

National Harbor Extraordinary Development District



Committee of the Whole
July 21, 2026



Project Overview

- November 2025 - The Maryland Department of Commerce notified the County that MSG was interested in locating a Sphere venue on the East Coast.
- December 2025 - The County worked in collaboration with the State to develop a competitive \$198.5 million incentive package.
- January 2026 - Sphere Entertainment Co. announced plans to build an over \$1 billion, 6,000-seat Sphere venue at National Harbor, which will be the second location in the United States.
- The venue will be located near the MGM National Harbor casino hotel. The proposed venue (the “mini-sphere”) is projected to begin construction in 2027 and open by 2030.

Sphere Economic Benefit

- The venue is projected to generate \$1.5 billion in annual economic activity for the State and \$1.3 billion for the County.
- Annual taxes paid to the County are projected to total \$63 million annually (County government directly, MNCPPC, and WSTC).
- **Construction Period:** 3,350 jobs, including 1,750 construction jobs and 1,600 full- and part-time local supplier and consumer supported jobs over the construction period.
- **Permanent Jobs:** 7,100 jobs, including 1,250 Sphere employees and 5,850 jobs supported by visitors, suppliers, and induced employee spending.
- **Visitor Impact:** Sphere is anticipated to draw approximately 2 million visitors per year to National Harbor.

Source: EY Study



Extraordinary Development District



State Legislation – Extraordinary Development District

- In April 2026, the Maryland General Assembly approved (HB1247), an amendment to State law expanding the definition of an extraordinary development district (EDD) to include:
 - an immersive entertainment venue and
 - expand the eligible uses of tax increment bond proceeds to include the costs of acquisition, construction, or rehabilitation of an immersive entertainment venue within an extraordinary development district.
- Definition - An immersive entertainment venue means an entertainment venue that is owned by a private entity, contains at least 3,000 seats, has an aggregate development cost of at least \$500 million, and has an immersive experience with advanced display technology.



County Legislation – Extraordinary Development District

- The resolution designates the National Harbor EDD, provides for the creation of a special fund for the district, and allocates certain real property taxes received by the M-NCPPC to be paid to the special fund.

EXHIBIT B*

MAP OF THE NATIONAL HARBOR EXTRAORDINARY DEVELOPMENT DISTRICT (EDD)



*Note: The National Harbor Extraordinary Development District will include all adjoining roads, highways, alleys, rights of ways, and other similar property necessary to form a contiguous area with the property described in this Exhibit.



County Legislation – Extraordinary Development District and M-NCPPC

- Under HB 1247, the Council must adopt a resolution designating the EDD before the M-NCPPC may enter into a pledge agreement for all or a portion of the property taxes levied by the County.
- M-NCPPC will not be pledging any existing real property taxes it receives from National Harbor properties to support the New Special Obligation Bonds (SOB) for the Sphere Project.
- M-NCPPC will only pledge new incremental real property taxes generated by the Sphere Project to support the New SOBs.
- The debt service payments on the New SOBs will be supported by both the County and M-NCPPC incremental real property taxes.
- The project is projected to generate significant personal property taxes to both the County and M-NCPPC – approximately 30-45% of the total development costs may be personal property. Personal property taxes will not be pledged to support the New SOBs.



M-NCPPC – TIF Participation Requirements

- The County must adopt a resolution designating the extraordinary development district;
- The County and M-NCPPC enter into a pledge agreement, and
- M-NCPPC adopts a resolution approving the pledge agreement.



Next Steps

- Upon the adoption of CR-74-2026, the County and M-NCPPC will negotiate and execute a pledge agreement.
- The County's financing team will recommend a bond financing structure and bond amount for the County Council's approval based on the Sphere's projected costs, size, and scope.
- Develop the Supplier Diversity and Equity Plan to align with legislative requirements.
- Negotiate a Community Benefit Agreement.
- Engage community stakeholders.
- Finalize a parking plan and financing structure.