

Repayment of PILOT Financing

Table TY0-1

Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2027 Proposed	% Change from FY 2026
OPERATING BUDGET	\$21,910,696	\$160,646,099	\$12,992,254	\$694,425	-94.7
FTEs	0.0	0.0	0.0	0.0	N/A
CAPITAL BUDGET	\$0	\$0	\$0	\$0	N/A
FTEs	0.0	0.0	0.0	0.0	N/A

Repayment of PILOT Financing is a program through which the District provides funds to economic development projects by borrowing against the future receipts from Payment-in-Lieu-of-Taxes (PILOT).

A PILOT payment on debt issued under the District's PILOT Act (D.C. Official Code §§ 1-308.01 et seq.) equals the amount the property owner would otherwise pay in property taxes, based on the assessed value of the property. The repayment of the borrowing against this future PILOT revenue is budgeted in this program. This borrowing is similar in concept to Tax Increment Financing, in which the District borrows against future tax receipts and uses the proceeds to spur economic development. In addition, the District Council can approve other project-based PILOT financing, outside the scope of the PILOT Act.

The agency's FY 2027 proposed budget is presented in the following tables:

FY 2027 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table TY0-2 contains the proposed FY 2027 budget and Full-Time Equivalents by revenue type compared to the FY 2026 approved budget. It also provides FY 2024 and FY 2025 actual data.

Table TY0-2
(\$ in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2024	Actual FY 2025	Approved FY 2026	Proposed FY 2027	Change from FY 2026	% Change*	Actual FY 2024	Actual FY 2025	Approved FY 2026	Proposed FY 2027	Change from FY 2026	% Change
ENTERPRISE FUNDS												
ENTERPRISE AND OTHER FUNDS- DEDICATED TAX - PILOT	21,911	160,646	12,992	694	-12,298	-94.7	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR ENTERPRISE FUNDS	21,911	160,646	12,992	694	-12,298	-94.7	0.0	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	21,911	160,646	12,992	694	-12,298	-94.7	0.0	0.0	0.0	0.0	0.0	N/A

* Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private) and Special Purpose Revenue type, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2027 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2027 Proposed Operating Budget, by Account Group

Table TY0-3 contains the proposed FY 2027 budget at the Account Group level compared to the FY 2026 approved budget. It also provides FY 2024 and FY 2025 actual expenditures.

Table TY0-3
(\$ in thousands)

Account Group	Actual FY 2024	Actual FY 2025	Approved FY 2026	Proposed FY 2027	Change from FY 2026	% Change*
714100C-GOVERNMENT SUBSIDIES & GRANTS	431	417	10,645	0	-10,645	-100.0
714120C-FUND TRANSFERS	0	19,336	0	0	0	N/A
718100C-DEBT SERVICE PAYMENTS	21,480	140,894	2,348	694	-1,653	-70.4
SUBTOTAL NONPERSONNEL SERVICES (NPS)	21,911	160,646	12,992	694	-12,298	-94.7
GROSS FUNDS	21,911	160,646	12,992	694	-12,298	-94.7

* Percent change is based on whole dollars.

FY 2027 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table TY0-4 contains the proposed FY 2027 budget by division/program and activity compared to the FY 2026 approved budget. It also provides FY 2024 and FY 2025 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table TY0-4
(\$ in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2024	Actual FY 2025	Approved FY 2026	Proposed FY 2027	Change from FY 2026	Actual FY 2024	Actual FY 2025	Approved FY 2026	Proposed FY 2027	Change from FY 2026
C03001-DEBT SERVICE	21,911	160,646	12,992	694	-12,298	0.0	0.0	0.0	0.0	N/A
CO0030-CFO OPERATIONS	21,911	160,646	12,992	694	-12,298	0.0	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	21,911	160,646	12,992	694	-12,298	0.0	0.0	0.0	0.0	N/A

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity**. For detailed information on this agency's Cost Center structure as reflected in the District's Chart of Accounts, please see **Schedule 30-CC FY 2027 Proposed Operating Budget and FTEs, by Division/Office**. Both schedules can be found in the **FY 2027 Operating Appendices**, located on the Office of the Chief Financial Officer's website. Additional information on this agency's interagency agreements can be found in **Appendix H** in the **Executive Summary, Volume 1**.

Program Description

Repayment of PILOT Financing operates through the following program:

Office of the Chief Financial Officer – provides budget authority for debt service payments on debt borrowed against the following PILOT project:

- **Southeast Federal Center** – PILOT debt issued under this program supports public infrastructure paid for by the developer of The Yards project, a multi-stage, mixed use development near the Navy Yard. The first issuance was in FY 2010, the second was in FY 2014, and a third issuance was in FY 2020. The combined estimated debt service payment is \$397,849 in FY 2027.

In addition, the program budget contains a contingency of \$296,576 if projected PILOT revenues are higher than minimum debt service and can be transferred to the District's General Fund.

Program Structure Change

Repayment of PILOT Financing has no program structure changes in the proposed FY 2027 budget.

FY 2026 Approved Budget to FY 2027 Proposed Budget, by Revenue Type

Table TY0-5 itemizes the changes by revenue type between the FY 2026 approved budget and the FY 2027 proposed budget. For a more comprehensive explanation of changes, please see the FY 2027 Proposed Budget Changes section, which follows the table.

Table TY0-5
(\$ in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUND-DEDICATED TAX - PILOTS: FY 2026 Approved Budget and FTE		12,992	0.0
Decrease: To align projections with debt services payments	CFO OPERATIONS	-12,298	0.0
ENTERPRISE AND OTHER FUND-DEDICATED TAX - PILOTS: FY 2027 Mayor's Proposed Budget		694	0.0
GROSS FOR TY0-REPAYMENT OF PILOT FINANCING (TY0)		694	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for interagency projects funded within this agency, please see **Appendix H, FY 2027 Interagency Budgets**, in the **Executive Summary, Volume 1** located on the OCFO's website.

FY 2027 Proposed Operating Budget Changes

Table TY0-6 contains the proposed FY 2027 budget by fund compared to the approved FY 2026 budget.

Table TY0-6

Appropriated Fund	FY 2026 Approved	FY 2027 Proposed	% Change from FY 2026
ENTERPRISE AND OTHER FUNDS-DEDICATED TAX - PILOT	\$12,992,254	\$694,425	-94.7
GROSS FUNDS	\$12,992,254	\$694,425	-94.7

Mayor's Proposed Budget

Decrease: The FY 2027 proposed budget for Repayment of PILOT Financing includes a decrease of \$12,297,829 to align the budget with a projected decrease in dedicated taxes revenues. The difference is primarily due to the repayment of the Yards PILOT note. The revenues generated from this project, except those generated by Foundry Lofts property, are no longer dedicated to the repayment of PILOT Financing.