



# MONUMENTAL OPPORTUNITY



JBG SMITH



**MONUMENTAL**  
SPORTS & ENTERTAINMENT

For Illustrative Purposes Only

# This is a Once in a Lifetime Opportunity

Here are the 5 most important things to know:

- 1 This deal is like NOTHING ever done before.**
  - Two teams moving at once
  - Creates 30,000 new jobs
  - Direct, positive cash returns to the City and State
- 2 There is no taxpayer subsidy.**
  - No Upfront Cash Commitment by the Commonwealth
  - No new taxes created and no tax increases
  - Only part of newly-created revenue used to pay bonds
- 3 This project continues workforce commitments.**
  - Will include a labor framework similar to Amazon HQ2
  - Monumental Sports will continue to use organized labor for operations, as they currently do in D.C.
- 4 This is a 40 year agreement between the state and the company.**
  - Mandates lease payments for 35 years after opening
  - Teams are required to play games in the arena
- 5 The project will include new transportation improvements for the area.**
  - \$310 million in transportation and infrastructure improvements already identified as part of the project with no general fund commitment from the Commonwealth



# Monumental Opportunity

- **30,000 Jobs**
- **\$12 Billion in economic impact for Alexandria & the Commonwealth**
- **\$2 Billion of direct investment**
- **2 professional sports teams**

This is a once-in-a-generation opportunity to create a world-class Entertainment District in Alexandria at Potomac Yard through an innovative public-private partnership.





# An Unparalleled Vision

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This visionary project will join Amazon's HQ2 and the Virginia Tech Innovation Campus to bring to life an unparalleled vision that will create exceptional experiences, unite our communities, and foster economic growth.





**This vision will be brought to life through a unique public-private partnership financed exclusively with private investment and new revenue growth, with no upfront cash commitment by the Commonwealth.**



### **The Project**

- New state of the art arena for Washington Wizards and Washington Capitals as well as a performing arts venue
- New mixed use development including housing, offices, retail, and restaurants
- Enhanced multi-modal transportation access



### **The Partnership**

- Innovative public private partnership
- New Sports & Entertainment Authority created by General Assembly
- Equity investment of \$403 million by Monumental Sports & Entertainment
- Commonwealth owns site and arena at the end of the lease



### **The Financing**

- No upfront cash commitment by the Commonwealth and no new taxes
- Bonds repaid exclusively through lease payments, private revenue streams and new site-specific revenues generated by the project
- \$12 Billion economic impact after debt servicing for the Commonwealth and the City of Alexandria

# Arena Development Area

Monumental will join Amazon HQ2 to create the nation's premier sports, entertainment and innovation corridor complete with an arena, concert venue, hotel and conference center, and mixed-use housing, retail, and restaurants.





# Arena Development Area



## KEY FACTS:

1. The arena development catalyzes over 9 million square feet of sports, entertainment, innovation, and mixed-use housing development that otherwise would not occur.
2. Without this plan, the existing shopping center will remain for 20 years as is.
3. JBG SMITH commits to work with Target to retain a store on site.
4. The arena development is consistent with the total density and vision already approved as part of the site's existing entitlements.

# An All-Star Team

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## Brought Together Through an Innovative Public-Private Partnership

This world-class Entertainment District and regional destination will be possible through a public-private partnership between leaders deeply committed to the success of this community and the region:

**Monumental Sports & Entertainment, the Commonwealth of Virginia, the City of Alexandria, and JBG SMITH.**

No Upfront Cash  
Commitment  
from the  
Commonwealth

No Tax Increases  
on State or Local  
Residents

Bonds Financed From  
Lease Payments &  
Newly-Created Site-  
Specific Revenues only  
from Phase 1

Teams Committed  
to Virginia for 35  
Years After Opening



# An Economic Win-Win-Win

Sports and entertainment are a catalyst for shared prosperity and economic growth. This project is an investment in the future, creating an economic win-win-win.

