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JOINT HEARING BEFORE THE SUBCOMMITTEES ON PUBLIC BUILDINGS AND GROUNDS OF THE COMMITTEES ON PUBLIC WORKS HOUSE OF REPRESENTATIVES

AND
UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

ON

H.R. 16199 and Related Bills

TO AMEND THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED,
TO PROVIDE FOR THE CONSTRUCTION OF A CIVIC CENTER
IN THE DISTRICT OF COLUMBIA, AND FOR OTHER PURPOSES

AUGUST 9, 1972

Printed for the use of the Committee on Public Works



U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1972

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92^D CONGRESS
2^D SESSION

H. R. 16199

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 1972

Mr. GRAY introduced the following bill; which was referred to the Committee on Public Works

A BILL

To amend the Public Buildings Act of 1959, as amended, to provide for the construction of a civic center in the District of Columbia, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Dwight D. Eisenhower
4 Memorial Bicentennial Civic Center Act".

5 SEC. 2. The Congress hereby finds and declares that—

6 (1) it is essential to the social and economic de-
7 velopment of the District of Columbia to establish major
8 centers of commercial and economic activity within the
9 city;

10 (2) such a center of activity would result from

1 the development of a civic center located in the down-
2 town area of the District of Columbia;

3 (3) a civic center would (A) attract large num-
4 bers of visitors to the downtown area and result in in-
5 creased business activity in the area surrounding the
6 center; (B) enable national organizations to hold their
7 conventions and other meetings in the District of Colum-
8 bia and thereby encourage citizens from the entire Na-
9 tion to visit their Capital City; (C) provide a new source
10 of revenue for the District of Columbia as a consequence
11 of its operations and the expanded commercial activi-
12 ties resulting therefrom; and (D) provide expanded
13 employment opportunities for residents of the District
14 of Columbia.

15 (4) it is fitting that said civic center be established
16 as a memorial to the late President, Dwight D. Eisen-
17 hower;

18 (5) the prompt provision of major convention
19 facilities in the District of Columbia will significantly
20 contribute to the commemoration of the Nation's bi-
21 centennial year; and

22 (6) the powers conferred by this Act are for pub-
23 lic uses and purposes for which public powers may be
24 employed, public funds may be expended, and the power
25 of eminent domain and the police power may be exer-

1 cised, and the granting of such powers is necessary in
2 the public interest.

3 SEC. 3. The Public Buildings Act of 1959 (73 Stat.
4 479) as amended (40 U.S.C. 601 et seq.), is amended by
5 adding at the end thereof the following new section:

6 "SEC. 17. (a) In order to provide for the District of
7 Columbia facilities for the holding of conventions, exhibi-
8 tions, meetings, and other social, cultural, and business ac-
9 tivities, the Commissioner of the District of Columbia (here-
10 inafter, "Commissioner") is authorized to provide for the
11 development, construction, operation, and maintenance of
12 the civic center to be designated as the Dwight D. Eisen-
13 hower Memorial Bicentennial Civic Center on a site in the
14 Northwest section of the District of Columbia within an
15 area bounded by Eighth Street, N Street, Tenth Street, New
16 York Avenue, and K Street.

17 "(b) (1) Such civic center shall be in accordance with
18 a plan, indicating the design and estimated costs, approved
19 by the Commissioner and the District of Columbia Council,
20 and approved by the National Capital Planning Commis-
21 sion pursuant to section 5 of the National Capital Planning
22 Act of 1952 (D.C. Code, sec. 1-1005) and section 16 of
23 the Act approved June 20, 1938 (D.C. Code, sec. 5-428),
24 and reviewed by the Commission of Fine Arts to the ex-

1 tent required by section 1 of the Act approved May 16,
2 1930 (D.C. Code, sec. 5-410).

3 “(2) Notwithstanding the provisions of section 12 of
4 the District of Columbia Redevelopment Act of 1945, as
5 amended (D.C. Code, sec. 5-711), the urban renewal
6 plan, approved pursuant to section 6(b) (2) of such Act
7 (D.C. Code, sec. 5-705 (b) (2)), for an urban renewal area
8 in which the civic center is located shall be deemed to be
9 modified by the plan approved pursuant to this subsection
10 and the National Capital Planning Commission shall certify
11 such urban renewal plan, as modified, to the District of
12 Columbia Redevelopment Land Agency.

13 “(3) In the development of the civic center in ac-
14 cordance with the plan approved pursuant to this subsection,
15 the Commissioner, notwithstanding any other provision of
16 law, may open, extend, widen, or close any street, road,
17 highway, or alley, or part thereof, by the filing of a plat or
18 plats in the Office of the Surveyor of the District of Colum-
19 bia showing such opening, extension, widening or closing.

20 “(c) The Commissioner shall acquire by purchase, gift,
21 condemnation, or otherwise; all real property necessary to
22 provide for the civic center.

