

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To authorize, on an emergency basis, the Mayor to assemble the soccer stadium site including through the use of eminent domain, to require the Mayor to amend the ground lease of the soccer stadium site, to require the Mayor to amend the development agreement for the construction of a new soccer stadium, and to authorize the rental of airspace and vault space; to amend the Robert F. Kennedy Memorial Stadium and District of Columbia National Guard Armory Public Safety Act to make it applicable to the soccer stadium; to amend Title 25 of the District of Columbia Official Code to provide for licenses to be issued to the operator of the soccer stadium; and to amend Chapter 46 of Title 47 of the District of Columbia Official Code to provide tax abatements and to exempt the transfer of the stadium site from recordation and transfer taxes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Soccer Stadium Development Emergency Amendment Act of 2014”.

TITLE I. ASSEMBLAGE OF SITE;
AUTHORITY OF MAYOR TO EXERCISE EMINENT DOMAIN.

Sec. 101. Definitions.

For the purposes of this title, the term “soccer stadium site” means the real property described as Squares 603S, 605, 607, 661, and 661N, and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company dated December 27, 2013, and all public alleys and streets to be closed within these squares.

Sec. 102. Findings.

The Council finds that:

(1) RFK Stadium is no longer suitable as a home for D.C. United in that it was not designed to host soccer, but was designed for football and baseball, has a capacity much larger

than current Major League Soccer Stadiums, is more than 50 years old, is in deteriorating condition, and is near the end of its useful life.

(2) Without the development of a new soccer stadium, it is likely that D.C. United would ultimately move to another jurisdiction where it could participate in the development of a modern, state-of-the-art, outdoor soccer stadium, which would cause the District to lose the economic and fiscal benefits associated with the team's location in the District.

(3) The development and operation of a new, state-of-the-art, LEED certified outdoor soccer stadium at Buzzard Point and the planned development on its ancillary site will increase economic activity.

(4) The stadium is proposed to be located in Buzzard Point, an underutilized industrial area that has long been targeted for redevelopment and, in anticipation of that redevelopment, has been rezoned for higher density use, but that, without a catalytic, public-sponsored project, is not likely to see significant redevelopment for a minimum of 8 years and likely longer.

(5) Developing a state-of-the-art, LEED certified outdoor soccer stadium at Buzzard Point will serve to accelerate that redevelopment as well as promote economic development in the Buzzard Point and Capitol Riverfront neighborhoods and enhance economic vitality in the District of Columbia.

(6) Improvements in the physical environment of Buzzard Point catalyzed by the soccer stadium will connect Buzzard Point to the emerging Capitol Riverfront area to create a vibrant, mixed-use neighborhood with improved pedestrian circulation and continuous public access to the water, offer new development opportunities that could promote mixed-use development and increase the inventory of affordable housing through inclusionary zoning, and provide ways to improve the environmental health of Buzzard Point.

(7) Improvements and infrastructure investments represented by the development of a new, state-of-the-art soccer stadium project at Buzzard Point will leverage other nearby District investments such as the South Capitol Street Bridge project and the parking facilities for Nationals Park and, along with the successful and planned development at the Yards and the Wharf, combine to anchor a new, mixed-use neighborhood that would reconnect residents to the waterfront, enhance the natural environment, and establish an attractive gateway to the District while improving conditions for nearby residents.

Sec. 103. Assemblage of soccer stadium site.

(a)(1) The Council disapproves the exchange agreement between the District of Columbia and SW Land Holder, LLC dated May 23, 2014 (the "exchange agreement") and the amendment to the exchange agreement dated October 7, 2014.

(2) The Mayor shall acquire Squares 605, 607, and 661 and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company ("PEPCO") dated December 27, 2013 for market value at a cost not to

exceed \$88.9 million; provided, that the cost may exceed \$88.9 million if in an eminent domain proceeding the court determines or an appraisal conducted by the District establishes a value for one or more properties that causes the cost to exceed \$88.9 million.