## Community

- \$4.9 Billion in economic impact for Alexandria<sup>1</sup>
- \$31 million in new education funding from Phase 1<sup>1</sup>
- \$49 million in new, multi-modal transportation funding<sup>1</sup>

## Virginia

- 30,000 new direct and indirect jobs<sup>1</sup>
- \$7 billion in positive economic impact to the Commonwealth<sup>1</sup>

## Mid-Atlantic

- Anchors leading regional sports, entertainment, and innovation hub for the entire Mid-Atlantic
- 35 year commitment from opening for two professional sports teams

1) HR&A Economic Analysis Presented to Virginia General Assembly's MEI Commission.

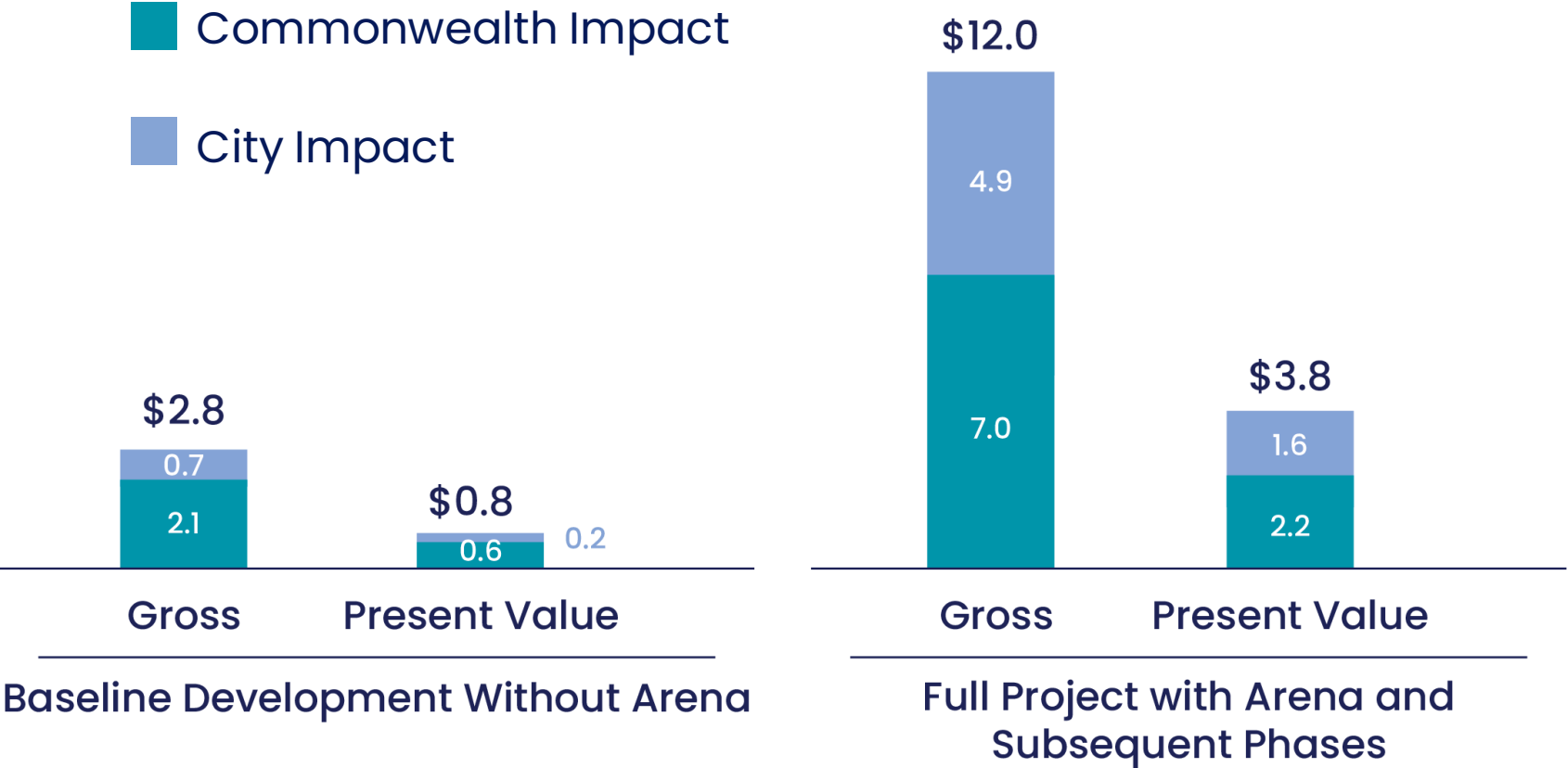
**The project will generate an estimated 30,000 permanent jobs, and an additional 17,000 construction-related jobs up to a decade faster than current growth projections.**

<b>New Jobs Generated</b>	<b>Without Arena (2030-2046)</b>	<b>With Arena &amp; Accelerated Development (2028-2036)</b>
Permanent Jobs	12,330	29,925
Construction Jobs	2,380	17,645



# Revenue

## Estimated Fiscal Impact of Site With and Without the Project (\$ Billions)



**Baseline Development Without Arena**  
1.3 million square feet of development projected over the next 30 years on the former cinema lots. The existing shopping center is expected to renew existing tenants and not be redeveloped.

**Full Project with Arena and Subsequent Phases**  
Over 9 million square feet of development, with 3.5 million square feet assumed through Phase 1. The southern half of the existing shopping center is replaced with private development in Phase 1.

Calculated as:  
(+) All estimated incremental taxes and Sports and Entertainment Authority revenues for construction period & 35 years of operations, including both direct and indirect/multiplier economic activity for all phases of the Project  
(-) Debt service on Project Revenue Sports and Entertainment Authority Bonds  
= Gross Fiscal Impact  
Present Value is discounted at 5%

Source: HR&A Fiscal Impact Analysis as of 12/1/2023  
(see note on the right)





**The project will generate \$12 billion in positive economic impact to the Commonwealth and the City of Alexandria after debt servicing, including \$4.7 billion in new tax revenues.**



\$7 billion economic impact to Commonwealth represents direct revenue impact generated by Phases 1, 2 and 3, and indirect/offsite economic impact. \$5 billion economic impact to City of Alexandria represents direct revenue impact generated by Phases 1, 2 and 3, and indirect/offsite economic impact.



