

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To, on an emergency basis, approve the development and financing agreement for the redevelopment of the downtown arena; 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; approve a purchase and sale agreement for the downtown arena; authorize the granting of certain easements related to the downtown arena property; authorize airspace leases associated with the downtown arena; continue and provide for property tax abatements and deed transfer and recordation tax exemptions for the downtown arena; and 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; 54 DCR 5151), 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

36 applicable, pursuant to section 451 of the District of Columbia Home Rule Act, approved
37 December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51), the Council approves and the
38 Mayor may enter into and effectuate the provisions of the:

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

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

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

48 (b) Notwithstanding any other provision of law, the Mayor may take such actions as are
49 appropriate to implement the Development and Financing Agreement, Amended and Restated
50 Lease, and Purchase and Sale Agreement.

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

54 (1) Sections 2, 4(a), (b), (c), (e)(1), (1C), (2), (3), (4), and (5), and 4a of the First
55 Source Employment Agreement Act of 1984 (“First Source Act”), effective June 29, 1984 (D.C.
56 Law 5-93; D.C. Official Code §§ 2-219.01, 2-219.03(a), (b), (c), (e)(1), (1C), (2), (3), (4), and
57 (5), and 2-219.03a); and

58 (2) Section 5 of the Amendments to An Act To Provide for Voluntary
59 Apprenticeship in the District of Columbia Act of 1978, effective March 6, 1979 (D.C. Law 2-
60 156; D.C. Official Code § 32-1431).

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

62 Notwithstanding the provisions of An Act Authorizing the sale of certain real estate in the
63 District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat.
64 1211; D.C. Official Code § 10-801 *et seq.*), and any other law, the Mayor may grant easements
65 over Lot 47 in Square 455 and/or Lot 884 in Square 454 to the owner of property located in
66 Square 454 or 455, to the Washington Metropolitan Area Transit Authority, to the lessee of Lot
67 47 in Square 455, or to such other persons as the Mayor determines appropriate to effectuate a
68 purpose of the Development and Financing Agreement, Amended and Restated Lease, or
69 Purchase and Sale Agreement.

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

71 (a) Notwithstanding the provisions of the District of Columbia Public Space Rental Act,
72 approved October 17, 1968 (82 Stat. 1156; D.C. Official Code § 10-1101.01 *et seq.*), sections
73 4(2) (but only to the extent shown on plans the Mayor has approved pursuant to the Development
74 and Financing Agreement), (3), (4), (5), and (6), 5(1), (2), (3) (but only to the extent the Mayor
75 has otherwise approved plans pursuant to the Development and Financing Agreement), (4), and
76 (5) (but only with respect to the requirement to submit a scale model), 7 (but only with respect to
77 zoning laws and regulations), and 10 of the District of Columbia Public Space Utilization Act,
78 approved October 17, 1968 (82 Stat. 1166; D.C. Code §§ 10-1121.03(2) (but only to the extent
79 shown on plans the Mayor has approved pursuant to the Development and Financing
80 Agreement), (3), (4), (5), and (6), 10-1121.04(1), (2), (3) (but only to the extent the Mayor has

81 otherwise approved plans pursuant to the Development and Financing Agreement), (4) and (5)
82 (but only with respect to the requirement to submit a scale model), 10-1121.06 (but only with
83 respect to zoning laws and regulations), and 10-1121.09), and any other law, the Mayor may
84 lease the airspace adjacent to Lot 47 in Square 455 and Lot 884 in Square 454, to DC Arena L.P.,
85 or its designee, on such terms as the Mayor deems appropriate, at no other rent or fee, for so long
86 as the lease for the real property approved by section 2(a) of the Downtown Sports Arena
87 Revitalization Act of 2024, as may be amended from time to time, remains in effect; provided,
88 that if construction within such airspace is not subject to the approval of the National Capital
89 Planning Commission pursuant to section 5 of An Act providing for a comprehensive
90 development of the park and playground system of the National Capital, approved July 19, 1952
91 (66 Stat. 781; D.C. Official Code § 2-1004), then, notwithstanding the foregoing, section 5(2)
92 and, in its entirety, section 7 of the District of Columbia Public Space Utilization Act, approved
93 October 17, 1968 (82 Stat. 1166; D.C. Code §§ 10-1121.04(2) and 10-1121.06), shall apply to a
94 lease entered into by the Mayor under this subsection.

95 (b) Section 8 of the District of Columbia Public Space Utilization Act, effective October
96 17, 1968 (82 Stat. 1167; D.C. Official Code § 10-1121.07), is amended as follows:

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

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

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

102 “(3) Leased pursuant to section 4(a) of the Downtown Arena Revitalization Act of
103 2024.”.

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

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

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

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

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

113 “(34) The real property (and any improvements thereon) described as Lot 47 in
114 Square 455 so long as the Land Disposition Agreement—Ground Lease, by and among the
115 District of Columbia Redevelopment Land Agency, the District of Columbia, and DC Arena,
116 L.P., dated as of December 29, 1995, and recorded with the Recorder of Deeds on January 5,
117 1996, as instrument number 9600001285, as may be amended from time to time, remains in
118 effect; and

119 “(35) The real property (and any improvements thereon) described as Lot 47 in
120 Square 455 and Lot 884 in Square 454 (and any adjacent air space leased pursuant section 4(a) of
121 the Downtown Sports Arena Revitalization Act of 2024), so long as the lease for such real
122 property approved by section 2(a) of the Downtown Sports Arena Revitalization Act of 2024, as
123 may be amended from time to time, remains in effect.”.

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

126 “(c-2) This section shall not apply to the real property (and any improvements thereon)
127 described as Lot 47 in Square 455 so long as the Land Disposition Agreement—Ground Lease,
128 by and among the District of Columbia Redevelopment Land Agency, the District of Columbia,
129 and DC Arena, L.P., dated as of December 29, 1995, and recorded with the Recorder of Deeds
130 on January 5, 1996, as instrument number 9600001285, as may be amended from time to time,
131 nor shall it apply to the real property (and any improvements thereon) described as Lot 47 in
132 Square 455 or Lot 884 in Square 454 (or to any adjacent air space leased pursuant section 4(a) of
133 the Downtown Sports Arena Revitalization Act of 2024) so long as the lease approved by section
134 2(a) of the Downtown Sports Arena Revitalization Act of 2024, as may be amended from time to
135 time, remains in effect.”.

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

138 “(29) Transfers with respect to the real property (and any improvements thereon)
139 described as Lot 47 in Square 455 and Lot 884 in Square 454 (and any adjacent air space leased
140 pursuant section 4(a) of the Downtown Sports Arena Revitalization Act of 2024), to the extent
141 such transfer is a transfer between the District and DC Arena L.P., or its designee, pursuant to
142 the lease or purchase and sale agreement approved by sections 2(a) of the Downtown Sports
143 Arena Revitalization Act of 2024, as may be amended from time to time, or a lease authorized by
144 section 4(a) of the Downtown Sports Arena Revitalization Act of 2024.”.

145 (d) Section 302 of the District of Columbia Deed Recordation Tax Act, approved March
146 2, 1962 (76 Stat. 11; D.C. Official Code 42-1102), is amended as follows:

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

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

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

152 “(37) Deed with respect to the real property (and any improvements thereon)
153 described as Lot 47 in Square 455 or Lot 884 in Square 454 (and any adjacent air space leased
154 pursuant section 4(a) of the Downtown Sports Arena Revitalization Act of 2024), to the extent
155 such deed conveys an interest between the District and DC Arena L.P., or its designee, pursuant
156 to the lease or purchase and sale agreement approved by section 2(a) of the Downtown Sports
157 Arena Revitalization Act of 2024, as may be amended from time to time, or a lease authorized by
158 section 4(a) of the Downtown Sports Arena Revitalization Act of 2024.”.

159 (e)(1) Section 3 of the Arena Tax Amendment Act of 1994, effective September 28, 1994
160 (D.C. Law 10-189; 41 DCR 5357), as amended by section 30 of the Technical Amendments Act
161 of 2006, effective March 2, 2007 (D.C. Law 16-191; 53 DCR 6794), and section 7021 of the
162 Verizon Center Recordation Tax Clarification Amendment Act of 2008, effective August 16,
163 2008 (D.C. Law 17-219; 55 DCR 7670), is repealed.

164 (2) This subsection shall apply as of the effective date of the Downtown Sports
165 Arena Modernization and Downtown Revitalization Act of 2024.

166 Sec. 6. Authority to amend signage regulations.

167 Section 101.19.16 of Appendix N of Title 12A of the District of Columbia Municipal
168 Regulations is amended by striking the phrase “, upon review and active approval by the
169 Council” and inserting the phrase “. The amendments to the rules may include, but need not be
170 limited to, provisions authorizing additional outdoor signs, visuals, digital displays, and static
171 canvas displays placed on the Verizon Center. Rules proposed to be issued under this section

172 shall be submitted to Council for a 45-day period of review. If the Council does not approve or
173 disapprove the proposed rules, by resolution, within the 45-day period, the rules shall be deemed
174 approved.” in its place.

175 Sec. 7. Fiscal impact statement.

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

179 Sec. 8. Effective date.

180 This act shall take effect following approval by the Mayor (or in the event of veto by the
181 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than
182 90 days, as provided for emergency acts of the Council of the District of Columbia in section
183 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;
184 D.C. Official Code § 1-204.12(a)).