(b) Notwithstanding 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.*), or other provision of law, the Council authorizes the Mayor to transfer Lot 82 in Square 559 to PEPCO in exchange for \$15.8 million.

(c) The Mayor is not authorized to exchange or otherwise dispose of the Franklin D. Reeves Center, located on Lot 844 in Square 204, in conjunction with the assemblage of the soccer stadium site.

(d) The Mayor shall transmit any agreement to acquire any portion of Squares 605, 607, or 661, or the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and PEPCO dated December 27, 2013 to the Council no fewer than 30 days before the effective date of the agreement.

(e) The Mayor may exercise eminent domain in accordance with the procedures set forth in subchapter II of Chapter 13 of Title 16 of the District of Columbia Official Code to acquire any portion of Squares 605, 607, or 661, or the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and PEPCO dated December 27, 2013.

Sec. 104. Amendments to ground lease and development agreement.

(a)(1) The Mayor shall transmit to the Council a ground lease (“revised ground lease”) that amends the ground lease between the District of Columbia and DC Stadium LLC, dated May 23, 2014 (“original ground lease”), for lease of the soccer stadium site to DC Stadium LLC no fewer than 30 days before the effective date of the revised ground lease.

(2) The revised ground lease shall:

(A) Not contain any provision to abate District sales tax; and

(B) Contain modifications to conform the terms of the original ground lease to the provisions of this act.

(b)(1) The Mayor shall transmit to the Council a development agreement (“revised development agreement”) that amends the development agreement between the District of Columbia and DC Stadium LLC, dated May 23, 2014 (“original development agreement”), for the development of the soccer stadium site, not fewer than 30 days before the effective date of the revised development agreement.

(2) The revised development agreement shall:

(A) Extend the date by which the District shall acquire control of the soccer stadium site to September 30, 2015;

(B) Extend the dates by which the District shall close streets and alleys, acquire fee title, demolish existing structures, perform infrastructure work (including all District obligations under article V of the original development agreement), and perform environmental

remediation work (including all District obligations under article VI of the original development agreement), as such actions are described in articles III, IV, V, and VI of the original development agreement and may be described or referenced in other provisions of the original development agreement, each by 6 months;

(C) Set a date by which DC Stadium LLC shall complete the construction of a soccer stadium at the soccer stadium site;

(D) Extend other dates as negotiated between the District and DC Stadium, LLC;

(E) Amend section 5.9 of the original development agreement to read as follows: “Land Contribution. Within 30 days of the District’s acquisition of either Lot 7 or Lot 802 in Square 605, the Stadium Developer shall pay to the District, or its designee, Two Million Five Hundred Thousand Dollars (\$2,500,000.00) to offset Land acquisition costs, unless the District acquires either Lot 7 or Lot 802 in Square 605 by the use of eminent domain and the aggregate price paid by the District for Lot 7 and Lot 802 is less than \$25,148,760.”;

(F) Amend section 9.1(c) of the original development agreement to read as follows: “Designated Entertainment Area. The District shall grant to the Developer ‘signage rights’ with respect to the Land, such signage rights to be those rights described in the proposed Chapter 8 of Title 13 of the District of Columbia Municipal Regulations published in the DC Register on August 17, 2012.”; and

(G) Provide that no fees, proffers, or deposits shall be borne or waived by the District pursuant to section 7.6 of the original development agreement before October 1, 2015.

(c) DC Stadium, LLC and the District shall agree to terms within the revised ground lease and revised development agreement providing that, notwithstanding any other provision of the revised ground lease or revised development agreement, DC Stadium LLC covenants and agrees:

(1) To enter into a labor peace agreement that conforms in content to the requirements set forth in section 4 of the District Hotel Development Projects Labor Peace Agreement Act of 2002, effective April 2, 2003 (D.C. Law 14-266; D.C. Official Code § 32-853), with each labor organization that requests a labor peace agreement and which represents, or reasonably might represent, food service or concession workers at the soccer stadium to be constructed at the soccer stadium site, workers in any hotel development located on the Adjacent Land (as defined in Exhibit A-2 to the original ground lease), or any group or subgroup of such workers; and

