

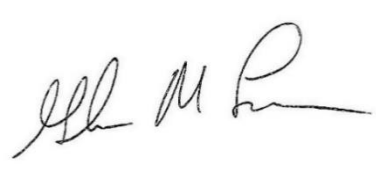
Government of the District of Columbia
Office of the Chief Financial Officer



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: August 1, 2025

SUBJECT: Fiscal Impact Statement – Robert F. Kennedy Campus Redevelopment Act of 2025

REFERENCE: Bill 26-288, Draft Committee Print as provided to the Office of Revenue Analysis on July 31, 2025

Conclusion

Funds are sufficient in the fiscal year 2025 budget and fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

Background

The bill authorizes bond issuances, establishes funds, and sets legal authorities to facilitate redevelopment and management of the approximately 180 acres of waterfront property located at the former RFK Stadium site in Ward 7, as outlined in a term sheet¹ entered into between the District and Pro-Football, LLC, the owners of the Washington Commanders football team. The plan calls for a mixed-use development, including construction of a District-owned stadium for athletic and entertainment use, adjacent public sports and recreation facilities (a “sportsplex”), parking, infrastructure, residential housing, commercial and retail space, and other community amenities.

The bill is divided into several components. First, the bill declares the District-managed land at the RFK campus no longer required for public purposes and available for development. It authorizes the disposal of portions of the campus to a developer pursuant to the term sheet. The term sheet indicates the District and a Master Developer will negotiate one or more leases for development including: a

¹ Per the Term Sheet for the Redevelopment of a Portion of the RFK Stadium Campus between the District and Pro-Football LLC, dated April 28, 2025. The Commanders have made additional commitments regarding the redevelopment in a July 29, 2025 letter to Council.

Stadium District Parcel (to contain the Stadium), Parking Parcels (to contain the District funded parking garage and the Events DC funded parking garage), the Team Administration Parcel (for Commanders team administrative offices), the Plaza District Commercial Parcel, and the Riverfront District Commercial parcel. The commercial parcels may contain residential units, hotel, retail and other commercial uses. Further, the bill also allows for granting of easements over the RFK campus as the Mayor deems appropriate. It authorizes the Mayor to assign or transfer the ownership of a future stadium and standalone parking facilities that serve the stadium, as well as the right to sell or license seats in the stadium (referred to as "stadium seat rights") to a District instrumentality or authority.

Second, the bill exempts the stadium project (including accessory office building and parking) and the public recreation center from zoning requirements until a final certificate of occupancy is issued for these structures.

Third, the bill authorizes the Mayor, or any instrumentality or authority designated by the Mayor, to issue one or more series of bonds in an amount necessary to generate net proceeds of no more than \$500 million (the "Infrastructure Bonds") to pay or reimburse expenditures for costs incurred in the development, design and construction of the horizontal improvements and eligible stadium and stadium infrastructure capital costs defined in the term sheet. The term sheet lists project horizontal costs and eligible capital costs including (but not limited to): site conditions work (demolition, utility relocations), pedestrian circulation (stairs, plazas), below grade construction, design and engineering costs. The Infrastructure Bonds cannot be issued prior to October 1, 2025. Debt service and other related Infrastructure Bond costs will be paid from a non-lapsing fund called the RFK Campus Infrastructure Fund² ("Infrastructure Fund").

Fourth, the bill authorizes the Mayor, or any instrumentality or authority designated by the Mayor, to issue one or more series of bonds in an amount necessary to generate net proceeds of no more than \$175 million to pay (or reimburse Pro-Football LLC) for the costs of constructing parking facilities on the campus to serve the stadium ("Parking Facilities Project"). The Parking Facilities Project bonds cannot be issued prior to October 1, 2031. The bill establishes a fund called the RFK Campus Parking Facilities Fund ("Parking Facilities Fund") to pay debt service and other required costs associated with the parking facilities bonds and directs stadium ticket sales tax revenue to the Parking Facilities fund. The bill also increases the total tax rate for sales of tangible personal property or services at the stadium (excluding food and drink and alcoholic beverages to be consumed at the stadium), and ticket sales to public events at the stadium subject to the gross sales tax) by imposing an additional 4.25 percent sales tax. On days that are not deemed Stadium Event Days, the District is entitled to all net parking revenues not necessary for required capital reserves and less 15 percent operating costs, arising from use of the parking facilities. Stadium Event Days are days on which any Commanders Event³ is scheduled to be held at any part of the stadium. The bill requires that bonds issued under this bill not constitute a general obligation of the District beyond the funding in the Infrastructure Fund and Parking Facilities Fund. The bill also exempts the sales of personal seat

² Established by section 2052 of the RFK Campus Infrastructure Fund Establishment Act of 2025, passed on 2nd reading on July 28, 2025 (Enrolled version of Bill 26-265).

³ The bill defines a Commanders Event as any Commanders home game, any NFL sponsored event, and any other event at the stadium that is not a District Event and that is attended by 5,000 or more visitors, including any unticketed such event. A District Event is defined in the bill as a complimentary stadium use for a District-sponsored, non-commercial public or community event, such as a graduation, high school football game, or similar use, even if such event charges fees for attendance.

licenses from the general sales tax. The bill requires the District and the Developer to enter into a parking operations agreement regarding operations of the parking facilities, including a capital improvements plan.

Annually, if there are any funds in the Parking Facilities Fund not required to pay debt service or reserves, the bill directs that funding, called "excess stadium revenue" to a non-lapsing fund called the Stadium Maintenance Fund ("Maintenance Fund"). The bill authorizes use of the Maintenance Fund to support maintenance, repair, and capital expenses at the stadium.

Fifth, the bill authorizes the Washington Convention and Sports Authority ("Events DC") to issue sufficient bonds necessary to generate net proceeds of \$181 million to finance the construction of additional parking facilities approved by the Mayor on the campus.

Sixth, the bill exempts the parcels to be occupied by the stadium and parking facilities from real property, possessory interest, and deed recordation taxes while the leases with Pro-Football LLC for the stadium and parking facilities are in effect.

Seventh, the bill exempts the project's future Development and Financing Agreement (which will govern the terms and conditions of the District's capital contributions to the project) from the Procurement Practices Reform Act of 2010⁴ and the Public-Private Partnership Act of 2014⁵. However, it requires compliance with three other statutes: the First Source Employment Agreement of 1984⁶, with a preference for at least 20 percent of new jobs created in connection with the project being designated for residents in Wards 7 and 8; An Act to Provide for Voluntary Apprenticeship in the District of Columbia Act of 1978⁷; and the Small, Local and Disadvantaged Business Enterprise Development and Assistance Act of 2005⁸, with 40 percent of the development budget required to be subcontracted to small business enterprises⁹ (and a 50 percent goal). If that requirement cannot be met, it can be satisfied by subcontracting 40 percent of the dollar volume of the contract to any qualified certified business enterprise¹⁰. The bill also asserts a preference for at least ten percent of the certified business located, in order of priority, in Wards 7, 8, 5, and 6.

In this regard, the bill requires the Department of Small and Local Business Development (DSLBD) to submit a proposed Certified Business Enterprise ("CBE") Agreement to the Council, at least ten days prior to the submission of the Development and Financing Agreement to Council for approval. DSLBD must submit any revised CBE agreements with the developer to Council for a 15-day passive approval review.

⁴ Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351.01 et seq.)

⁵ Public-Private Partnership Act of 2014, effective March 11, 2015 (D.C. Law 20-228; D.C. Official Code § 2-271.01 et seq.).

⁶ First Source Employment Agreement Act of 1984 ("First Source Act"), effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code §§ 2-219.01, 2-219.03(a), (b), (c), (e)(1), (1C), (2), (3), (4), and (5), and 2-219.03a).

⁷ An Act To Provide for Voluntary Apprenticeship in the District of Columbia Act of 1978, effective March 6, 1979 (D.C. Law 2-156; D.C. Official Code § 32-1431).

⁸ The Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 et seq.).

⁹ D.C. Official Code § 2-218.32.

