## **Career Pathways Charter School Project**

From: Michael J McGibbon <mickmcgibbon@me.com>

**Sent:** Monday, May 23, 2022 9:46 AM

To: Tolbert, Chris (CI-StPaul) <chris.tolbert@ci.stpaul.mn.us>; #CI-StPaul\_Ward4

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McGibbon <mickmcgibbon@me.com>

Subject: Career Pathways Charter School Project

## Chris,

I am making a request regarding RES PH 22-109, the Career Pathways Charter School Project, which is on this week's May 25, 2022 HRA board meeting agenda. In your role as chair of the St Paul City Council/HRA board, I am asking that you consider requiring that at least one representative of Career Pathways, or CPATH Community Building Group, speak at a meeting of the Council/HRA before the board votes to finalize issuing up to \$6,000,000 in "conduit charter school revenue bonds" for the Career Pathways project.

Almost two years ago, during the August 12, 2020 Council/HRA board meeting, you asked to have a representative of Hmong College Prep Academy (HCPA) speak to the Council/HRA board. There had been some community questions regarding public use of HCPA facilities that had been built with public municipal bond financing. As board chair, you had decided that it would be beneficial to hear from HCPA officials.

Two weeks later, HCPA superintendent/CFO Dr Christianna Hang, and HCPA school board chair, Crystal Robideau, spoke via phone during the August 26, 2020 Council/HRA meeting. A third person, Jay Squires, the lawyer hired by HCPA as its bond attorney in 2020, was also prepared to speak, although there was not enough time to hear what he had to say. During that board meeting, four council members questioned Dr Hang before the board voted 4 to 3 to approve the \$33 million HCPA project.

Requesting HCPA officials to speak before the Council/HRA in August 2020 set a precedent for having charter school officials answer questions from St Paul City Council members regarding bonding proposals. Therefore, requesting Career Pathways officials to appear before the Council/HRA board can be seen as an appropriate action before the board votes for final approval of up to \$6 million in charter school conduit revenue bonds for the CPATH Community Building Group.

Furthermore, you and the Council/HRA board should consider making it a requirement of all future applicants for St Paul "Charter School Conduit Revenue Bonds" to appear before the Council/HRA board to answer questions. This would be an excellent way for council members to exercise their due diligence in deciding to approve municipal bond financing for St Paul charter schools.

Finally, after looking at several documents provided to me by Career Pathways Charter School, I have some concerns that I believe are appropriate to ask of the school's representatives. I will send those to you and your fellow council members in a separate email.

Respectfully,
Mick McGibbon
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## **Four questions of the Career Pathways Charter School Project**

From: Michael J McGibbon <mickmcgibbon@me.com>

**Sent:** Tuesday, May 24, 2022 2:54 AM

To: Tolbert, Chris (CI-StPaul) <chris.tolbert@ci.stpaul.mn.us>; #CI-StPaul\_Ward4

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Subject: Four questions of the Career Pathways Charter School Project

## Chris,

Yesterday, May 23, 2020, I sent an email to you and all members of the St Paul City Council, about requesting a representative of Career Pathways Charter School, or its affiliated building company, CPATH Community Building Group, to speak to the St Paul Council/HRA board before the board votes final approval for up to \$6 million in charter school conduit revenue bonds for the Career Pathways project, RES PH 22-145.

I also mentioned that, having reviewed documents supplied by Career Pathways, I would supply you with some questions and concerns that I have about the project. Below are four questions that I have about the Career Pathway project. I hope that you take special note of question four.

- 1. Why is Career Pathway Charter School, a small 107 enrollment school which has only been in operation since 2015, seeking to take on \$6 million in debt? And should anyone accept the school's statements that they plan to continue operating at their current low enrollment level?
- 2. Career Pathway's executive director recently stepped down from her \$75,000 per year position to become the school's "project developer". Exactly what is that role and how is she being compensated for it?
- 3. Related to the above question, since March of 2021, Career Pathway, located at 1355 Pierce Butler Route, has been working with JB Vang, a company located next to Career Pathways, at 1335 Pierce Butler Route. JB Vang specializes in charter school project development and management services. The CEO of JB Vang is also the manger of Hamline Court LLC, which owns the property at 1335 Pierce Butler. In 2018, shortly after Career Pathways moved into the 1355 location, Hamline Court LLC built a warehouse building on its 1335 property. Is it possible that the new warehouse building and office building property (which pays about \$32,000 per year in property taxes) is being envisioned for a future expansion/purchase by Career Pathway, or another nonprofit charter school?
- 4. According to the May 18, 2022 minutes for Career Pathways' affiliated building company, CPATH Community Building Group, Jay Squires is the attorney for CPATH. Jay Squires was the attorney that Hmong College Prep Academy hired In January 2020 to represent HCPA and their affiliated building

company, HERC, during HCPA's 2020 bond application process. That application process resulted in HCPA receiving \$26 million in conduit revenue bonds through the City's HRA, and \$7 million in bank-qualified conduit revenue bonds through the St Paul Port Authority.

It should be noted that during that 2020 bond application process, HCPA and its representatives never mentioned the inconvenient fact that less than one year earlier, in September 2019, HCPA had made an illegal \$5 million investment in an off-shore hedge fund. Nor had HCPA mentioned that the investment had lost \$4 million by the time the St Paul City Council had approved the \$33 million of bond financing for HCPA on August 26, 2020.

Perhaps the City should be concerned about the fact that HCPA's attorney two years ago during their 2020 bond application process, is now CPATH's attorney in what seems to be a very similar role.

I will be making my emails of today and yesterday part of the record for the Career Pathways Charter School Project.

Respectfully, Mick McGibbon