(2) To require, as a condition of any assignment, sublease, or transaction of any kind transferring, in whole or in part, any rights under the revised development agreement or the revised ground lease to any other entity, that such assignee, sublessee, transferee, or other entity:

(A) Adopt and execute any labor peace agreement entered into by DC Stadium LLC pursuant to paragraph (1) of this subsection or, to the extent that DC Stadium LLC has not entered into such a labor peace agreement with any labor organization that requests a

labor peace agreement and that represents, or reasonably might represent, workers described in paragraph (1), to enter into such agreement; and

(B) Require adoption and execution of such labor peace agreement (or, to the extent that such agreement has not previously been reached with any labor organization that requests a labor peace agreement and that represents, or reasonably might represent, workers described in paragraph (1) of this subsection, to require entry into such agreement) by any future assignee, sublessee, transferee, or other entity as a condition of any future assignment, sublease, transfer, agreement, or transaction of any kind transferring, in whole or in part, any rights under the revised development agreement or the revised ground lease; and

(3) To entitle any labor organization that has entered into, or has requested to enter into, a labor peace agreement under this subsection to enforce the obligations described in paragraph (1) and paragraph (2) of this subsection as a third-party beneficiary of the contractual provisions described therein, by filing a civil action in the Superior Court of the District of Columbia seeking declaratory and other equitable relief.

Sec. 105. Authority of Mayor to rent vault space, airspace.

Notwithstanding any other provision of law, the Mayor may issue a vault permit or airspace lease to DC Stadium LLC, or its designee, for the use of vault space or airspace adjacent to the soccer stadium site in accordance with the District of Columbia Public Space Rental Act, approved October 17, 1968 (82 Stat. 1156; D.C. Official Code § 10-1101.01 *et seq.*), or the District of Columbia Public Space Utilization Act, approved October 17, 1968 (82 Stat. 1166; D.C. Official Code § 10-1121.01 *et seq.*), whichever one is applicable, for a term as determined by the Mayor and at no additional fee or rent, except as may be otherwise determined by the Mayor.

Sec. 106. Cap on horizontal development costs.

Notwithstanding any other provision of law, the District shall not obligate in excess of \$150 million in aggregate costs to acquire, assemble, and develop the soccer stadium site.

Sec. 107. Soccer Stadium Financing Fund.

(a) There is established as a special fund the Soccer Stadium Financing Fund (“Fund”), which shall be administered by the Deputy Mayor for Planning and Economic Development in accordance with subsections (c) and (d) of this section.

(b) Revenue from the following sources shall be deposited in the Fund:

(1) The payment made by the District of Columbia Water and Sewer Authority to the District government pursuant to section 3.02 of the memorandum of agreement entered into between the District of Columbia and the District of Columbia Water and Sewer Authority, dated September 4, 2014;

(2) Any payment made by D.C. United to the District government pursuant to section 5.9 of the development agreement;

(3) The proceeds of the sale of the District-owned property located at 1st and K Streets, N.W., which property is designated for tax and assessment purposes as Lot 82 in Square 559; and

(4) The funds reprogrammed pursuant to section 3 of the Fiscal Year 2015 Revised Budget Request Emergency Adjustment Act of 2014, passed on emergency basis on December 17, 2014 (Enrolled version of Bill 20-1043).

(c) Money in the Fund shall be used for the following purposes:

(1) To pay for the operating expenditures or other costs incurred in the implementation of this act; and

(2) To offset the revenue reduction impacts of this act.

(d) Money in the Fund may not be used for any purpose not identified in subsection (c) of this section.

(e) (1) The money deposited into the Fund, and interest earned, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

Sec. 108. Community benefits.

(a) The Mayor shall utilize additional funds provided for under the Fiscal Year 2015 Revised Budget Request Emergency Adjustment Act of 2014, passed on emergency basis on December 17, 2014 (Enrolled version of Bill 20-1043), to implement the Convention Center – Southwest Waterfront corridor as described in the “DC Circulator 2014 Transit Development Plan Update” dated September 2014, in addition to previously appropriated funds identified for the extension of the Union Station-Navy Yard route to the Southwest Waterfront.