23 “(d) (1) The Commissioner is authorized to enter into
24 purchase contracts including negotiated contracts, for the fi-
25 nancing, design, construction, and maintenance of the civic

1 center. The Commissioner is further authorized to lease the
2 site described in subsection (a) at a nominal rental for a
3 period of not more than thirty-five years. The payment
4 term of said purchase contracts shall not be more than thirty
5 years from the date of acceptance of the civic center and
6 such purchase contracts shall provide that title to the civic
7 center shall vest in the District of Columbia at or before the
8 expiration of the contract term and upon fulfillment of the
9 terms and conditions stipulated in the purchase contracts.
10 Such terms and conditions shall include provision for the ap-
11 plication to the purchase price agreed upon therein of install-
12 ment payments made thereunder.

13 “(2) Such purchase contracts shall include such pro-
14 visions as the Commissioner, in his discretion, shall deem to
15 be in the best interest of the District of Columbia and appro-
16 priate to secure the performance of the obligations imposed
17 upon the party or parties that shall enter into such agree-
18 ment with the Commissioner. The purchase contracts shall
19 provide for payments to be made to—

20 “(A) amortize the cost of site acquisition, includ-
21 ing relocation payments required by the Uniform Re-
22 location Assistance and Real Property Acquisition
23 Policies Act of 1970, and such other moneys as may
24 be advanced by the contractors to the District of
25 Columbia;

1 “(B) amortize the cost of construction of improve-
2 ments to be constructed;

3 “(C) provide a reasonable rate of interest on the
4 outstanding principal as determined under subpara-
5 graphs (A) and (B) above; and

6 “(D) reimburse the contractors for the cost of any
7 other obligations required of them under the contract,
8 including (but not limited to) payment of taxes, costs
9 of carrying appropriate insurance, and costs of repair
10 and maintenance if so required of the contractors.

11 “(3) For the purpose of the purchase contracts pro-
12 vided by this subsection for the erection of the civic center,
13 the Commission is authorized to enter into agreements with
14 any person, copartnership, corporation, or other public or
15 private entity, to effectuate any of the purposes of this
16 subsection.

17 “(e) The full faith and credit of the government of
18 the District of Columbia is hereby committed to guarantee,
19 upon such terms and conditions as may be prescribed by the
20 Commissioner, the fulfillment of all obligations imposed by
21 the provision of this section.

22 “(f) (1) The Commissioner is authorized to accept and
23 administer gifts, personal services, securities, or other prop-
24 erty of whatever character to aid in carrying out the pur-
25 poses of this section.

1 “(2) The Commissioner is further authorized to provide
2 for the operation of any or all aspects of the civic center by
3 any department or agency of the government of the District
4 of Columbia, or may provide for the performance of such
5 operations, including the use or rental of the civic center or
6 its equipment, motor vehicle parking facilities, concessions,
7 and other activities, by contract entered into with any per-
8 son, copartnership, corporation, or other public or private
9 entity, upon such terms and conditions as may be stipulated
10 in the agreements; and for such purposes may utilize or
11 employ the services of personnel of any agency or instru-
12 mentality of the United States or the District of Columbia,
13 with the consent of such agency or instrumentality, upon a
14 reimbursable or nonreimbursable basis, and may utilize volun-
15 tary or uncompensated personnel.”

16 SEC. 4. (a) There is authorized to be appropriated out
17 of the revenues of the District of Columbia such sums as may
18 be necessary to carry out the purposes of this Act. Such sums
19 shall remain available for obligation until expended.

20 (b) There is authorized to be appropriated, out of any
21 money in the Treasury not otherwise appropriated, not to
22 exceed \$14,000,000 to remain available until expended.

23 SEC. 5. The Federal office building and United States
24 courthouse to be constructed in the southwest portion of that
25 block bounded by Mitchell Street, Pryor Street, Central

1 Avenue, and Trinity Avenue in Atlanta, Georgia, is hereby
2 designatèd as the "Richard B. Russell Federal Building", in
3 memory of the late Richard Brevard Russell, a distinguished
4 Member of the United States Senate from 1933 to 1971, and
5 any reference to such building in any law, regulation, docu-
6 ment, map, or other paper of the United States shall be
7 deemed a reference to such building as the "Richard B.
8 Russell Federal Building".

9 SEC. 6. The Federal building to be constructed in the
10 block bounded by the west side of New Orleans Avenue,
11 north of Main Street, and the east of Jackson Street, in Hat-
12 tiesburg, Mississippi, shall hereafter be known and designated
13 as the "William M. Colmer Federal Building". Any reference
14 in a law, map, regulation, document, record, or other paper of
15 the United States to such Federal building shall be held to
16 be a reference to the "William M. Colmer Federal Building".

17 SEC. 7. The Federal building to be constructed in the
18 block of West Commerce Street bounded on the west side by
19 Columbus Street and on the east side by James Street, in
20 Aberdeen, Mississippi, shall hereafter be known and desig-
21 nated as the "Thomas G. Abernethy Federal Building". Any
22 reference in a law, map, regulation, document, record, or
23 other paper of the United States to such Federal building
24 shall be held to be a reference to the "Thomas G. Abernethy
25 Federal Building".

