

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JUL -9 2007

SUBJECT: Fiscal Impact Statement: "Ballpark Hard and Soft Costs Cap Act of 2007"

REFERENCE: Bill 17-11

Conclusion

Funds are sufficient in the FY 2008 budget and the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

Background

The proposed bill restricts the District's contribution to the project budget for hard costs and soft costs associated with construction of the ballpark. The amounts identified as constituting hard and soft costs correspond to the revised budget transmitted by the Sports and Entertainment Commission to the Council on February 3, 2006 and June 15, 2007. These same cost estimates informed the issuance of the Ballpark Revenue Bonds, delivered on May 15, 2006.

The amended bill also increases the ancillary cost estimate from \$111.6 to \$117.3 million. The amendment does not change the hard cost cap of \$300 million or the soft cost cap of \$175.2 million. The proposed bill specifically does not cap land acquisition, environmental remediation, relocation and demolition costs because Council recognizes that the final costs for these items could change. The \$117.3 million is simply an estimate of potential land acquisition, environmental remediation, relocation and demolition costs at this point in time.

Fiscal Impact Statement: "Ballpark Hard and Soft Costs Cap Act of 2007"

The increase in the ancillary cost estimate can be funded by excess taxes available in the Ballpark Revenue Fund. The Budget Request Act of 2008 approves the use of \$12.2 million in excess taxes from the Ballpark Revenue Fund.

As stated above, the increase in the ancillary cost estimate does not change the hard and soft cost caps. However, it does increase the estimated total cost from \$610.8 million to \$616.5 million.

Legislative Category	Original Cost Cap Act <i>(\$ in millions)</i>	Amended Cost Cap Act <i>(\$ in millions)</i>
Hard Costs	\$300.0	\$300.0
Soft Costs	\$175.2	\$175.2
RFK Stadium	\$24.0	\$24.0
Estimated Ancillary Costs	\$111.6	\$117.3
Estimated Total	\$610.8	\$616.5

Financial Plan Impact

Funds are sufficient in the FY 2008 budget and the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.