



**Wednesday, January 17, 2024**  
**Rocketship Public Schools National Board of Directors Meeting (2023-24 Q3)**

**Meeting Time: 9:00am**

**Public Comment: Members of the public can make comment on off-agenda items at the start of the meeting, and on agenda items immediately preceding the board's discussion of each item. You will be recognized once the public comment time begins, and be permitted to make comment for a duration of up to 3 minutes.**

**Meeting Location: 2001 Gateway Place, Suite 230E San Jose, CA 95110**

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**Teleconference locations:**

198 W Alma Ave. San Jose, CA 95110  
2960 Story Rd San Jose, CA 95116  
1700 Cavallo Road, Antioch, CA 94509  
370 Wooster Ave. San Jose, CA 95116  
70 S. Jackson Ave. San Jose, CA 95116  
2351 Olivera Rd, Concord, CA 94520  
331 S. 34th St. San Jose, CA 95116  
788 Locust St., San Jose, CA 95110  
950 Owsley Ave. San Jose, CA 95122  
1440 Connecticut Drive, Redwood City, CA 94061  
3173 Senter Road San Jose, 95111  
2249 Dobern Ave. San Jose, CA 95116  
683 Sylvandale Ave San Jose, CA 95111  
311 Plus Park Blvd Suite 130, Nashville, TN 37217  
185 Spur Ridge Court, Healdsburg CA 95448  
9112 Vendome Dr, Bethesda MD 20817  
351 Linfield Dr, Menlo Park, CA 94025  
6768 Christiansted Lane, Nashville, TN 37211  
1221 Oriental Gardens Rd, Jacksonville, FL 32207  
2803 Roullier Road, Ronan, MT 59864  
6762 Tower Rd, Denver CO 80249  
1670 Las Plumas Ave, San Jose, CA 95133  
809 Pico Ln, Los Altos, CA 94022  
4732 Knoll Park Circle, Antioch CA 94531  
2066 Cowden Ave, Memphis TN 38104  
12930 SE Suzanne Road, Hobe Sound, FL  
16620 Lower Valley Ridge Drive, Brookfield, WI 53005  
2013 Ovation Parkway, Franklin TN 37067

**1. Opening Items**

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- A. Call to order
- B. Public comment on off-agenda items

**2. Consent Items**

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- A. Approve minutes from the December 7, 2023 meeting of the Board of Directors

**3. Agenda Items**

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A. Approve Management Fee Subordination Agreement with Launchpad Development Company, Launchpad Development Three, LLC, and Rocketship Education DC Public Charter School, Inc. and related Resolutions.

#### **4. Adjourn**

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THE ORDER OF BUSINESS AND TIMINGS MAY BE CHANGED WITHOUT NOTICE: Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice, provided that the Board takes action to effectuate such change.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY: Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance by contacting us at [compliance@rsed.org](mailto:compliance@rsed.org).

SPANISH & VIETNAMESE TRANSLATION: If you need Spanish or Vietnamese audio translation in order to access the Rocketship Board meeting, please send a request to [compliance@rsed.org](mailto:compliance@rsed.org) at least 24 hours before the start of the meeting. If you would like to make a public comment in Spanish or Vietnamese and would like us to translate to English for the Board, please send a request to [compliance@rsed.org](mailto:compliance@rsed.org) at least 24 hours before the start of the meeting.

Si necesita traducción de audio al español para acceder a la reunión de la Mesa Directiva de Rocketship, envíe una solicitud a [compliance@rsed.org](mailto:compliance@rsed.org) por lo menos 24 horas antes del inicio de la reunión.

Si desea hacer un comentario público en español y desea que lo traduzcamos al inglés para la Mesa Directiva, envíe una solicitud a [compliance@rsed.org](mailto:compliance@rsed.org) por lo menos 24 horas antes del inicio de la reunión.

