



MURIEL BOWSER
MAYOR

December 13, 2023

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson,

Enclosed for consideration and enactment by the Council of the District of Columbia is the "Downtown Arena Modernization and Downtown Revitalization Act of 2023." Downtown is the District's economic engine that provides revenue resources to support important programs across DC. This legislation is the next step in partnering with Monumental Sports and Entertainment to breathe new life and vibrancy into the Gallery Place-Chinatown neighborhood and to keep the Washington Wizards and the Washington Capitals where they belong – in Washington, DC.

The modernization of the Capital One Arena will be an invaluable investment for the District, local businesses, and our residents and visitors.

I urge the Council to take prompt and favorable action on the enclosed legislation.

Sincerely,


Muriel Bowser



Chairman Phil Mendelson
at the request of the Mayor

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:

36 (1) The amended ground lease shall be entered into with Monumental Sports and
37 Entertainment;

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

41 (3) The amended ground lease shall provide that:

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

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

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

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

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

54 (2) "Existing ground lease for the downtown arena" means the Land Disposition
55 Agreement—Ground Lease, by and among the District of Columbia Redevelopment Land
56 Agency, the District of Columbia, and DC Arena, LP, dated as of December 29, 1995, and
57 recorded with the Recorder of Deeds on January 5, 1996, as instrument number 9600001285, as
58 such document may have been amended from time to time.

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

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

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

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

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

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

74 Sec. 4. Budget modification.

75 The appropriation for capital construction projects set forth in the Fiscal Year 2024 Local
76 Budget Act of 2023, effective August 29, 2023 (D.C. Law 25-47; 70 DCR 9700), is increased by
77 \$500,000,000, all of which shall be from local funds, to remain available until expended, to be
78 allocated as follows to the following new capital project:

Owner Agency Code	Project Title	Fiscal Year	Fund Detail	Amount
EBO	Downtown arena modernization	2024	3030309	167,000,000
		2025	3030309	167,000,000
		2026	3030309	166,000,000

79

80 Sec. 5. Fiscal impact statement.

81 The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal
82 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
83 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

84 Sec. 6. Effective date.

85 This act shall take effect following approval by the Mayor (or in the event of veto by the
86 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
87 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
88 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
89 Columbia Register.



COUNCIL OF THE DISTRICT OF COLUMBIA
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20004

MEMORANDUM


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

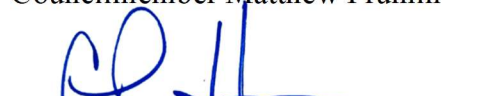
We are writing to request to be listed as a co-sponsor of the following introduced measure, introduced at the request of the Mayor, pursuant to Council Rules 402(c):


- Downtown Arena Modernization and Downtown Revitalization Act of 2023



Chairman Phil Mendelson



Councilmember Charles Allen



Councilmember Matthew Frumin


Councilmember Christina Henderson


Councilmember Kenyan R. McDuffie


Councilmember Zachary Parker


Councilmember Robert C. White, Jr.


Councilmember Anita Bonds


Councilmember Vincent C. Gray


Councilmember Janeese Lewis George


Councilmember Brianne K. Nadeau


Councilmember Brooke Pinto


Councilmember Trayon White, Sr.