

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



Glen Lee
Chief Financial Officer

MEMORANDUM


TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer

DATE: April 1, 2024

SUBJECT: Fiscal Impact Statement – Downtown Arena Financing Emergency
Amendment Act of 2024 (and accompanying temporary version)

REFERENCE: Draft Introduction as provided to the Office of Revenue Analysis on
March 27, 2024



Conclusion

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan and the proposed fiscal year 2025 through fiscal year 2028 budget and financial plan the Mayor will introduce April 3, 2024. The bill adds \$515 million of capital funding under the project “Chinatown Revitalization.”

Background

The owner of Capital One Arena would like to renovate the arena through a project costing \$830 million. The District will enter into an agreement with the owner to contribute \$515 million toward the renovation costs. The bill adds a new capital project, the Chinatown Revitalization Fund, to the fiscal year 2024 through fiscal year 2027 approved budget and financial plan, with \$515 million of appropriations spread equally across fiscal years 2025, 2026 and 2027.

Financial Plan Impact

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. Due to debt service savings realized through November 2023 debt sales, local funds budgeted for debt service in the approved fiscal year 2024 through fiscal year 2027 budget and financial plan accommodate the bill’s additional capital project and its associated bond issuance (including the interest costs of issuing a taxable bond for the project). Since no additional debt service budget will be required, the bill’s new capital project also fits within the District’s debt cap.

The Honorable Phil Mendelson

FIS: "Downtown Arena Financing Emergency Amendment Act of 2024" (and accompanying temporary version), Draft bill as provided to the Office of Revenue Analysis on March 27, 2024

Funds are also sufficient in the proposed fiscal year 2025 through fiscal year 2028 budget and financial plan that the Mayor will introduce April 3, 2024 and the Office of the Chief Financial Officer has reviewed and will certify. The Chinatown Revitalization capital project has been included in that proposed budget and financial plan.