## **Rocketship Public Schools National Board of Directors Meeting (2023-24 Q2) (Thursday, December 7, 2023)**

*Generated by Cristina Vasquez on Monday, December 11, 2023*

### **1. Opening Items**

#### **A. Call to order**

At 1:02pm, Mr. Jordan took roll call. With a quorum of board members present, Mr. Jordan called the meeting to order.  
Present: Deb McGriff, Alex Terman, June Nwabara, Daniel Velasco, Charmaine Detweiler, Julie Miller, Malka Borrego, Hugo Castaneda, Rajen Sheth, Michelle Mercado, Brian Kilb, April Taylor, Dan Sanchez, Mike Fox, Louis Jordan  
Absent: Yolanda Bernal Samano, Deja Gipson, Peter Philpott (advisor), Joey Sloter, Greg Stanger, Ray Raven

#### **B. Public comment on off-agenda items**

At 1:04pm, Mr. Jordan called for public comment on off-agenda items. No members of the public provided comment.

At 1:05pm, Ray Raven joined the meeting.

### **2. Consent Items**

#### **A. Approve minutes from October 11, 2023 meeting of the Board of Directors**

**B. Reappoint Greg Stanger, Daniel Velasco, Alex Terman, Yolanda Bernal Samano and June Nwabara to the Rocketship Board of Directors for a term of 2 years through December 2025**

**C. Reappoint Peter Philpott as advisor to the Rocketship Board of Directors for a term of 2 years through December 2025**

**D. Approve Fourth Amendment to the Office Lease between Hudson Gateway Place, LLC and Rocketship Education**

**E. Approve the After School Education and Safety Program Plans for all California Schools**

**F. Approve addendum to facility use agreement between Rocketship Education and the Mt. Diablo Unified School district for the use and occupation of Glenbrook Middle School**

**G. Approve agreement between Rocketship Education and UMCA of Silicon Valley**

At 1:06pm, Mr. Rven made a motion to approve the consent items. This motion was seconded by Mr. Sanchez, and carried unanimously by roll call vote.

Y: Deb McGriff, Alex Terman, June Nwabara, Daniel Velasco, Charmaine Detweiler, Julie Miller, Malka Borrego, Hugo Castaneda, Rajen Sheth, Michelle Mercado, Brian Kilb, April Taylor, Dan Sanchez, Mike Fox, Louis Jordan, Ray Raven

N: --

Abstain: --

### **3. Agenda Items**

#### **A. Mission Moment**

At 1:08pm, the board discussed agenda item 3(A). No action was taken.

#### **B. Board updates (CEO, Regional, Board Chair, Committee Chair, and Development)**

At 1:12pm, the board discussed agenda item 3(B). No action was taken.

At 1:18pm, Joey Sloter and Greg Stanger joined the meeting.

#### **C. Review and approve 2022-23 audit**

At 1:44pm, the board discussed agenda item 3(C).

At 2:06pm, Mr. Jordan made a motion to approve the 2022-23 audit. This motion was seconded by Ms. McGriff, and carried unanimously by roll call vote.

Y: Deb McGriff, Alex Terman, June Nwabara, Daniel Velasco, Charmaine Detweiler, Julie Miller, Malka Borrego, Hugo Castaneda, Rajen Sheth, Michelle Mercado, Brian Kilb, April Taylor, Dan Sanchez, Mike Fox, Louis Jordan, Ray Raven, Joey Sloter, Greg Stanger

N: --

Abstain: --

**D. Approve the First Interim Reports for California Rocketship schools: Rocketship Mateo Sheedy, Rocketship Si Se Puede, Rocketship Los Suenos, Rocketship Mosaic, Rocketship Discovery Prep, Rocketship Brilliant Minds, Rocketship Alma, Rocketship Spark, Rocketship Fuerza, Rocketship Rising Stars, Rocketship Futuro, Rocketship Delta Prep and Rocketship Redwood City**

At 2:08pm, the board discussed agenda item 3(D).

At 2:14pm, a motion was made by Mr. Stanger to approve the First Interim Reports for California Rocketship schools: Approve the First Interim Reports for California Rocketship schools: Rocketship Mateo Sheedy, Rocketship Si Se Puede, Rocketship Los Suenos, Rocketship Mosaic, Rocketship Discovery Prep, Rocketship Brilliant Minds, Rocketship Alma, Rocketship Spark, Rocketship Fuerza, Rocketship Rising Stars, Rocketship Futuro, Rocketship Delta Prep and Rocketship Redwood City. The motion was seconded by Mr. Sanchez, and carried unanimously by roll call vote.