# This is a unique public-private partnership unlike anything used in sports financing before.

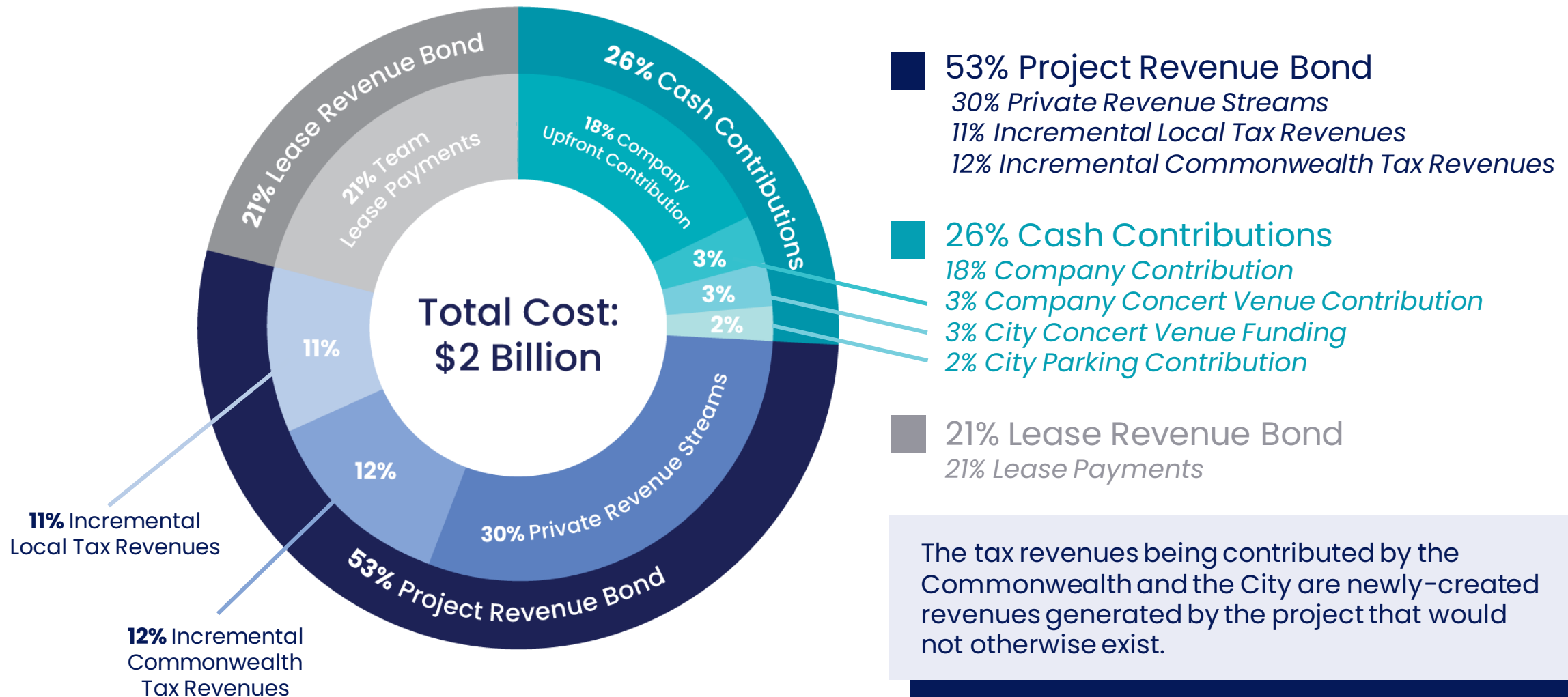
		Potomac Yard (2024)	Tennessee Titans (2023)	Buffalo Bills (2024)	OKC Thunder (2024)	Las Vegas Raiders (2018)
	<b>Relocation vs. Retaining Team</b>	Two teams moving to Virginia	New stadium, same location	New stadium, same location	New stadium, same city	One team moving to Las Vegas
	<b>Total Financing</b>	\$1B Project Revenue Bond \$400M Team Lease Bond \$400M Team Equity <u>\$100M City Equity</u> \$2B Total Project*	\$500M State GO Bond \$760M Sports Authority Revenue Bond <u>\$1.04B Team Equity</u> \$2.3B Total Project	\$600M State GO Bond \$250M County GO Bond <u>\$750M Team Equity</u> \$1.6B Total Project	\$850M City Sales Tax Bonds <u>\$50M Team Equity</u> \$900M Total Project	\$750M County GO / HOT Bonds <u>\$1.050M Team Equity</u> \$1,800M Total Project
	<b>Upfront Cash Contribution From State</b>	None	\$500M	\$600M	None	None
	<b>New Taxes Imposed</b>	None. Funded entirely from existing taxes on district activities and other district specific revenue sources	In-stadium sales tax, ticket tax, additional 1% city-wide hotel tax	N/A (but GO credit capacity used)	Extension of expiring sales tax	Additional 1% HOT
	<b>Authority Receives Site-Specific Revenues</b>	Parking revenues and campus naming rights	None	None	None	None
	<b>Sources of Funding</b>	72% PRIVATE 16% CITY** 12% COMMONWEALTH**	45% PRIVATE 33% CITY 22% STATE	47% PRIVATE 15% COUNTY 38% STATE	5% PRIVATE 95% CITY	58% PRIVATE 42% PUBLIC

"GO Bond" refers to General Obligation Bond

\*Total does not sum due to rounding.

\*\* City & Commonwealth Funding Comes Exclusively from Newly-Created Site-Specific Revenues

# The financing structure for this project is unlike any sports financing structure ever put together before.





# Commonwealth's Commitment

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**No upfront cash commitment by the Commonwealth**



Bonds exclusively repaid by lease payments and new revenues generated by Phase I of the project, which private capital cannot harness



Commonwealth will own the arena and land at the end of the lease

## **CONTINGENT MORAL OBLIGATION**

The Commonwealth of Virginia and the City of Alexandria, with their AAA credit ratings, are each providing a “contingent moral obligation” to backstop roughly one-third of the financing for the project, allowing the entire project to benefit from stronger credit ratings.

