


COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004

MEMORANDUM

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TO: Nyasha Smith, Secretary to the Council

FROM: Phil Mendelson, Chairman 

DATE: December 16, 2021

RE: **Request to Place Emergency Measures on the Agenda for the December 21, 2021 Additional Legislative Meeting**

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Please place the following measures on the agenda for the December 21, 2021 additional legislative meeting:

- **Gibbs School Lease Extension Authorization Emergency Declaration of 2021**
- **Gibbs School Lease Extension Authorization Emergency Act of 2021**
- **Gibbs School Lease Extension Authorization Temporary Act of 2021**

In February 2015, the District executed a 20-year lease with CSII for the Gibbs School, located at 500 19<sup>th</sup> Street N.E., Washington, D.C. (Square 4531, Lot 37). In turn, CSII executed a sublease with Monument Academy Public Charter School (Gibbs), which is a 5<sup>th</sup> through 8<sup>th</sup> grade weekday boarding public charter school. Monument remains there to this day. The school has 128 students enrolled during School Year 2021-2022, and its student population is 100% African American. A large percentage of its student body is also homeless and has special needs.

In order to renovate Gibbs, which had been closed by DCPS in 2009, CSII took out approximately \$17 million in debt. CSII expected to be able to amend its existing lease with the District to obtain better lease terms – 25 years with an additional 25-year option – which would then have enabled CSII’s debt to be financed long-term with rates and an amortization schedule that would be affordable to both CSII and Monument. Despite CSII’s persistent request for better lease terms, the Executive failed for over two years to execute an amended lease with CSII for the Gibbs School. This resulted in CSII’s \$17 million debt maturing on June 30, 2021. While CSII was able to obtain a six-month grace period, that period ends on December 31, 2021. At that point CSII’s lender could call on CSII to pay its outstanding debt. If this were to occur under the current financing terms, CSII would default on the loan.

Due to the nature of CSII’s financing for all of the buildings for which it has loans, if it defaults on one loan, it will automatically default on all of its loans. Thus, if CSII was to default on its Gibbs School loan, this would result in not just 128 students losing their school building, but eight local education agencies and hundreds to thousands of public charter school students losing their school buildings. Further, given Monument’s high percentage of homeless students, losing