

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



Glen Lee
Chief Financial Officer

MEMORANDUM

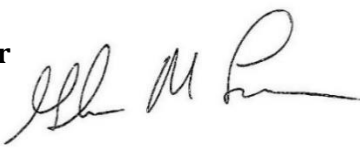
TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer

DATE: July 9, 2024

SUBJECT: Fiscal Impact Statement – Ballpark Budget and Maintenance
Amendment Act of 2023

REFERENCE: Bill 25-640, as introduced



Conclusion

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

Background

The Ballpark Revenue Fund¹ collects taxes established for construction of the Nationals Stadium, including sales taxes from tickets, concessions and merchandise sold at the stadium² (“Ballpark Sales Taxes”), a portion of taxes of public utilities and toll telecommunication services, and the Ballpark Fee (a tax on the gross receipts of certain businesses). It also collects rent paid by the team. The Ballpark Revenue Fund is pledged to repay District debt taken out to construct the stadium (the Ballpark Revenue Bonds), and forecasted revenues in excess of debt service through 2028 are also transferred to the District’s General Fund to help balance the budget and financial plan³.

The bill establishes a new Ballpark Maintenance Fund. Beginning when the Ballpark Revenue Bonds have been fully repaid, and provided the authorized transfers to the District’s General Fund have been made, the Office of the Chief Financial Officer (OCFO) must deposit the Ballpark Sales Taxes and the stadium rent into the Ballpark Maintenance Fund. Any funds remaining in the Ballpark Revenue Fund must also be transferred to the Ballpark Maintenance Fund. The Ballpark Maintenance Fund

¹ D.C. Official Code § 10-1601.02

² D.C. Official Code § 47-2002.05

³ Excess Ballpark Fee Revenue Amendment Act of 2024, Bill 25-784

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FIS: "Ballpark Budget and Maintenance Amendment Act of 2023", Bill 25-640, as introduced

must be used to pay for the District's obligations under the lease for capital improvements to the stadium or to be used for capital improvements to the Nationals Academy. Events DC would be responsible for submitting documentation to the OCFO that planned encumbrances and expenditures are consistent with the required use of the maintenance fund.

The bill also provides that until the Ballpark Revenue Bonds are fully repaid, Events DC must pay for its capital improvements obligations under the lease from its own funds or excess reserves.

Financial Plan Impact

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. Events DC receives \$1,500,000 annually from the Ballpark Revenue Fund for stadium capital improvement needs. Events DC also may have excess funds from District-wide dedicated hotel and meals taxes⁴ which it can use if necessary to meet the bill's obligations prior to repayment of the Ballpark Revenue Bonds.

Annually through fiscal year 2028, projected Ballpark Revenue Fund deposits that are not required to pay debt service are used as General Fund transfers to balance the District's Local fund budget and financial plan. The bill provides for these General Fund transfers before any revenues are deposited in the Ballpark Maintenance Fund. After repayment of the Ballpark Revenue Bonds, which is currently projected to occur during fiscal year 2028, the Ballpark Sales Taxes and stadium rent will be deposited into the new Ballpark Maintenance Fund established by the bill. Any such deposits in fiscal year 2028 would occur only if the Ballpark Revenue Fund collections exceed current projections and would therefore have no impact on the District's adopted fiscal year 2025 through fiscal year 2028 budget and financial plan.

Under current projections, the Ballpark Maintenance Fund would begin receiving deposits outside the financial plan, beginning in fiscal year 2029. Ballpark Sales Taxes were most recently projected to bring in \$16.15 million annually⁵, and stadium rent will be approximately \$7.3 million in 2029.

⁴ Washington Convention Center Fund, D.C. Official Code § 10-1202.08

⁵ [June Revenue Estimates](#)