Y: Deb McGriff, Alex Terman, June Nwabara, Daniel Velasco, Charmaine Detweiler, Julie Miller, Malka Borrego, Hugo Castaneda, Rajen Sheth, Michelle Mercado, Brian Kilb, April Taylor, Dan Sanchez, Mike Fox, Louis Jordan, Ray Raven, Joey Sloter, Greg Stanger

N: --

Abstain: --

#### **E. LCAP Mid Year Update**

At 2:16pm, the board discussed agenda item 3(E). No action was taken.

#### **4. Break**

At 2:30pm, the board took a break.

#### **5. Agenda Items (contd.)**

##### **A. 5 Year Strategic Plan**

At 2:45pm, the board discussed agenda item 5(A). No action was taken.

#### **6. Closed Session**

##### **A. Public Employee Performance Evaluation Pursuant to Gov. Code Section § 54957: CEO Evaluation**

##### **B. Conference with Legal Counsel -- Anticipated Litigation: Potential/threatened litigation pursuant to California Government Code § 54956.9. Number of cases: 2**

At 4:11pm, Mr. Sanchez made a motion to move to Closed Session. This motion was seconded by Ms. Slotter, and carried unanimously by roll call vote.

Y: Deb McGriff, June Nwabara, Daniel Velasco, Charmaine Detweiler, Julie Miller, Hugo Castaneda, Michelle Mercado, Dan Sanchez, Louis Jordan, Ray Raven, Greg Stanger

N: --

Abstain: --

#### **3. Agenda Items (contd.)**

##### **A. Public report on actions taken in closed session**

At 5:12pm, Mr. Jordan took roll call. With a quorum of board members present, Mr. Jordan called the open session meeting back to order.

Present: Deb McGriff, June Nwabara, Daniel Velasco, Charmaine Detweiler, Julie Miller, Malka Borrego, Hugo Castaneda, Rajen Sheth, Michelle Mercado, Brian Kilb, April Taylor, Dan Sanchez, Mike Fox, Louis Jordan, Ray Raven, Joey Slotter, Greg Stanger

At 5:13pm, Mr. Jordan reported that no actions were taken on items 6(A) or 6(B) during the closed session.

#### **8. Adjourn**

At 5:14pm, Mr. Sanchez made a motion to adjourn the meeting. This motion was seconded by Ms. Miller, and carried unanimously by roll call vote.

Y: Deb McGriff, June Nwabara, Daniel Velasco, Charmaine Detweiler, Julie Miller, Malka Borrego, Hugo Castaneda, Rajen Sheth, Michelle Mercado, Brian Kilb, April Taylor, Dan Sanchez, Mike Fox, Louis Jordan, Ray Raven, Joey Slotter, Greg Stanger

N: --

Abstain: --

# ROCKETSHIP PUBLIC SCHOOLS

**Executive Summary  
Rocketship Education  
Board of Directors  
January 17, 2024**

<b>Agenda Item:</b> 3A.  <b>Subject:</b> <b>Approve Management Fees Subordination Agreement with Launchpad Development Company, Launchpad Development Three, LLC, and Rocketship Education DC Public Charter School, Inc. and related Resolutions</b>	X	OPEN/ACTION
		INFORMATION
		CONSENT

**Recommendation(s):**

Staff members recommend that the Rocketship Education Board of Directors (“**Board**”) approve the Management Fees Subordination Agreement with Launchpad Development Company (“**Launchpad**”) Launchpad Development Three, LLC (“**Launchpad Three**”), and Rocketship Education DC Public Charter School, Inc. (“**RSED-DC**”) and related Resolutions to provide additional security for lenders in the upcoming bond transaction to acquire the Rocketship Infinity Community Prep (“**RIC**”) facility.

**Background:**

RIC opened as the third RSED-DC campus in 2020 in a facility acquired and developed by Turner-Impact Capital (“**Turner**”), and leased to Launchpad Three by Turner. Launchpad Three then subleased the campus to RSED-DC. Following three years of occupancy, the Turner lease enables Launchpad Three to exercise a purchase option at any point from September 2023 through August 2025 to become the fee owner of the RIC building (itself constructed on property in a long-term ground lease). The purchase price was previously agreed to by Launchpad Three, and consented to by RSED-DC in an amendment to the Original Lease dated November 18, 2021.