(b) The Mayor shall implement a workforce intermediary program to connect residents of ANC6D with employment during construction of the stadium and the initial 2 seasons of soccer operations.

(c) The Mayor shall utilize additional capital funds provided for “General Improvements – DPR” contained in the Fiscal Year 2015 Revised Budget Request Emergency Adjustment Act of 2014, passed on emergency basis on December 17, 2014 (Enrolled version of Bill 20-1043), for capital improvements to the Randall Recreation Center in Ward 6.

(d) The Mayor shall provide ongoing operations and programming funding for the Randall Recreation Center in Ward 6.

TITLE II. AMENDMENTS

Sec. 201. The Robert F. Kennedy Memorial Stadium and District of Columbia National

Guard Armory Public Safety Act, effective November 3, 1977 (D.C. Law 2-37; D.C. Official Code § 3-341 *et seq.*), is amended as follows:

(a) Section 3a (D.C. Official Code § 3-342.01) is amended to read as follows:

“Sec. 3a. Definitions.

“For the purposes of this act, the term:

“(1) “Baseball Stadium” shall have the same meaning as that provided for the term “Ballpark” in D.C. Official Code § 47-2002.05(a)(1)(A).

“(2) “Soccer Stadium” means a soccer stadium constructed after October 1, 2014 on a site bounded by 2nd Street, S.W., T Street, S.W., Half Street, S.W., Potomac Avenue, S.W., and R Street, S.W.”.

(b) Section 4 (D.C. Official Code § 3-343) is amended by striking the phrase “Baseball Stadium,” and inserting the phrase “Baseball Stadium, the Soccer Stadium,” in its place.

(c) Section 4a (D.C. Official Code § 3-343.01) is amended as follows:

(1) Subsection (a) is amended by striking the phrase “or the Baseball Stadium” and inserting the phrase “, the Baseball Stadium, or the Soccer Stadium” in its place.

(2) Subsection (b) is amended as follows:

(A) Paragraph (1A) is amended by striking the word “or” at the end.

(B) A new paragraph (1B) is added to read as follows:

“(1B) Any person duly authorized or licensed by the operator of the Soccer Stadium to possess, sell, give away, transport, or store alcoholic beverages or containers within any portion of the Soccer Stadium or an employee or agent acting for any such duly authorized or licensed person; or”.

(d) Section 4b (D.C. Official Code § 3-343.02) is amended as follows:

(1) A new subsection (b-1) is added to read as follows:

“(b-1) Unless expressly authorized by the operator of the Soccer Stadium or its duly authorized agents, no person shall at any time enter onto any portion of the playing field within the Soccer Stadium.”.

(2) Subsection (c) is amended by striking the phrase “or the Baseball Stadium”

and inserting the phrase “, the Baseball Stadium, or the Soccer Stadium” in its place.

Sec. 202. Title 25 of the District of Columbia Official Code is amended as follows:

(a) Section 25-101 is amended as follows:

(1) The existing paragraph (48A) is redesignated as paragraph (48B).

(2) A new paragraph (48A) is added to read as follows:

“(48A) “Soccer Stadium” means a soccer stadium constructed after October 1, 2014 on a site bounded by 2nd Street, S.W., T Street, S.W., Half Street, S.W., Potomac Avenue, S.W., and R Street, S.W.”.

(b) Section 25-114 is amended as follows:

(1) Subsection (a) is amended by striking the phrase “DC Arena” both times it

appears and inserting the phrase “DC Arena or the Soccer Stadium” in its place.

(2) A new subsection (c) is added to read as follows:

“(c)(1) Upon application by an applicant as set forth in Chapter 4 of this title, the Board shall issue one or more retailer's licenses, class Arena C/X, to the operator of the Soccer Stadium.

