

Mr. GRAY. How does your proposed rental per square foot for office space compare with the average new building around Washington?

Mr. POWELL. I would say it is very favorable. I know from my own office space we are paying well over \$7 a square foot, but of course that is good space. But I would say that you will not find good office space for anything under \$5.

Mr. GRAY. Have you had any research group or any detailed study as to what the potential would be for filling up this facility?

Mr. POWELL. We have had and we find that there are so many variables in it, you cannot come up with an explicit prediction that you can expect to turn out exactly as predicted. However, the space would be prime. It would be located in a very central location. It would have the benefit of parking right outside the door. It would also have the benefits of public transportation right on the premises. And all of these factors we feel would enable us to rent the space without much trouble at all, especially when you consider the demand for space, the increasing demands for rented space in Washington.

Mr. GRAY. What is this, a 25-year amortization?

Mr. POWELL. We have a 23-year amortization period.

Mr. GRAY. 23-year?

You envision paying the District of Columbia approximately \$50 million in taxes alone?

Mr. POWELL. Around \$52 million. That was based on taking the cost of the building and applying a 65 percent rate to that, and then 2¼ percent taxes. I believe that is the way real estate taxes are figured.

Mr. GRAY. You are not asking for any type of moratorium on real estate taxes for the public?

Mr. POWELL. None whatever. None whatever. It would produce enough money for the District to certainly—well, more than do its share in any street rearrangement to accommodate ramps, and so forth.

There will be other income items.

Mr. SCHWENGEL. Will the gentleman yield?

Mr. GRAY. Yes; the gentleman from Iowa, Mr. Schwengel.

Mr. SCHWENGEL. I realize what you say, you want to pay for the expenses, the cost of rearranging streets, and so forth. Then that does not help the District any at all in handling some of their problems. Their problems would be increased with this kind of installation. I want to say, parenthetically, I am not against what you are trying to do; I just want to raise some questions here.

Mr. POWELL. Yes.

Mr. SCHWENGEL. Because I know how starved this District is and how much it needs money for schools and a lot of other things. It seems to me you are asking for special consideration as far as property tax is concerned.

Mr. POWELL. Asking what?

Mr. SCHWENGEL. Special consideration as far as property tax. You are giving the District enough money to pay for the extra cost of building roads and facilities in connection with this for this operation, and not contributing anything to the District general tax funds; is that right?

Mr. POWELL. Congressman Schwengel, I beg to correct you on that statement.