant trumping public interest;
- Lack of information about analysis of need; and
- The possibility of profiting by a third party at the expense of DC taxpayers.

As you know, by the time PCSB had received Rocketship's application for this new school, much of the planning for it was already done.

For instance, on July 24 Rocketship held an event cast as a discussion of school choice and equity for Ward 5--which inevitably served as notice and advertisement both about Rocketship's aspirations in the ward. By August 1, before the date of this application, the lease for the proposed Ward 5 Rocketship campus was signed, a search was under way for subtenants, and substantial plans had been made for the building itself.

Rocketship made clear its rationale for Ward 5 as the location of its new school by noting the following in its application:

"We performed an extensive needs analysis which allowed us to review multiple wards across Washington, DC and found that the Fort Totten neighborhood has a number of high performing schools, but still has many students who do not have access to a high performing schools [sic]. We believe that a Rocketship school can meet this need."

Does PCSB have that "extensive needs analysis"? Can the public have a copy? If the answer is no to both questions, how do you plan to vote on this new school in terms of public interest being met?

Moreover, how is an "extensive needs analysis," done **by the applicant, for the applicant**, ever going to be unbiased and not, first and foremost, in the applicant's own interest?

The application also references current publicly funded schools in Fort Totten and Ward 5 as being "highly specialized." Yet later references in the application make clear that many of these "highly specialized" schools offer dual language programs. Rocketship thus proposes to deliver something with this new school that is presumably better than dual language—and also (presumably) less "specialized."

It would thus appear that dual language programming in DC is *not* desirable—which is odd, given that DC residents have made clear their desire for dual language programming.

Even so, will you ask the applicant what constitutes "highly specialized?" Or what isn't "highly specialized"? And will you also ask the applicant when are there too many "high-performing" schools in an area? Or too few? Because right now, the only definition of

any of that is being made by an (inevitably) self-interested applicant.

The application also notes that the community around the Fort Totten area is in “flux,” with senior citizens but also (boldface mine) “young families moving into the neighborhood **which will offer families with children** consistent with school age of students attending Rocketship schools.”

I hope you pause for a moment at that bolded statement: this school (of choice, not right) is planning, explicitly, to exploit population growth as justification for its existence.

The Rocketship application also notes that eventually, the total facilities costs for all three Rocketship campuses in DC (the chain currently has one campus each in wards 7 and 8) would amount to \$6.5 million per year, for about 2112 students. That comes out to about \$3068 per student—which is less than what the school would get from the city for per student charter facilities fees (in FY20, that amount is \$3335). Rocketship notes that it has already “identified more than \$1 million in philanthropic support for the third site.”

Does PCSB know where that extra taxpayer money (by my calculation, about \$500,00 a year) is going?

It seems it’s going in part to a private, for-profit venture that has already profited considerably from Rocketship in DC.

According to the DC real estate database, the Ward 5 facility is owned by an LLC, Art Place@Ft Totten WH-C LLC. But TA Washington (an LLC out of the Turner Agassi company, a for-profit venture that invests in charter buildings) is Rocketship’s landlord at this Ward 5 facility, with yet another LLC, Launchpad, as the sublandlord and Rocketship DC as the subtenant.

That appears confusing—but that Launchpad LLC is apparently a stand-in for Rocketship’s parent company in California. For instance, the recent issuance of DC revenue bonds for Rocketship was really made for Launchpad (see here for more information about their relationship:

[http://www.aviacommunications.com/DocumentHosting/11068\\_District\\_of\\_Columbia\\_\(Rocketship\\_DC\)\\_RB\\_Ser2019A&B\\_\(LOM\).pdf](http://www.aviacommunications.com/DocumentHosting/11068_District_of_Columbia_(Rocketship_DC)_RB_Ser2019A&B_(LOM).pdf))

In May 2019, in fact, Launchpad used those revenue bond funds to purchase the Rocketship Rise campus (on Reynolds place SE) for \$25.5 million from an LLC out of the for-profit Turner Agassi fund for charter schools. In 2015, before the school was there at that address, that Turner Agassi LLC purchased the property (which contained a small house) for \$3.3 million. At the time, the property was assessed at a third of that purchase price, so it seemed a strange (and overpriced) investment.

But once Rocketship built its school there at Reynolds place, the property’s assessed value rose considerably, to its current assessment of more than \$18 million.

It is difficult, if not impossible, for DC taxpayers to know how much TA spent on the actual school building there (though this story from last year suggests TA spent **something**:

<https://www.businesswire.com/news/home/20181011005450/en/Rocketship-Public-Schools-Turner-Agassi-Charter-School-Facilities>).

But the fact that Launchpad purchased in May 2019 the Raynolds facility for >\$7 million over its assessed value suggests that the recent purchase price was *engineered to ensure a hefty profit for TA without much consequence to Rocketship, because DC taxpayers were ensuring that the revenue bonds to fund that purchase price would be paid back through public facilities funds given to Rocketship.*

Theoretically, between the \$3.3 million TA spent in 2015 for the Raynolds property and the \$25.5 million it received in 2019 by selling the same property to Launchpad, it could have realized as much as \$22 million in profit. It appears to be poised to do so again in a similar arrangement for Rocketship's Ward 5 facility.

To me, this suggests that a for-profit company will potentially make tens of millions in profit through the wagering of public money in this new school, while there appears to be no incentive for Rocketship to prevent such profiting because the public money they will be getting is in excess of what they will need. It also suggests that by "offering families with children," the proposed Ward 5 neighborhood of the new school is an integral part of such profitability going forward.

As a DC taxpayer, I am concerned that all of what I have just related here is meaningless in your deliberative processes. As you know, Rocketship was approved to have eight campuses in DC, whose approval appears to depend only on the school's PMF meeting a certain threshold. I would like to think that your role is greater than that—so it would be a great service to me and other DC taxpayers if you could elucidate under what circumstances the charter board would **not** approve of this school at this location. Thank you.