

One of the large rental floors could be made available for chanceries of those foreign governments needing space, although we would be guided in this by the State Department's policy and wishes.

The American Foundation for World Trade Studies, Inc. would set up its outside information-gathering facilities immediately and begin its work for the Electronic Education and Information Center so that by the time the building is completed (in three years time), the education and information programs will be ready for immediate implementation.

This entire program will be primarily financed by the issue of the 5% bonds of the United States Visitor Center Founding Corporation pursuant to a negotiated underwriting agreement with a large underwriting firm in New York. The firm with which we have discussed this matter advises us that this project is feasible from an underwriting standpoint under certain conditions.

We must make these bonds as attractive to investors as any municipal bond by having the interest we would pay on them made tax exempt to the purchaser thereof. This can only be achieved by federal legislation, and we are asking that this bill be amended to include such a provision.

Such an exemption is completely justified when the following is considered:

1. The donation of the large additional space (1,600,00 square feet) to the National Visitor Center, a fair rental value of \$10,520,000 per year.

2. The provision of a critically-needed additional 7,000 parking spaces to make a total on site availability of 10,000 automobile spaces and parking for 116 busses. We will, however, have to make a nominal charge for parking in the 7,000 spaces area. We are anticipating a charge of \$1.43 per car for all-day parking.

3. The principal activities in the new building will be a nonprofit education and information center and a non-profit International Club.

4. The Founding Corporation would pay real estate taxes to the District of Columbia government of \$2,758,604 per year. This would amount to about \$52,413,476 over the 23-year bond amortization period and should far more than pay for road, freeway, and street rearrangement for easy ingress and egress to the National Visitor Center, as well as modernizing the depressing underpasses on "H", "K" and "L" Streets.

5. The new building complex would place a sizeable wedge of redevelopment in an area in very urgent need of it embarrassingly close to the Capitol. This new building and its activities would undoubtedly cause a spate of further redevelopment in the surrounding area, including yet further additional parking, hotel facilities, etc.

6. Of the total number of square feet of building constructed, not counting parking, only about one-half would be devoted to the production of rental income. The other half would be utilized by the National Visitor Center and the Electronic Education and Information Center at no charge. [Total area: 10,539,400 square feet; total rental area: 5,800,500 square feet] A rental rate of \$6.00 per square foot is anticipated.

7. The tax exemption of the bonds cannot be argued to cost the government money, because without the exemption there would be no bonds and no interest income at all, since this project cannot be done on this basis without the bonds being tax-exempt. Moreover, it cannot be argued that investors would invest in taxable income-producing securities if they did not invest in these bonds, because the money which will be invested in these bonds would be put into other tax-exempt municipals if it were not invested here.

I would like to give a brief visual presentation at this point after which I will give a final justification for our bonds being treated as municipals.

[Visual Presentation]

[1. Plates]

[2. Budgets]

Mr. Chairman and gentlemen, the final reason I would give for making the interest on the bonds of the Founding Corporation tax-exempt is that *we propose to give this entire building and parking spaces together with all fixtures and maintenance equipment to the United States Government* when the bonds have been amortized, which should be 19 years from the completion date.

Along with the building we would also be giving to the United States Government a built-in annual net income of \$22,633,063 plus whatever rent we would