

We, first of all, except and have computed in our construction costs the cost of the entire building ramps, reconstruction of the underpasses at H, K, and L Streets, under our construction costs.

When I make the point that the \$52 million or the \$2.7 million a year would be more than ample, I mean more by hundreds of percents.

Mr. GRAY. Let's put it another way. How much do you envision will be the cost to the District of Columbia for widening streets and accommodating 7,000 cars to be brought in?

Mr. POWELL. Yes. Whatever rearrangements might have to be made completely outside of this construction of ramps and access and all that, we would pay for all of that. So the \$52 million is not considered a budget which is expected to be fully expended, or anywhere near it, because of this project being built. In fact, the \$52 million is thought of as a contribution to the general revenues of the District of Columbia and for the purpose of education and schools and whatever else the District needs the money for.

Mr. GRAY. You feel this would be a great benefit to the District of Columbia?

Mr. POWELL. Oh, absolutely.

Mr. GRAY. In the way of funds?

Mr. POWELL. We also have about a \$19 million contingency fund within the allowable issuable bonds to take up additional costs which might—as you know, they frequently occur in projects of this nature.

Mr. GRAY. Let me ask you a frank question. Do you think you could get the financial interests, the bonding people to underwrite such an undertaking as this?

Mr. POWELL. We are told that we have that. All we need is an exemption on the bonds and we will get the financing. This has all been discussed.

Mr. GRAY. So the financiers feel that there is some merit to this proposal?

Mr. POWELL. Who does?

Mr. GRAY. The financiers who will underwrite this feel there is some merit to the plan?

Mr. POWELL. Yes.

Mr. GRAY. You have studied it in depth to know this is not some wild scheme?

Mr. POWELL. Absolutely. We have conferenced in New York with large underwriting firms, and particularly one, and they advise us that under certain conditions, that this is very feasible, and they are anxious to help do a syndicating of the underwriting for these bonds.

They tell us that they would like to see us, during the 3 years the building is being built, begin to get contingent lease contracts and do everything that we can in order to help them in placing the bonds.

Now, these bonds would, in all likelihood, be placed in large blocks, with insurance companies and other large institutions. They would probably not be sold to the public at large, though they might be. It would be up to the underwriting syndicate how they would be placed or sold. But the arrangements have already been made for that.