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:	**November 2, 2026**
SUBJECT:	**Fiscal Impact Statement – Events DC Excess Cash Calculation Clarification Amendment Act of 2026**
REFERENCE:	**Bill 26-843 - Draft Introduction as provided to the Office of Revenue Analysis on October 16, 2026**

Conclusion

Funds are sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill.

Background

Under current law, Events DC is required to transfer excess cash to the District's General Fund at the end of the fiscal year.[1] Excess is defined as the remaining balance of cash and investments that exceeds the balance of current liabilities, reserves, and any amount Events DC expects to apply to purchase or redeem its outstanding indebtedness during the upcoming fiscal year.

Current law further defines three types of reserves to be applied to this calculation:

1) Debt service reserves which must be less than or equal to the maximum annual debt service on outstanding bonds and notes issues by Events DC;
2) Operating reserves, which must be less than or equal to 1.5 times the annual operating expenditures; and
3) Capital replacement reserves, which must be less than or equal to 2.5 percent of the total capital cost for the new convention center adjusted for inflation.

[1] D.C. Official Code § 10–1202.13.

Events DC may also establish other reserves necessary to satisfy the bond-rating agencies or maintain the financial condition of the entity.

The bill amends the law to define excess cash as the balance of cash and investments that exceeds the balance of current liabilities (including interest payments that will be due up to 185 days from the end of the fiscal year), reserves, and any amounts Events DC expects to apply to purchase or redeem outstanding indebtedness during the upcoming year. The bill excludes from the excess cash calculation funds in the New Convention Center Hotel Fund, funds transferred to Events DC from the Stadium Maintenance Fund, and funds transferred to Events DC from the Ballpark Preservation and Improvement Fund that the Authority administers on behalf of the District.

Lastly the bill makes two clarifications on types of reserves included in the excess cash calculation. First, the bill clarifies that debt service reserves are equal to the sum of the maximum annual debt service for each series of outstanding bonds and notes. Second, it clarifies that the operating reserves must be less than or equal to 1.5 times the budgeted annual operating and marketing expenses for the upcoming fiscal year.

Financial Plan Impact

Funds are sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The clarifications reflect Events DC's current practice for transferring excess cash to the District General Fund, so the clarifications do not have a fiscal impact.