Following a recent decline in long-term interest rates, Launchpad Three is now prepared to exercise that purchase option and enter into a new long-term lease with RSED-DC that would save the RSED-DC about \$26mm in rent over the 35-year lease period, calculated as projected total rent in the newly proposed Launchpad Three lease for the RIC school site (with current interest rate expectations) compared to total rent under the Original Lease. While there is some flexibility in timing of the purchase, the Launchpad Team and the RSED-DC Finance Team believe the unpredictability of future interest rates makes a purchase in the first part of 2024 a wise decision.

The \$25mm acquisition from Turner will be financed through a 35-year tax-exempt municipal bond, using the existing DC Obligated Group Bond structure that was used to finance the prior acquisitions of Rocketship RISE Academy and Rocketship Legacy Prep. In those transactions, the national Rocketship board provided a management fee subordination agreement to Launchpad and Rocketship DC. The agreement for RIC, identical to those two transactions, would prohibit

Rocketship from collecting its management fee from RIC if doing so would cause RIC to fall out of compliance with either its Liquidity Covenant or Rent Coverage Covenant.

**Summary of Previous Board Action by Board:**

The Board signed two substantially identical management fee subordination agreements for the nearly-identical bond transactions that financed the purchases of the other two RSED-DC school facilities in 2019 and 2021.

**Fiscal Impact:**

**Submitted by:**

Leah Olson, Senior Legal Counsel in support of transaction presented by:

Matt Shaw, Chief Financial Officer, RSED

in conjunction with

Ben Carson, Executive Director, Launchpad Development Corporation

**RESOLUTIONS OF THE BOARD OF DIRECTORS  
OF ROCKETSHIP EDUCATION  
(ROCKETSHIP DC BOND FINANCING)**

**WHEREAS**, Rocketship Education is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporate Law (“**Rocketship**”) organized and operated exclusively for educational and charitable purposes as an operator of a charter school network.

**WHEREAS**, Rocketship is the sole member of Rocketship Education D.C., Public Charter School, Inc., a District of Columbia nonprofit corporation (“**Rocketship DC**”) and Rocketship DC furthers the educational and charitable purposes of Rocketship as an operator of a charter school network in Washington D.C., pursuant to the Rocketship program and mission.

**WHEREAS**, Rocketship and Rocketship DC have entered into a Network Services Agreement (the “**Management Agreement**”) pursuant to which Rocketship provides educational program, management, financial and operational services to Rocketship DC’s charter schools and receives certain fees as compensation.

**WHEREAS**, the District of Columbia intends to issue certain Revenue Bonds (Rocketship DC Obligated Group – Issue No. 3) Series 2024A and 2024B (the “**Bonds**”) to (i) finance certain costs of the acquisition of the leasehold interest in property that comprises one of the Rocketship DC school campuses known as Rocketship Infinity Community Prep; (ii) fund any reserve funds which may be required; (iv) pay certain working capital costs and capitalized interest and (v) pay the costs of the issuance of the Bonds.

**WHEREAS**, on January 10, 2024, the Rocketship DC Board of Trustees passed a resolution approving the financing and lease agreements associated with the issuance of the Bonds.

**WHEREAS**, to facilitate the issuance and sale of the Bonds, Rocketship has been asked to subordinate its rights to receive compensation under the Management Agreement to the rent payments made by Rocketship DC that support payment of debt service on the Bonds.

**WHEREAS**, the transactions contemplated by the foregoing are reasonably expected to benefit the Rocketship and Rocketship DC.

**NOW, THEREFORE**, the Board of Directors of Rocketship (the “**Board**”) hereby resolves as follows:

Section 1. The Management Fees Subordination Agreement (the “**Subordination Agreement**”), as circulated to the Board, including its provisions subordinating Rocketship’s rights to receive compensation under the Management Agreement, are hereby approved. The Chairperson of the Board, the Chief Executive Officer, the Chief Financial Officer, any Vice President or any other officer of Rocketship (each an “**Authorized Officer**”) are each hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Subordination Agreement, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 2. Each Authorized Officer is hereby authorized and directed, in the name and on behalf of Rocketship, to take such actions and to execute and deliver such other certificates, instruments, notices, agreements and other documents as may be required or as such officer may deem necessary, convenient, advisable or proper in order to carry out and perform the obligations of Rocketship under the Subordination

Agreement. The performance or execution thereof by such Authorized Officer to be conclusive evidence of the approval thereof by such officer and by this Board.