¹⁰ D.C. Official Code § 2-218.31

Eighth, the bill establishes a Stadium District Entertainment Area in the District of Columbia Municipal Code. The area is comprised of the Stadium, the Stadium District, and the Plaza District Commercial Parcel portions of the campus, as outlined in the term sheet.

Ninth, the developer must enter into a Community Benefits Agreement ("CBA") with the District within 90 days of the effective date of the law. The CBA must direct at least \$50 million of investments over 30 years to several local initiatives, including job creation, youth education, and community access to the RFK campus. The bill establishes a Community Benefits Oversight Committee to monitor implementation of the CBA. It will consist of nine members, three of whom are appointed by the Ward 7 Councilmember, one appointed by each Councilmember representing Wards contiguous to the stadium, one by the Chairman of the Council, and two by the Mayor. The bill creates a non-lapsing fund called the Community Reinvestment Fund to collect the donations from the developer to the District per the CBA. The bill also requires the Washington Commanders to locate a sales office with senior leadership in the District, by a date to be determined in the Development and Financing Agreement

Tenth, the bill creates a non-lapsing Transportation Improvement Fund, to support public transit improvements for the campus, including Metrorail and Metrobus, related infrastructure and roads, and improvements to transportation access to the campus. Beginning in 2030, the Transportation Improvement Fund, is to be funded with excess Infrastructure Fund dollars, up to \$20 million annually.

Finally, the bill establishes a development milestone chart with a list of dates through 2040 by which certain stages of the development must be completed. The year that payable rent under the Commercial Development Lease in the term sheet is reset to a fair market amount is moved one year earlier for each missed completion date in the milestone chart, provided it is not due to delays in zoning, environmental review, historic preservation, or federal review process.

Financial Plan Impact

Funds are sufficient in the fiscal year 2025 budget and fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

The bill authorizes District bond issuances to support the RFK redevelopment with net proceeds not to exceed \$675 million. The Infrastructure Bonds, not to exceed \$500 million in net proceeds, will be supported by revenue from the Sports Facilities Fee¹¹ (previously the Ballpark Fee), once the Ballpark Revenue Bonds are paid off. The fee was due to sunset upon final payment of the Ballpark Revenue Bonds but was extended in the fiscal year 2026 budget¹². Final payment of the Nationals Park bonds is expected to occur by the end of fiscal year 2026. Upon the repayment of the Nationals Park bonds, revenues from the Sports Facilities fee will be redirected to the RFK Campus Infrastructure Fund. As the Ballpark Fee was set to sunset with the final payment of the National Park bonds, there is no cost to this redirection. The debt service on the Infrastructure Bonds has been

¹¹ See Subtitle VII-E in Bill 26-265, the Fiscal Year 2026 Budget Support Act of 2025, the Ballpark Fee and Fund Amendment Act of 2025

¹² *ibid*

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accounted for in the debt cap analysis completed by the OCFO with the fiscal year 2026 through fiscal year 2029 budget and financial plan¹³.

The parking facility bonds, not to exceed \$175 million in net proceeds, will be supported by dedicated sales tax streams at the stadium. The parking facility bonds will not be issued until fiscal year 2032, and the estimated debt service payments on these bonds will need to be incorporated into the fiscal year 2027 through fiscal year 2030 budget and financial plan, when the Capital Improvement Plan extends to fiscal year 2032. Currently, there are no sales tax revenue collections on the RFK campus nor an operational football stadium, so dedication of future stadium sales tax collections does not have a fiscal impact.

Further, exempting the stadium and parking facilities from real property and deed and recordation taxes, does not have a fiscal impact.

The bill also authorizes the issuance of no more than \$181 million in bonds by Events DC. Events DC plans to restructure a portion of its current outstanding debt and will be able to support the bond issuance for the RFK parking contribution from its existing tax revenue streams. The debt cap analysis includes debt service for the planned bond issuance.

¹³ In fiscal year 2027, the interest on the Infrastructure Bonds will be paid from a capitalized interest reserve so that the Sports Facilities Fee may be used to pay costs associated with early redemption of the Ballpark Revenue Bonds.