MEMORANDUM

TO: Nyasha Smith, Secretary to the Council
FROM: All Councilmembers
DATE: December 13, 2023
RE: Request to be Listed as a Co-Sponsor

We are writing to request to be listed as a co-sponsor of the following introduced measure, introduced at the request of the Mayor, pursuant to Council Rules 402(c):

- Downtown Arena Modernization and Downtown Revitalization Act of 2023
A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To support the modernization of the Capital One Arena and the revitalization of the downtown area of the District and solidify the District’s tax base and its ability to pay for supports and services for District residents by retaining the Capital One Arena and its professional sports teams downtown, retaining Capital One Arena’s attraction of millions of residents and visitors annually to the downtown area, and retaining Capital One Arena’s generation of tens of millions of dollars annually in direct and indirect tax revenue for the District government, by authorizing the extension of the ground lease for the arena until the end of 2052, authorizing and approving a development and finance agreement to provide for total payments of $500 million for the modernization of the arena, and adjusting the budget and appropriating funds to account for the impact of the development and finance agreement.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Downtown Arena Modernization and Downtown Revitalization Act of 2023”.

Sec. 2. Extension of the term of the downtown arena ground lease.

(a) The Mayor may, notwithstanding the provisions of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801 et seq.), amend the existing ground lease for the downtown arena to extend the term of the lease and modify, rescind, and add such provisions as the Mayor deems appropriate; provided, that:
(1) The amended ground lease shall be entered into with Monumental Sports and Entertainment;

(2) The term of the amended ground lease shall run until December 31, 2052, and may include such option periods extending beyond December 31, 2052, as the Mayor and Monumental Sports and Entertainment may agree upon;

(3) The amended ground lease shall provide that:

(A) Monumental Sports and Entertainment shall not have the right to terminate the amended ground lease until at least December 31, 2052;

(B) The downtown arena shall host entertainment events and all of the home games of a National Basketball Association basketball team and a National Hockey League ice hockey team until at least December 31, 2052; and

(C) Neither the National Basketball Association basketball team or the National Hockey League ice hockey team referred to in subparagraph (B) of this paragraph may relocate or be relocated outside the District until at least December 31, 2052.

(b) For the purposes of this section, the term:

(1) “Downtown arena” means the sports and entertainment arena located at 601 F Street, NW, Washington, D.C., designated as Lot 47 in Square 455, as shown in the tax and assessment records of the District.

(2) “Existing ground lease for the downtown arena” means the Land Disposition Agreement—Ground Lease, by and among the District of Columbia Redevelopment Land Agency, the District of Columbia, and DC Arena, LP, dated as of December 29, 1995, and recorded with the Recorder of Deeds on January 5, 1996, as instrument number 9600001285, as such document may have been amended from time to time.
(3) "Monumental Sports and Entertainment" means Monumental Sports and Entertainment or an affiliate of Monumental Sports and Entertainment approved by the Mayor.

Sec. 3. Development and finance agreement for the modernization of the downtown arena.

(a) The Council authorizes a development and finance agreement to be entered into between the Mayor and Monumental Sports and Entertainment that provides for payments by the District to Monumental Sports and Entertainment of $167 million in Fiscal Year 2024, $167 million in Fiscal Year 2025, and $166 million in Fiscal Year 2026, for the rehabilitation of the downtown arena.

(b) For the purposes of this section, the term:

(1) "Downtown arena" means the sports and entertainment arena located at 601 F Street, NW, Washington, DC, designated as Lot 47 in Square 455, as shown in the tax and assessment records of the District.

(2) "Monumental Sports and Entertainment" means Monumental Sports and Entertainment or an affiliate of Monumental Sports and Entertainment approved by the Mayor.

Sec. 4. Budget modification.

The appropriation for capital construction projects set forth in the Fiscal Year 2024 Local Budget Act of 2023, effective August 29, 2023 (D.C. Law 25-47; 70 DCR 9700), is increased by $500,000,000, all of which shall be from local funds, to remain available until expended, to be allocated as follows to the following new capital project:

<table>
<thead>
<tr>
<th>Owner Agency Code</th>
<th>Project Title</th>
<th>Fiscal Year</th>
<th>Fund Detail</th>
<th>Amount</th>
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<td>EB0</td>
<td>Downtown arena modernization</td>
<td>2024</td>
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<td>167,000,000</td>
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<td></td>
<td>2025</td>
<td>3030309</td>
<td>167,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2026</td>
<td>3030309</td>
<td>166,000,000</td>
</tr>
</tbody>
</table>
Sec. 5. Fiscal impact statement.


Sec. 6. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.