Section 3. All actions and deeds heretofore done or taken by any Authorized Officer, on behalf of Rocketship, in their capacity as such Authorized Officer, and all things done by their authority in entering into, executing, acknowledging or attesting any arrangements, agreements, instruments or documents in carrying out the terms and intentions of the foregoing recitals and resolutions and with respect to the Subordination Agreement are hereby ratified, approved and confirmed in all respects. These Resolutions shall be in full force and effect immediately upon its adoption and the authorizations herein set forth shall remain in full force and effect for the term of the Subordination Agreement and all amendments, supplements and renewal terms thereof. These Resolutions may be delivered by means of portable document format (PDF).

\* \* \*

PASSED AND ADOPTED by the Board at its meeting held on the date set forth below, as follows:

Dated: \_\_\_\_\_

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAINED: \_\_\_\_\_



# Q3 Rocketship Public Schools Board of Directors Meeting

January 17, 2023



# Agenda

## 1. Opening Items

**A.** Call to order

**B.** Public comment on off-agenda items

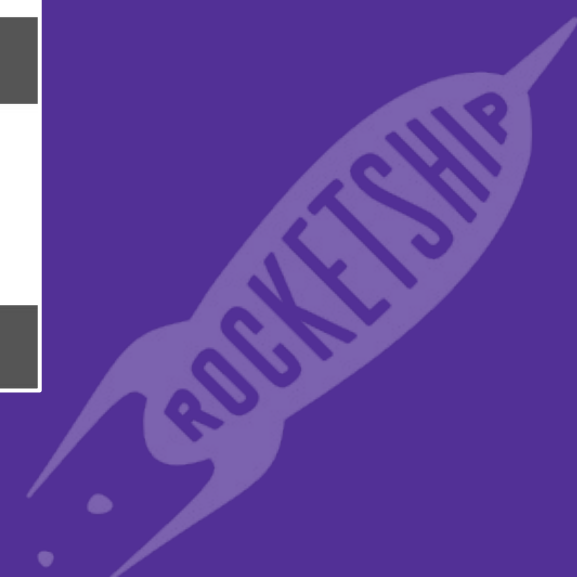
## 2. Consent Items

**A.** Approve minutes from the December 7, 2023 meeting of the Board of Directors

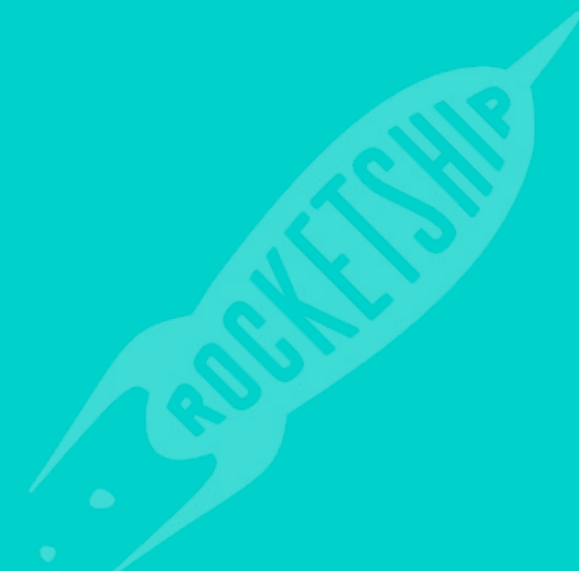
## 3. Agenda Items

**A.** Approve Management Fee Subordination Agreement with Launchpad Development Company, Launchpad Development Three, LLC, and Rocketship Education DC Public Charter School, Inc. and related Resolutions.

## 4. Adjourn



Public Comment





Approve Management Fee Subordination Agreement with Launchpad Development Company, Launchpad Development Three, LLC, and Rocketship Education DC Public Charter School, Inc. and related Resolutions.



