

ENROLLED ORIGINAL

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve, on an emergency basis, the development and financing agreement for the redevelopment of the downtown arena; to approve an agreement for the disposition by lease of certain real property owned by the District government for the redevelopment and operation of the downtown arena; to approve a purchase and sale agreement for the downtown arena; to authorize the granting of certain easements related to the downtown arena property; to authorize airspace leases associated with the downtown arena; to continue and provide for property tax abatements and deed transfer and recordation tax exemptions for the downtown arena; and to authorize the issuance of rules to provide for additional signage on the downtown arena.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Downtown Arena Revitalization Emergency Act of 2024”.

Sec. 2. Approval of development and financing agreement, amended and restated lease, and purchase and sale agreement for the downtown arena.

(a) Notwithstanding the provisions of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351.01 *et seq.*), An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801 *et seq.*), the Verizon Center Sales Tax Revenue Bond Approval Act of 2007, effective July 12, 2007 (D.C. Law 17-12; D.C. Official Code § 10-1604.01 *et seq.*), the Public-Private Partnership Act of 2014, effective March 11, 2015 (D.C. Law 20-228; D.C. Official Code § 2-271.01 *et seq.*), and any other law, and, as applicable, pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51), the Council approves and the Mayor may enter into and effectuate the provisions of the:

(1) Development and Financing Agreement between District of Columbia and DC Arena L.P., regarding the downtown arena (“Development and Financing Agreement”), submitted by the Mayor to the Council on October 18, 2024;

(2) Amended and Restated Lease by and between the District of Columbia and DC Arena L.P., regarding the downtown arena (“Amended and Restated Lease”), submitted by the Mayor to the Council on October 18, 2024; and

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(3) Agreement for the Purchase and Sale of Real Property (Improvements Only) between District of Columbia and DC Arena L.P., regarding the downtown arena (“Purchase and Sale Agreement”), submitted by the Mayor to the Council on October 18, 2024.

(b) The Mayor may take such actions as are appropriate to implement the Development and Financing Agreement, the Amended and Restated Lease, and the Purchase and Sale Agreement.

(c) Notwithstanding the lead-in text of subsection (a) of this section and the dollar value of government assistance received pursuant to the Development and Financing Agreement, the following statutory provisions shall apply to the Development and Financing Agreement:

(1) Sections 2, 4(a), (b), (c), (e)(1), (1C), (2), (3), (4), and (5), and 4a of the 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); and

(2) Section 5 of the Amendments to 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).

Sec. 3. Authority to grant easements over the downtown arena property.

Notwithstanding the provisions of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801 *et seq.*), and any other law, the Mayor may grant easements over Lot 47 in Square 455 and/or Lot 884 in Square 454 to the owner of property located in Square 454 or 455, to the Washington Metropolitan Area Transit Authority, to the lessee of Lot 47 in Square 455, or to such other persons as the Mayor determines appropriate to effectuate a purpose of the Development and Financing Agreement approved pursuant to section 2(a)(1), the Amended and Restated Lease approved pursuant to section 2(a)(2), or the Purchase and Sale Agreement approved pursuant to section 2(a)(3).

Sec. 4. Airspace lease for the downtown arena; exemption from taxation.

(a) Notwithstanding the provisions of the District of Columbia Public Space Rental Act, approved October 17, 1968 (82 Stat. 1156; D.C. Official Code § 10-1101.01 *et seq.*), sections 4(2) (but only to the extent shown on plans the Mayor has approved pursuant to the Development and Financing Agreement), (3), (4), (5), and (6), 5(1), (2), (3) (but only to the extent the Mayor has otherwise approved plans pursuant to the Development and Financing Agreement), (4), and (5) (but only with respect to the requirement to submit a scale model), 7 (but only with respect to zoning laws and regulations), and 10 of the District of Columbia Public Space Utilization Act, approved October 17, 1968 (82 Stat. 1166; D.C. Official Code §§ 10-1121.03(2), (3), (4), (5), and (6), 10-1121.04(1), (2), (3), (4), and (5), 10-1121.06, and 10-1121.09), and any other law, the Mayor may lease the airspace adjacent to Lot 47 in Square 455 and Lot 884 in Square 454, to DC Arena L.P., or its designee, on such terms as the Mayor deems appropriate, at no other rent or fee, for so long as the Amended and Restated Lease approved pursuant to section 2(a)(2), as

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may be amended from time to time, remains in effect; provided, that if construction within such airspace is not subject to the approval of the National Capital Planning Commission pursuant to section 5 of An Act providing for a comprehensive development of the park and playground system of the National Capital, approved July 19, 1952 (66 Stat. 787; D.C. Official Code § 2-1004), then, notwithstanding the foregoing, section 5(2) and, in its entirety, section 7 of the District of Columbia Public Space Utilization Act, approved October 17, 1968 (82 Stat. 1167; D.C. Official Code §§ 10-1121.04(2) and 10-1121.06), shall apply to a lease entered into by the Mayor under this subsection.

(b) Section 8 of the District of Columbia Public Space Utilization Act, approved October 17, 1968 (82 Stat. 1167; D.C. Official Code § 10-1121.07), is amended as follows:

(1) Paragraph (1) is amended by striking the phrase “; or” and inserting a semicolon in its place.

(2) Paragraph (2) is amended by striking the period at the end and inserting the phrase “; or” in its place.

(3) A new paragraph (3) is added to read as follows:

“(3) Leased pursuant to section 4(a) of the Downtown Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062).”.

Sec. 5. Continued exemption of the downtown arena from real property and possessory interest taxes; downtown arena deed transfer and recordation tax exemptions for transfers with the District government.

(a) Section 47-1002 of the District of Columbia Official Code is amended as follows:

(1) Paragraph (32)(B) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(2) Paragraph (33)(C)(iii) is amended by striking the period and inserting the phrase “; and” in its place.

(3) New paragraphs (34) and (35) are added to read as follows:

“(34) The real property (and any improvements thereon) described as Lot 47 in Square 455 so long as the Land Disposition Agreement—Ground Lease, by and among the District of Columbia Redevelopment Land Agency, the District of Columbia, and DC Arena, L.P., dated as of December 29, 1995, and recorded with the Recorder of Deeds on January 5, 1996, as instrument number 9600001285, as may be amended from time to time, remains in effect; and

“(35) The real property (and any improvements thereon) described as Lot 47 in Square 455 and Lot 884 in Square 454 (and any adjacent air space leased pursuant section 4(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062)), so long as the lease for such real property approved by section 2(a)(2) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062), as may be amended from time to time, remains in effect.”.

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(b) Section 47-1005.01 of the District of Columbia Official Code is amended by adding a new subsection (c-2) to read as follows:

“(c-2) This section shall not apply to the real property (and any improvements thereon) described as Lot 47 in Square 455 so long as the Land Disposition Agreement—Ground Lease, by and among the District of Columbia Redevelopment Land Agency, the District of Columbia, and DC Arena, L.P., dated as of December 29, 1995, and recorded with the Recorder of Deeds on January 5, 1996, as instrument number 9600001285, as may be amended from time to time, nor shall it apply to the real property (and any improvements thereon) described as Lot 47 in Square 455 or Lot 884 in Square 454 (or to any adjacent air space leased pursuant section 4(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062)) so long as the lease approved by section 2(a)(2) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062), as may be amended from time to time, remains in effect.”.

(c) Section 47-902 of the District of Columbia Official Code is amended by adding a new paragraph (29) to read as follows:

“(29) Transfers with respect to the real property (and any improvements thereon) described as Lot 47 in Square 455 and Lot 884 in Square 454 (and any adjacent air space leased pursuant section 4(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062)), to the extent such transfer is a transfer between the District and DC Arena L.P., or its designee, pursuant to the lease or purchase and sale agreement approved by section 2(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062), as may be amended from time to time, or a lease authorized by section 4(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062).”.

(d) Section 302 of the District of Columbia Deed Recordation Tax Act, approved March 2, 1962 (76 Stat. 11; D.C. Official Code 42-1102), is amended as follows:

(1) Paragraph (35) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(2) Paragraph (36)(B) is amended by striking the period and inserting the phrase “; and” in its place.

(3) A new paragraph (37) is added to read as follows:

“(37) Deeds with respect to the real property (and any improvements thereon) described as Lot 47 in Square 455 or Lot 884 in Square 454 (and any adjacent air space leased pursuant section 4(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062)), to the extent such deed conveys an interest between the District and DC Arena L.P., or its designee, pursuant to the lease or purchase and sale agreement approved by section 2(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062), as may be amended from time to time, or a lease

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authorized by section 4(a) of the Downtown Sports Arena Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062).”.

(e)(1) Section 3 of the Arena Tax Amendment Act of 1994, effective September 28, 1994 (D.C. Law 10-189; D.C. Official Code §§ 47-1005, 47-1007, 47-1009, notes), is repealed.

(2) This subsection shall apply as of the effective date of the Downtown Sports Arena Modernization and Downtown Revitalization Emergency Act of 2024, passed on emergency basis on December 3, 2024 (Enrolled version of Bill 25-1062).

Sec. 6. Authority to amend signage regulations.

Section N101.19.16 of Title 12-A of the District of Columbia Municipal Regulations (12-A DCMR § N101.19.16) is amended by striking the phrase “, upon review and active approval by the Council” and inserting the phrase “. The amendments to the rules may include, but need not be limited to, provisions authorizing additional outdoor signs, visuals, digital displays, and static canvas displays placed on the Verizon Center. Rules proposed to be issued under this section shall be submitted to Council for a 45-day period of review. If the Council does not approve or disapprove the proposed rules, by resolution, within the 45-day period, the rules shall be deemed approved.” in its place.

Sec. 7. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 8. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section

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412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia