

D.C. Sports and Entertainment Commission

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Description	FY 2004 Actual	FY 2005 Approved	FY 2006 Proposed	% Change from FY 2005
Operating Budget	\$2,564,376	\$7,321,857	\$339,629,923	4,538.6

The mission of the D.C. Sports and Entertainment Commission is to improve quality of life and enhance economic development in the District by operating RFK Stadium, managing the non-military functions of the D.C. National Guard Armory, promoting the District as a venue for sports and entertainment activities, and supporting youth recreational activities. The Commission performs these functions on a self-supporting basis.

The Commission, a corporate instrumentality of the Government of the District of Columbia, was established in 1994 as a "component unit" of the District government, which allows the organization to work on behalf of the District's citizens with greater flexibility. An eleven-member board of directors governs the Commission, each appointed by the Mayor and confirmed by the District Council. Its financial results are reported in the District's Comprehensive Annual Financial Report (CAFR) and separately in the Commission's own CAFR.

Funding for Commission operations is derived from two separate sources. A total of \$22,429,923 in special purpose revenue funds is generated from the utilization of Commission-operated facilities including concessions at its

venues, event advertising, and charges from the booking of events. A total of \$317,200,000 in bond proceeds is solely for the management responsibilities related to the construction of the District's new baseball stadium and certain specific baseball-related projects.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Manage the construction of a new Major League Baseball stadium in the District.
- Increase the number of events held at its facilities by seeking and creating events and making the venues more attractive to promoters and producers.

Funding by Source

Table SC0 -1 shows the source of funding for the D.C. Sports and Entertainment Commission.

Table SC0-1

FY 2006 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
Special Purpose Revenue Funds	12,340	2,564	7,322	339,630	332,308	4,538.6
Total for General Fund	12,340	2,564	7,322	339,630	332,308	4,538.6
Gross Funds	12,340	2,564	7,322	339,630	332,308	4,538.6

Table SC0-2

FY 2006 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
General Fund						
Special Purpose Revenue Funds	0	0	0	0	0	0.0
Total for General Fund	0	0	0	0	0	0.0
Total Proposed FTEs	0	0	0	0	0	0.0

Expenditure by Comptroller Source Group

Table SC0-3 shows the FY 2006 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table SC0-3

FY 2006 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Comptroller Source Group	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
11 Regular Pay - Cont Full Time	3,060	1,781	1,651	3,031	1,380	83.6
12 Regular Pay - Other	116	119	0	0	0	0.0
13 Additional Gross Pay	79	66	0	298	298	100.0
14 Fringe Benefits - Curr Personnel	483	412	300	489	189	63.1
15 Overtime Pay	240	186	362	46	-316	-87.3
Subtotal Personal Services (PS)	3,978	2,564	2,312	3,864	1,551	67.1
20 Supplies and Materials	398	0	210	593	383	182.4
30 Energy, Comm. and Bldg Rentals	0	0	728	1,194	466	64.0
31 Telephone, Telegraph, Telegram, Etc	0	0	71	64	-7	-9.7
32 Rentals - Land and Structures	923	0	251	250	-1	-0.5
33 Janitorial Services	0	0	79	1,252	1,173	1,484.8
40 Other Services and Charges	47	0	792	14,224	13,432	1,695.3
41 Contractual Services - Other	5,068	0	2,592	317,966	315,374	12,165.3
50 Subsidies and Transfers	0	0	100	158	58	58.2
60 Land and Buildings	0	0	0	0	0	0.0
70 Equipment & Equipment Rental	0	0	186	64	-122	-65.5
92 Expense Not Budgeted-deprec	1,926	0	0	0	0	0.0
Subtotal Nonpersonal Services (NPS)	8,362	0	5,009	335,766	330,757	6,602.7
Total Proposed Operating Budget	12,340	2,564	7,322	339,630	332,308	4,538.6

- Become more profitable by generating revenue at levels sufficient to support expenditures by identifying new revenue streams and reducing costs in certain areas through improved management of administrative, operational and, event functions.
- Improve community outreach by developing a more comprehensive and focused strategy.

Gross Funds

The proposed budget is \$339,629,923, an increase of \$332,308,066 or 4,538.6 percent over the FY 2005 approved budget of \$7,321,857. The budget supports no District FTEs, unchanged from the FY 2005 approved budget.

General Fund

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\$332,308,066 or 4,538.6 percent over the FY 2005 approved budget of \$7,321,857. The budget supports no District FTEs, unchanged from the FY 2005 approved budget.

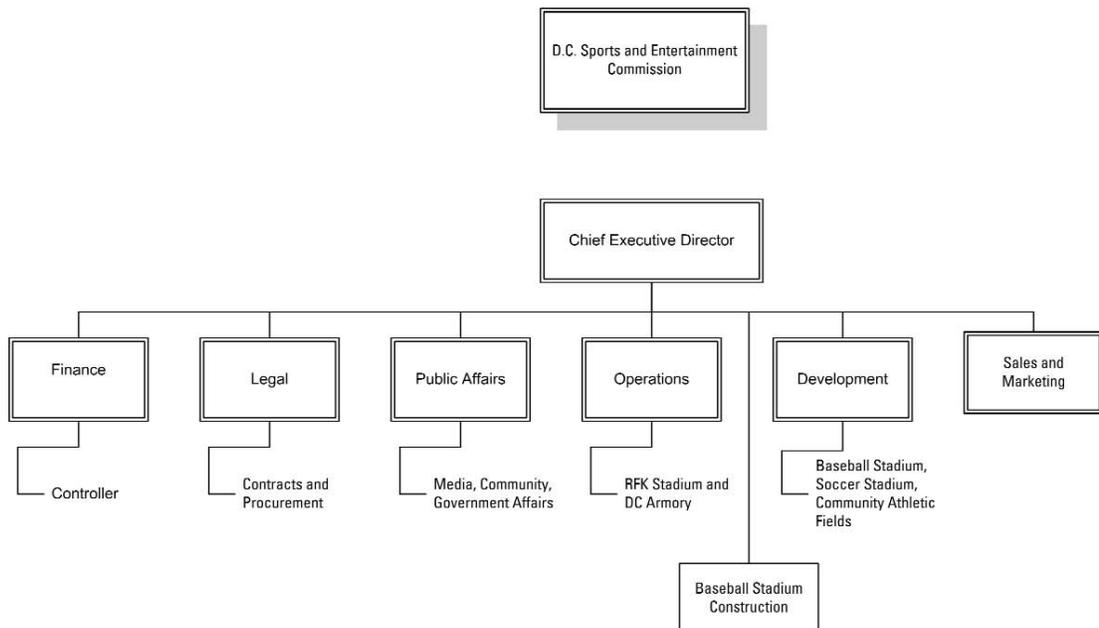
Changes from the FY 2005 approved budget are:

- An increase of \$317,200,000 for the management of the construction of a new baseball stadium near the Anacostia River in Southeast Washington.
- An increase of \$1,701,811 in personal services for additional personnel associated with Major League Baseball operations and other activities at the Robert F. Kennedy Memorial Stadium (RFK), the D.C. National Guard Armory and for salary and fringe benefit changes.
- An increase of \$13,406,255 to cover operational, administrative, managerial, and adver-

Expenditures by Program

The D.C. Sports and Entertainment Commission has the following program structure:

Figure SC0 - 1
D.C. Sports and Entertainment Commission



tising costs associated with Commission operations, including additional maintenance costs for the D.C. Armory and costs related to 82 additional events (baseball games) compared to previous years.

Programs

The D.C. Sports and Entertainment Commission is committed to the following programs:

District Baseball Ballpark

	FY 2005	FY 2006
Budget	\$0	\$317,200,000
FTEs	N/A	N/A

Program Description

The **District Baseball Ballpark** program supports the Citywide Strategic Priority area of *Promoting Economic Development*. The purpose of this program is to administer the construction of a new baseball stadium in the District, which will be owned by the District and leased to the owners of the Major League Baseball team.

Program Budget Summary

The proposed District Baseball Ballpark program gross funds budget is \$317,200,000. The budget supports no District FTEs.

This new program is a component of the Ballpark Omnibus Financing and Revenue Act of 2004, which provides a total of \$534.8 million in bond proceeds for the construction of a District baseball stadium in Southeast Washington, the construction of a parking facility, land acquisition, infrastructure modifications, project management, and bond issuance costs. These funds are exclusively for the completion of certain baseball project components. Of the total project costs, the Commission administers \$341.2 million. This amount includes \$24 million for the renovation of RFK Stadium and contingency, for which funds were provided in FY 2005. The FY 2006 budget for the Sports Commission component of the project is \$317.2 million.

Please refer to the table below:

Component	Cost (in \$millions)
New Stadium Construction	\$279.4
Contingency for Construction	21.3
Parking	16.5
FY 2006 Total	317.2
Renovation of RFK (FY 2005)	18.5
Contingency for Renovation of RFK (FY 2005)	5.5
FY 2006 Total	24.0
Grand Total for Sports Commission Component	341.2

The Commission's budget authority for this project is available until expended, meaning that the funds are non-lapsing and that any remaining unspent budget after FY 2006 will carry over or be reauthorized in the next budget year until the project is complete. The anticipated project completion date is Spring 2008. While the allocation of full project budget authority has been represented in the FY 2006 budget, cash revenue from bond proceeds is available to the extent of legitimate baseball construction management costs are incurred.

The District has sought private financing to pay for a portion of the costs related to new stadium construction. At this time, no proposal has been selected. If one or more private financing proposals are accepted and implemented, the Commission's cost may decrease accordingly.

Sponsored Events

	FY 2005	FY 2006
Budget	\$7,321,857	\$22,429,923
FTEs	N/A	N/A

Program Description

The **Sponsored Events** program supports the Citywide Strategic Priority area of **Promoting Economic Development**. The purpose of this program is to promote Commission facilities to attract and develop events for RFK Stadium, the D.C. Armory, and Commission parking lots. These events include D.C. United Major League Soccer, concerts, local athletic games and various shows. During the last three years, the Commission has begun refurbishing its facilities

to attract new and more exciting events for District residents and visitors. The Commission also is focused on improving its entertainment mix by replacing lower revenue events with those that have a greater potential for revenue generation. This improvement may also include booking certain events during underutilized periods.

The Commission will also manage baseball-related advertising and certain administrative services conducted at RFK stadium during the period Major League Baseball uses the facility. Commission management will also include operation of concessions, continued maintenance of RFK Stadium, and the advertisement of certain baseball-related events.

Program Budget Summary

The proposed **Sponsored Events** program gross funds budget is \$22,429,923, an increase of \$15,108,066 or 206.3 percent over the FY 2005 approved budget of \$7,321,857. The budget supports no District FTEs, unchanged from the FY 2005 approved budget.

Significant changes from the FY 2005 approved budget include:

- An increase of \$11,334,730 for contractual services for additional event staff, professional services, D.C. Armory facility maintenance, advertising, and certain project costs. This will cover costs for an additional 82 events (baseball games) at RFK Stadium compared to past years.
- An increase of \$1,701,811 in personal services costs for step and fringe benefit costs, additional administrative and event staff personnel.
- An increase of \$1,268,805 for fixed costs and \$802,720 for equipment costs.

The Sponsored Events program is funded through special purpose revenue generated from use of Commission facilities. Bond proceeds from the District Baseball Stadium project are restricted solely for the use of baseball construction activities and not to be commingled.

Agency Goals and Performance Measures

Goal 1: Increase the number of events held at the agency’s facilities.

Citywide Strategic Priority Area(s): Promoting Economic Development

Manager(s): Ollie Harper, Jr., Director of Booking and Armory Manager

Measure 1.1: Number of stadium and armory events

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	110	73	73	-	-
Actual	69	-	-	-	-

Note: The agency reduced the FY 2004 and FY 2005 targets to 73 events per year based on FY 2003 actual results (1/5/04).

Goal 2: Become more profitable.

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Joyce Jones, Interim Chief Financial Officer

Measure 2.1: Net income from stadium and armory events (thousands of dollars)

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	-1,984	-2,523	-2,184	-	-
Actual	-5,197	-	-	-	-

Note: DCSEC revised its FY 2003 and FY 2004 net income projections from \$500,000 to net losses of \$1,984,000 and \$1,657,000, respectively (12/27/02). The agency originally projected it would break even by FY 2005 but has further revised its FY 2004-2005 targets to net losses of \$2,523,000 and \$2,184,000, respectively, based on the FY 2003 net loss of \$5,197,000 (1/14/04).

Goal 3: Improve community outreach program.

Citywide Strategic Priority Area(s): Strengthening Children, Youth, Families, and Elders; Building Safer Neighborhoods

Manager(s): Scott Burrell, Director of Special Projects

Measure 3.1: Community outreach contribution (thousands of dollars)

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	200	200	200	-	-
Actual	200	-	-	-	-

Note: DCSEC reduced its FY 2003 and FY 2004 targets from \$250,000 to \$200,000 (12/27/02).

For more detailed information regarding the proposed funding for the District Baseball financing plan, please see the Ballpark Revenue Fund section of the Special Studies volume.