“(2) At the option of the operator of the Soccer Stadium, the licenses may be issued to concessionaires and tenants of the Soccer Stadium, as may be requested from time to time by the operator of the Soccer Stadium.

“(3) Licenses may be canceled by the Board if the initial operator ceases to operate the Soccer Stadium.

“(4) If the operator of the Soccer Stadium assigns its interest in the Soccer Stadium, the Board may transfer the licenses to the operator's assignee, upon application under Chapter 4 of this title and approval by the Board.”.

(3) Subsection (d) is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena, the Soccer Stadium” in its place.

(4) Subsection (e) is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena or the Soccer Stadium” in its place.

(c) Section 25-505 is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena and the Soccer Stadium” in its place.

(d) Section 25-1003 is amended as follows:

(1) The heading is amended to read as follows:

“§ 25-1003. Prohibition on beverage storage containers in the DC Arena and Soccer Stadium.”.

(2) Subsection (a) is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena or the Soccer Stadium” in its place.

(3) Subsection (b) is amended as follows:

(A) Strike the phrase “DC Arena; to” and insert the phrase “DC Arena or the Soccer Stadium; to” in its place.

(B) Strike the phrase “DC Arena by the lessee or its” and insert the phrase “DC Arena or the Soccer Stadium, by the lessee of the DC Arena or its concessionaires and tenants, or by the operator of the Soccer Stadium or its” in its place.

Sec. 203. Chapter 46 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“47-4663. Soccer Stadium tax abatements.”.

(b) A new section 47-4663 is added to read as follows:

“§ 47-4663. Soccer Stadium tax abatements.

“(a) For the purposes of this section, the term:

“(1) “Soccer stadium” means a soccer stadium constructed after October 1, 2014 on a site bounded by Second Street, S.W., T Street, S.W., Half Street, S.W., Potomac Avenue, S.W., and R Street, S.W.

“(2) “Soccer stadium site” means the real property described as Squares 603S, 605, 607, 661, and 661N, and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company dated December 27, 2013, and all public alleys and streets to be closed within these squares.

“(b) The real property taxes imposed under Chapter 8 of this title and the possessory interest tax imposed under § 47-1005.01 on that portion of the soccer stadium site on which the soccer stadium is constructed, shall be abated as follows:

“(1) Beginning on June 1, 2016, or the date by which the District acquires title to each portion of the soccer stadium site on which the soccer stadium is constructed, whichever is later, through the fifth lease year —100%;

“(2) For lease years 6 through 10—75%;

“(3) For lease years 11 through 15—50%;

“(4) For lease years 16 through 20—25%;

“(5) Beginning with the 21st lease year and for each lease year thereafter -- zero.

“(c)(1) The abatements provided by subsection (b) of this section for any real property tax year may be allocated between half tax years at the discretion of the Office of Tax and Revenue.

“(2) The abatements provided by subsection (b) of this section shall terminate at the end of the half tax year during which the soccer stadium ceases to be used as a stadium by a major league soccer team.

“(d)(1) All transfers of real property in the soccer stadium site from the possession date, as that term is defined in the revised ground lease transmitted pursuant to section 104(a) of the Soccer Stadium Development Emergency Amendment Act of 2014, passed on emergency basis on December 17, 2014 (Enrolled version of Bill 20-1059) (“ground lease”), through the end of the term of the ground lease shall be exempt from the taxes imposed by § 42-1103 and § 47-903.

“(2) The exemptions provided under paragraph (1) of this subsection shall expire on the termination of the ground lease.

“(e) The abatements and exemptions provided by this section shall be in addition to, and not in lieu of, any other tax relief or assistance from any other source applicable to the soccer stadium.”.

TITLE III. GENERAL PROVISIONS

Sec. 301. Applicability.

(a) This act shall apply upon the date of inclusion of its fiscal effect in an approved budget and financial plan.

(b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in an approved budget and financial plan, and provide notice to the Budget Director of the Council of the certification.

(c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

(2) The date of publication of the notice of the certification shall not affect the applicability of this act.

Sec. 302. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 303. 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), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia