

A BILL

20-805

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To authorize the Mayor to assemble the soccer stadium site including through the use of eminent domain; to require the Mayor to amend the ground lease of the soccer stadium site, to to require the Mayor to amend the development agreement for the construction of a new soccer stadium; to authorize the rental airspace and vault space; to amend the Robert F. Kennedy Memorial Stadium and District of Columbia National Guard Armory Public Safety Act to make it applicable to the soccer stadium; to amend Title 25 of the District of Columbia Official Code to provide for licenses to be issued to the soccer stadium; to amend Title 47 of the District of Columbia Official Code to provide tax abatements; and to exempt the transfer of the stadium site from recordation and transfer taxes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “District of Columbia Soccer Stadium Development Act of 2014”.

**TITLE I. ASSEMBLAGE OF SITE; AUTHORITY OF MAYOR TO EXERCISE
EMINENT DOMAIN.**

Sec. 101. Definitions.

For the purposes of this title:

(1) The term “Soccer Stadium Site” means the real property described as Squares 603S, 605, 607, 661, and 661N, and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company (Pepco) dated December 27, 2013, and all public alleys and streets to be closed within these squares.

Sec. 102. The Council finds that:

(1) RFK Stadium is no longer suitable as a home for D.C. United in that it was not designed to host soccer, but was designed for football and baseball, has a capacity much larger than current Major League Soccer Stadiums, is more than 50 years old, is in deteriorating condition, and is near the end of its useful life;

(2) Without the development of a new soccer stadium, it is likely that DC United would ultimately move to another jurisdiction where it could participate in the development of a modern, state-of-the-art, outdoor soccer stadium, which would cause the District to lose the economic and fiscal benefits associated with the team's location in the District;

(3) The development and operation of a new, state-of-the-art, LEED certified outdoor soccer stadium at Buzzard Point and the planned development on the ancillary site will increase economic activity;

(4) The stadium is proposed to be located in Buzzard Point an underutilized industrial area that has long been targeted for redevelopment and in anticipation of that development has been rezoned for higher density use, but that without a catalytic, public-sponsored project is not likely to see significant development for a minimum of eight years and likely longer;

(5) Developing a state-of-the-art, LEED certified outdoor soccer stadium at Buzzard Point will serve to accelerate that redevelopment as well as promote economic development in the Buzzard Point and Capitol Riverfront neighborhoods and enhance economic vitality in the District of Columbia.

(6) Improvements in the physical environment of Buzzard Point catalyzed by the

soccer stadium will connect Buzzard Point to the emerging Capitol Riverfront area to create a vibrant, mixed-use neighborhood with improved pedestrian circulation, continuous public access to the water, offer new development opportunities that could increase the inventory of mixed-use development and affordable housing through inclusionary zoning, and provide ways to improve the environmental health of Buzzard Point;

(7) Improvements and infrastructure investments represented by the development of a new, state-of-the-art soccer stadium project at Buzzard Point will leverage other nearby District investments such as the South Capitol Street Bridge project and the parking facilities for Nationals Park and along with the successful and planned development at the Yards and the Wharf combine to anchor a new, mixed use neighborhood that would reconnect residents to the waterfront, enhance the natural environment, and establish an attractive gateway to the District while improving conditions for nearby residents.

Sec. 103 Assemblage of soccer stadium site.

(a)(1) The exchange agreement between the District of Columbia and SW Land Holder, LLC dated May 23, 2014 (the “exchange agreement”) and the amendment to the exchange agreement dated October 7, 2014 are disapproved.

(2) The Mayor shall acquire Squares 605, 607, and 661 and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company (Pepco) dated December 27, 2013 for market value, unless a court determines another value in a proceeding involving eminent domain, at a cost, when aggregated with the valuation ascribed to the exchange agreement approved in accordance with subsection

(b), not to exceed \$90 million.

(b) Notwithstanding 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 § 10-801et. seq.), or other provision of law, the Council authorizes the Mayor to transfer Lot 82 in Square 559 to Potomac Electric Power Company (Pepco) in exchange for Lots 804 and 805 in Square 661, the northwestern portion of Lot 24 in Square 665, and \$15,800,000.

(c) The Mayor is not authorized to exchange or otherwise dispose of the Franklin D. Reeves Center, located on Lot 844 in Square 204 in conjunction with the assemblage of the soccer stadium site.

(d) The Mayor shall transmit any agreement to acquire any portion of Squares 605, 607, and 661 and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company (Pepco) dated December 27, 2013 to the Council no fewer than 30 days before the effective date of the agreement.

(e) The Mayor may exercise eminent domain in accordance with the procedures set forth in subchapter II of Chapter 13 of Title 16 of the District of Columbia Official Code to acquire any portion of Squares 605, 607, and 661, and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company (Pepco) dated December 27, 2013.

Sec. 104. Amendments to ground lease and development agreement.

(a)(1) The Mayor shall transmit to the Council a ground lease (“revised ground lease”) that amends the ground lease between the District of Columbia and DC Stadium LLC, dated May

23, 2014 (“original ground lease”), for lease of the Soccer Stadium Site to DC Stadium LLC no fewer than 30 days before the effective date of the revised ground lease.

(2) The revised ground lease shall:

(A) Not contain any provision to abate District sales tax; and

(B) Contain modifications to conform the terms of the original ground lease to provisions of this Act.

(b)(1) The Mayor shall transmit to the Council a development agreement (“revised development agreement”) that amends the development agreement between the District of Columbia and DC Stadium LLC, dated as of May 23, 2014 (“original development agreement”), for the development of the soccer stadium site, not fewer than 30 days before the effective date of the revised development agreement.

(2) The revised development agreement shall:

(A) Extend the date by which the District shall acquire control of the soccer stadium site to September 31, 2015;

(B) Extend the dates by which the District shall close streets and alleys, acquire fee title, demolish existing structures, perform infrastructure work (including all District obligations under article V of the original development agreement), and perform environmental remediation work (including all District obligations under article VI of the original development agreement), as such actions are described in articles III, IV, V, and VI of the original development agreement and may be described or referenced in other provisions of the original development agreement, each by 6 months;

(C) Set a date by which DC Stadium LLC shall complete the construction of a soccer stadium at the soccer stadium site;

(D) Extend other dates as negotiated between the District and DC Stadium, LLC; and

(E) Include an amendment to section 5.9 of the original development agreement to read as follows: “Within 30 days of the District’s acquisition of either Lot 7 or Lot 802 in Square 605, the Stadium Developer shall pay to the District, or its designee, Two Million Five Hundred Thousand Dollars (\$2,500,000.00) to offset Land acquisition costs.”.

(c) DC Stadium, LLC and the District shall agree to terms within the revised ground lease and revised development agreement providing that, notwithstanding any other provision of the revised ground lease or revised development agreement, DC Stadium LLC covenants and agrees:

(1) To enter into a labor peace agreement that conforms in content to the requirements set forth in Section 4 of the District Hotel Development Projects Labor Peace Agreement Act of 2002 (D.C. Law 14-266, D.C. Official Code Sec. 32-851) with each labor organization that requests a labor peace agreement and which represents, or reasonably might represent, food service or concession workers at the soccer stadium to be constructed at the soccer stadium site, workers in any hotel development located on the Adjacent Land (as defined in Exhibit A-2 to the original ground lease), or any group or subgroup of such workers; and

(2) To require, as a condition of any assignment, sublease, or transaction of any kind transferring, in whole or in part, any rights under the revised development agreement and/or the revised ground lease to any other entity, that such assignee, sublessee, transferee, or other

138 entity:

139 (A) Adopt and execute any labor peace agreement(s) entered into by DC
140 Stadium LLC pursuant to paragraph (1) and/or, to the extent that DC Stadium LLC has not
141 entered into such a labor peace agreement with any labor organization(s) that represent, or
142 reasonably might represent, workers described in paragraph (1) , to enter into such agreement(s);
143 and

144 (B) Require adoption and execution of such labor peace agreement(s) (or,
145 to the extent that such agreement(s) have not previously been reached with any labor
146 organization(s) that represents, or reasonably might represent, workers described in paragraph
147 (1), to require entry into such agreement(s)) by any future assignee, sublessee, transferee, or
148 other entity as a condition of any future assignment, sublease, transfer, agreement, or transaction
149 of any kind transferring, in whole or in part, any rights under the revised development agreement
150 or the revised ground lease; and

151 (3) To entitle any labor organization that has entered into, or has requested to
152 enter into, a labor peace agreement under this subsection (c) to enforce the obligations described
153 in paragraph (1) and paragraph (2) as a third-party beneficiary of the contractual provisions
154 described therein, by filing a civil action in the Superior Court of the District of Columbia
155 seeking declaratory and other equitable relief.

156 Sec. 105. Authority of Mayor to rent vault space, airspace.

157 Notwithstanding any other provision of law, the Mayor may issue a vault permit or
158 airspace lease to DC Stadium LLC, or its designee, for vault space or the use of airspace adjacent

to the Soccer Stadium Site in accordance with the District of Columbia Public Space Rental Act, approved October 17, 1968 (82 Stat. 1156; D.C. Official Code § 10-1101.01 *et seq.*), or the District of Columbia Public Space Utilization Act, approved October 17, 1968 (82 Stat. 1166; D.C. Official Code § 10-1121.01 *et seq.*), whichever one is applicable, for a term as determined by the Mayor and at no additional fee or rent, except as may be otherwise determined by the Mayor .

Sec. 106. Cap on horizontal development costs.

Notwithstanding any other provision of law, the District shall not obligate in excess of \$150,000,000 in aggregate costs to acquire, assemble, and develop the soccer stadium site.

Sec. 107. Community benefits.

(a) The Mayor shall utilize additional funds provided for the under the “Fiscal Year 2015 Revised Budget Request Emergency Adjustment Act of 2014” to implement the Convention Center – Southwest Waterfront corridor as described in the “DC Circulator 2014 Transit Development Plan Update” dated September 2014, in addition to previously appropriated funds identified for the extension of the Union Station-Navy Yard route to the Southwest Waterfront.

(b) The Mayor shall implement a workforce intermediary program to connect residents of ANC6D with employment during construction of the stadium and the initial 2 soccer seasons of operations.

(c) The Mayor shall utilize additional capital funds provided for “General Improvements – DPR” contained in the “Fiscal Year 2015 Revised Budget Request Emergency Adjustment Act of 2014” for capital improvements to the Randall Recreation Center in Ward 6.

(d) The Mayor shall provide ongoing operations and programming funding for the Randall Recreation Center in Ward 6.

TITLE II. AMENDMENTS

Sec. 201. The Robert F. Kennedy Memorial Stadium and District of Columbia National Guard Armory Public Safety Act, effective November 3, 1977 (D.C. Law 2-37; D.C. Official Code § 3-341 *et seq.*), is amended as follows:

(a) Section 3a (D.C. Official Code § 3-342.01) is amended to read as follows:

“Sec. 3a. Definitions.

“For the purposes of this act, the term:

“(1) “Baseball Stadium” shall have the same meaning as that provided for the term “Ballpark” in D.C. Official Code § 47-2002.05(a)(1)(A).

“(2) “Soccer Stadium” means a soccer stadium constructed after October 1, 2014 on a site bounded by 2nd Street, S.W., T Street, S.W., Half Street, S.W., Potomac Avenue, S.W., and R Street, S.W.”.

(b) Section 4 (D.C. Official Code § 3-343) is amended by striking the phrase “Baseball Stadium,” and inserting the phrase “Baseball Stadium, the Soccer Stadium,” in its place.

(c) Section 4a (D.C. Official Code § 3-343.01) is amended as follows:

(1) Subsection (a) is amended by striking the phrase “or the Baseball Stadium” and inserting the phrase “, the Baseball Stadium, or the Soccer Stadium” in its place.

(2) Subsection (b) is amended as follows:

(A) Paragraph (1A) is amended by striking the word “or” at the end.

(B) A new paragraph (1B) is added to read as follows:

“(1B) A person duly authorized or licensed by the operator of the Soccer Stadium to possess, sell, give away, transport, or store alcoholic beverages or containers within any portion of the Soccer Stadium or an employee or agent acting for any such duly authorized or licensed person; or”.

(d) Section 4b (D.C. Official Code § 3-343.02) is amended as follows:

(1) A new subsection (b-1) is added to read as follows:

“(b-1) No person shall at any time enter onto any portion of the playing field within the Soccer Stadium, unless expressly authorized by the operator of the Soccer Stadium, or its duly authorized agents.”.

(2) Subsection (c) is amended by striking the phrase “or the Baseball Stadium” and inserting the phrase “, the Baseball Stadium, or the Soccer Stadium” in its place.

Sec. 202. Title 25 of the District of Columbia Official Code is amended as follows:

(a) Section 25-101 is amended as follows:

(1) The existing paragraph (48A) is redesignated as paragraph (48B).

(2) A new paragraph (48A) to read as follows:

“(48A) “Soccer Stadium” means a soccer stadium constructed after October 1, 2014 on a site bounded by 2nd Street, S.W., T Street, S.W., Half Street, S.W., Potomac Avenue, S.W., and R Street, S.W.”.

(b) Section 25-114 is amended as follows:

(1) Subsection (a) is amended by striking the phrase “DC Arena” both times it

appears and inserting the phrase “DC Arena and the Soccer Stadium” in its place.

(2) A new subsection (c) is added to read as follows:

“(c)(1) Upon application by an applicant as set forth in Chapter 4 of this title, the Board shall issue one or more retailer's licenses, class Arena C/X, to the operator of the Soccer Stadium.

“(2) At the option of the operator of the Soccer Stadium, the licenses may be issued to concessionaires and tenants of the Soccer Stadium, as may be requested from time to time by the operator of the Soccer Stadium.

“(3) Licenses may be canceled by the Board if the initial operator ceases to operate the Soccer Stadium.

“(4) If the operator of the Soccer Stadium assigns its interest in the Soccer Stadium, the Board may transfer the licenses to the operator's assignee, upon application under Chapter 4 and approval by the Board.”.

(3) Subsection (d) is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena, the Soccer Stadium” in its place.

(4) Subsection (e) is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena and the Soccer Stadium” in its place.

(c) Section 25-505 is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena and the Soccer Stadium” in its place.

(d) Section 25-1003 is amended as follows:

(1) The heading is amended to read as follows:

“§ 25-1003. Prohibition on beverage storage containers in the DC Arena and Soccer Stadium.”.

(2) Subsection (a) is amended by striking the phrase “DC Arena” and inserting the phrase “DC Arena or the Soccer Stadium” in its place.

(3) Subsection (b) is amended as follows:

(A) Strike the phrase “DC Arena; to” and insert the phrase “DC Arena or Soccer Stadium; to” in its place.

(B) Strike the phrase “DC Arena by the lessee or its” and insert the phrase “DC Arena or Soccer Stadium, lessee, the operator of the Soccer Stadium or its” in its place.

Sec. 203. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Chapter 46 is amended as follows:

(1) The table of contents is amended by adding a new section designation to read as follows:

“47-4663. Soccer Stadium tax abatements”

(2) A new section 47-4663 is added to read as follows:

“§ 47-4663. Soccer Stadium tax abatements.

“(a) For the purposes of this section, the term:

“(1) “Soccer stadium” means a soccer stadium constructed after October 1, 2014 on a site bounded by Second Street, S.W., T Street, S.W., Half Street, S.W., Potomac Avenue, S.W., and R Street, S.W.

“(2) “Soccer stadium site” means the real property described as Squares 603S,

605, 607, 661, and 661N, and the northwest portion of Lot 24 in Square 665 as described in the letter of intent between the District and Potomac Electric Power Company (Pepco) dated December 27, 2013, and all public alleys and streets to be closed within these squares.

“(b) The real property taxes imposed under chapter 8 of this title and the possessory interest tax imposed under section 47-1005.01 on that portion of the soccer stadium site on which the soccer stadium is constructed, shall be abated as follows:

“(1) Beginning on the date that the District acquires title to each portion of the site on which the Soccer Stadium is constructed through the fifth lease year —100%;

“(2) For lease years 6 through 10—75%;

“(3) For lease years 11 through 15—50%;

“(4) For lease years 16 through 20—25%;

“(5) Beginning with the 21st lease year and for each lease year thereafter zero.

“(c)(1) The abatements provided by subsection (b) of this section for any real property tax year may be allocated between half tax years at the discretion of the Office of Tax and Revenue.

“(2) The abatements provided by subsection (a) of this section shall terminate at the end of the half tax year during which the Soccer Stadium ceases to be used as a stadium by a major league soccer team.”.

(b) The abatements provided by this section shall be in addition to, and not in lieu of, any other tax relief or assistance from any other source applicable to the Soccer Stadium.

(c) All transfers of real property in the Soccer Stadium Site while the revised ground

lease approved pursuant to section 104(d) is in effect shall be exempt from the taxes imposed by section 303 of the District of Columbia Deed Recordation Tax Act of 1962, approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1103) and § 47-903 .

(d) The exemptions provided under subsection (a) shall expire on the termination of the revised ground lease approved by section 104(d).

TITLE III. GENERAL PROVISIONS

Sec. 301. Applicability.

This Act shall apply upon the inclusion of its fiscal effect in an approved budget and financial plan, as certified by the Chief Financial Officer to the Budget Director of the Council in a certification published by the Council in the District of Columbia Register.

Sec. 302. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206(c)(3)).

Sec. 303. 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), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.