**Ahead of the announcement, a preliminary transportation analysis was completed to understand initial transportation priorities for the project.**

## Transportation Planning Timeline

- **Summer–Fall 2023** – preliminary on-site analysis and planning conducted in cooperation with VDOT to shape initial budget
- **Late 2023** – Kimley Horn engaged to undertake next phase of study
- **Early 2024** – Preliminary findings and further community feedback
- **2025+** – Final engineering and implementation

## Initial Findings + Key Principles

- Development density of Potomac Yard with and without the arena is roughly equivalent
- Main traffic impact difference is in **peak loads** on event days
- Top priorities for infrastructure improvements are mitigating peak loads and protecting surrounding neighborhoods

## Robust Budget Capacity

- \$25 million for transportation and \$85 million for on-site infrastructure improvements
- Additional \$200M to address needed regional improvements and mitigation
- Continued collaboration with Amazon HQ2 planning to fund comprehensive corridor solution

**We are now engaging the community, alongside nationally-recognized transportation expert Kimley Horn, to create a world-class transportation plan that starts by addressing four key issues.**



### **Traffic During Games & Events**

Move people in and out of events with minimal disruptions to the local community with a 2,500-space underground parking garage, shuttle access to other nearby parking, improved Metro access, dedicated rideshare areas, and rideshare promotions.



### **Protecting Neighborhoods**

Protect nearby neighborhoods, ensuring eventgoers do not park on local streets and that traffic does not disrupt daily life.



### **Existing Route 1 Multi-Modal Improvements**

Complete a number of important transportation improvements in the Route 1 corridor, including DASH upgrades, intersection and turn lane upgrades, and additional EV charging stations.



### **Transit Access**

Address capacity at nearby stations and strengthen transit access within the local community.



# Potential Arena District Transportation Improvements

5,000 parking spaces in Crystal City within approximately a 1 mile drive and <5-minute shuttle ride

**Water Taxi**  
Water Taxi service to connect Potomac Yard to other regional waterfront destinations.

**Additional VRE/Amtrak Connections**  
Study potential Potomac Yard station on existing rail line.

**Bike Connectivity**  
East/West bike connectivity between South Potomac Yard and Mount Vernon Trail.

**Real-Time Transit Technology**  
Investment in technology that can encourage fans to utilize public transit and carpool.

**Regional Improvements**  
Improvements to I-395/Glebe Road and Glebe Road intersections between I-395 and Route 1.

**Route 1/South Glebe Road Intersection Improvements**  
Additional southbound left turn lane and new eastbound right turn lane and through lane.

**Potomac Yard Metro Station Mitigation**  
Address faregate and other station capacity constraints.

**Dedicated Below Grade Arena Parking**  
2,500 below grade spaces feature multiple access points to diffuse cars into the grid and prevent queuing.

**Route 1/Potomac Avenue Intersection Improvements**  
Turn lane improvements and reconfiguration along eastbound Potomac Avenue.

**Additional Route 1 Intersection Improvements**  
Turn lane improvements at multiple intersections to improve access to site from north- and southbound Route 1 and continued regional cooperation engineering Route 1 improvements.

**Local Neighborhood Safety and Quality of Life Protections**  
Complete streets implementation, traffic calming, and resident parking protections.

**Slater's Lane/Route 1 Intersection Improvements**  
Additional lanes on Slater's Lane between Route 1 and Powhatan Street and intersection reconfiguration at Slater's Lane and Route 1.



# Labor Agreements

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The agreement proposes to use a labor agreement similar to the framework of the Amazon HQ2 project, which includes a number of protections for organized labor on sites receiving public investment. The parties are developing a Memorandum of Understanding as quickly as possible that stipulates:

- Maximizing the use of local workforce
- Ensuring opportunities for qualified subcontractors, excluding unqualified or 1099 contractors
- Ensuring wages consistent with the Davis Bacon Act for all workers and including compliance protocols to eliminate wage theft
- Supporting small business and providing workforce development

Monumental Sports uses organized labor for operations at Capital One Area in Washington, D.C., and will continue to do so at the new state-of-the-art arena in Virginia.

# The Game Plan

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- **Summer 2023** – MSE & the Commonwealth enter discussions
- **December 2023** – MEI Commission Unanimously Endorses Deal on a Bipartisan Basis
- **December 13** – Governor Youngkin Announces Monumental Opportunity
- **December 21** – Virginia's Debt Capacity Advisory Committee determines Commonwealth CMO will not be considered tax-supported debt and backs framework
- **January-March 2024** – General Assembly to Finalize Major Economic Development Package
- **2024+** – Alexandria City land use process, public input on building and site design
- **2025** – Groundbreaking
- **2028** – Complex Opens





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