# Overview: RIC Facility Leases

- Rocketship Infinity Community Prep (RIC) is currently subleasing its facility from Launchpad.
  - Via an LLC called Launchpad Three Development, LLC.
- Launchpad Three is leasing the facility from its developer, Turner Impact Capital.
- That lease gives Launchpad Three the option to purchase a fee interest in the facility between September 2023 and August 2025, at a price of \$25.005mm
  - Purchase price was set in a lease amendment executed post-construction in November 2021
- Launchpad wants to exercise that option now

# Overview: Bond Deal

- To finance the purchase, Launchpad is facilitating the issuance of a 35-year tax exempt bond using the same Launchpad obligated group structure as the other two DC school acquisitions from 2019 and 2021.
  - This DC obligated group will be comprised of three Launchpad DC LLCs with Launchpad as the obligated group representative
- Bond will also fund a 12-month debt service reserve; \$500,00 of deferred ground rent; and cost of issuance
  - Total uses are projected at \$28.915mm.
- This deal also commits Rocketship DC to a long-term lease with Launchpad Three that will replace the current sublease
  - Lease will fund the repayment of the bonds as well as the payment of annual ground rent for the ground lease and Launchpad's property management fee

# Today's Action: Management Fees Subordination

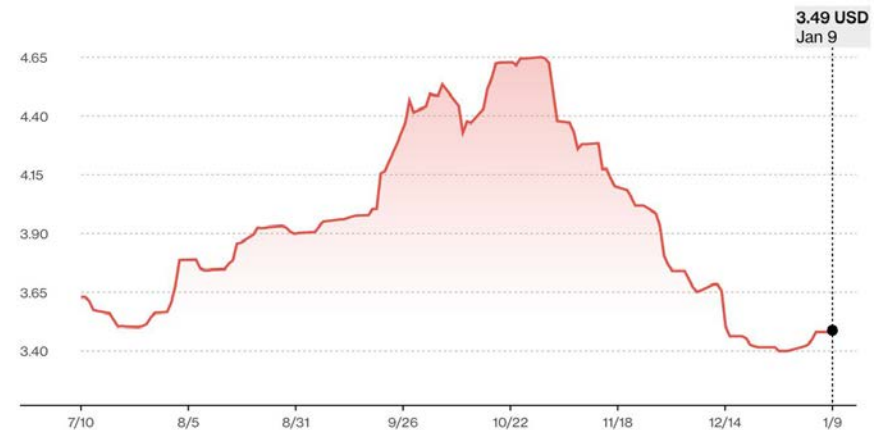
- In the prior two DC bond series, both Rocketship and Launchpad provided a subordination of management services fees from Rocketship DC, which is requested again here
- Agreement says that In the event that paying management fees (or property management fees for Launchpad) would cause Rocketship DC to fall below either liquidity or rent coverage covenants, those fees must be deferred.
- Today's resolution authorizes an officer of the board to execute this Management Fees Subordination Agreement
  - The draft in hand is identical in terms to the 2021 bond and materially final, may slightly change to reflect dates, amounts, entity names.



# Transaction Status

- The benchmark municipal bond index has declined more than a full point since late October - the reason for our accelerated schedule.
- We have completed nearly all real estate steps (appraisal, survey, environmental testing) - re-appraising RLP and RISE this week
- Disclosure documentation is nearly complete.
  - We are finalizing the PLOM and Appendices and responding to lender/attorney questions.
- Closing documents are still in varying levels of draft, but business terms are consistent with 2019 and 2021 transactions and will not shift

*30 year Municipal Index last 6 months:*



# Current Financial Projections

- Based on current interest rates and our projected spreads, we expect an interest rate on the Launchpad bonds of ~5.75%.
  - This rate is subject both to changes in the overall bond market and to pricing of our issuance by the market. We could see variation around our expectations when we go to market.
- If 5.75% holds, we project that RIC rent under the replacement Lease will be:
  - About \$164k or \$1.6% more than the rent in the current Turner-Impact lease over the first five years (2024-2028)
  - About \$537k or 3.5% less than the Turner lease over the second five years (2029-2033)
  - In total \$26mm or 18% less in total rent over the entire life of the lease.

# Next Steps

1. Rocketship DC's board met on January 10 and Launchpad's board will meet on January 19 to provide their respective approvals.
2. We anticipate finalizing, signing, and posting our Offering Memorandum on January 19 or 22 - subject to sign-off by Rocketship and Launchpad staff and counsel.
3. If we're able to post by 1/22, we expect to receive bond pricing approximately 2/1.
4. If pricing is satisfactory, we'd anticipate finalizing all other documents and closing the bond sale and property acquisition on 2/15.

Adjourn