1 SEC. 8. The Federal building being constructed in the
2 block bounded by Ninth Street Northwest, Tenth Street
3 Northwest, E Street Northwest, and Pennsylvania Avenue
4 Northwest, in the District of Columbia shall hereafter be
5 known and designated as the "J. Edgar Hoover F.B.I.
6 Building". Any reference in a law, map, regulation, docu-
7 ment, record, or other paper of the United States to such
8 Federal building shall be held to be a reference to the
9 "J. Edgar Hoover F.B.I. Building".

10 SEC. 9. The Federal office building now under construc-
11 tion in the Capital Plaza area of Frankfort, Kentucky, is
12 hereby designated as the "John C. Watts Building". Any
13 reference in a law, map, regulation, document, record, or
14 other paper of the United States to such building shall be
15 held to be a reference to the "John C. Watts Building".

16 SEC. 10. The Federal building in the block bounded by
17 Second Street Southwest, Third Street Southwest, Cleveland
18 Avenue South, and Dewalt Avenue South, in Canton, Ohio,
19 shall hereafter be known and designated as the "Frank T.
20 Bow Federal Building". Any reference in a law, map, regu-
21 lation, document, record, or other paper of the United States
22 to such Federal building shall be held to be a reference to
23 the "Frank T. Bow Federal Building".

THE

OF

AND

BY

OF

EISENHOWER BICENTENNIAL CIVIC CENTER
(H.R. 16199)

WEDNESDAY, AUGUST 9, 1972

JOINT MEETING OF THE SUBCOMMITTEES
ON PUBLIC BUILDINGS AND GROUNDS,
COMMITTEES ON PUBLIC WORKS, OF THE
U.S. HOUSE OF REPRESENTATIVES AND U.S. SENATE,
Washington, D.C.

The joint meeting of the Subcommittees on Public Buildings and Grounds, met in room 345, Cannon House Office Building, pursuant to notice, at 10 a.m., Hon. Kenneth J. Gray, chairman of the Subcommittee on Public Buildings and Grounds of the Public Works Committee, U.S. House of Representatives, presiding.

Present: Representatives Gray, Cleveland, Grover, Johnson, Kee, Kluczynski, Miller of Ohio, Roberts, Schwengel, Snyder, Stanton, and Terry, and Senator Gravel.

Mr. GRAY. The Joint Senate and House Subcommittees on Public Buildings and Grounds will please come to order.

Senator Gravel, my colleagues of the House, ladies and gentlemen, first I want to thank everyone for coming this morning, and I would like to welcome all of you here.

This is an historic and almost unprecedented action, a joint House-Senate hearing on H.R. 16199 and other companion bills that will be introduced today in the Senate and the House.

I might add that we have in just 1 short day received over 40 cosponsors for this legislation on both sides of the aisle, and we expect that list to grow today and tomorrow.

For more than 2 years, we have studied the need for a civic center in the Nation's Capital. Having sat for days listening to testimony on this subject, I feel that the need is great and the hour is late.

We have reached a point where our great Nation's Capital is not able to be the kind of host that is required for a world capital. The taxpayers of the country are not able to come to Washington and assemble in large conventions because there is no convention center.

We are not able to enjoy the many attractions that would use the civic center and, even more importantly, the city is losing several hundred million dollars per year in badly needed revenue.

Yesterday, Mr. Abe Pollin announced publicly he expects to attract over 350 events per year to his new sports arena that he has planned in nearby Largo, Md. This is more than one event per day.

His hockey and basketball teams will play less than a third of that time. So, Mr. Pollin will be out to take the circus, the Ice Ca-

pades, conventions, and all other events he can away from Washington, the Nation's Capital.

This will result in millions of dollars in lost revenues now accruing to the District, and the loss will be passed on to the taxpayers of the 50 States in the form of an increased Federal payment to the city.

The only answer to this intended steal from the Nation's Capital is the immediate construction of the Eisenhower Civic Center.

Our economic survival depends upon it. Our successful 200th anniversary, the bicentennial, depends upon it.

Our proper consideration of our constituents throughout the country depends upon it.

Preserving the memory of a great war hero and President depends upon it.

New jobs and a vibrant downtown area depend upon it.

That is my personal opinion, my colleagues; ladies and gentlemen, but the purpose of this hearing is to get other opinions.

With that opening statement, I would like to call the first witness this morning and just prior to doing that, I would like to introduce our good friend and my great counterpart, the chairman of the Subcommittee on Public Buildings and Grounds on the Senate side, Senator Gravel, of Alaska.

Senator GRAVEL. Thank you very much, Chairman Gray.

I would just like to say I am happy to join in these hearings with Congressman Gray.

I think it is very momentous legislation as it affects our Nation's Capital.

I am not joined by additional Senators because I had to leave a reception in honor of George McGovern and Sargent Shriver, that is on the Senate side, and even that will be plagued by lack of attendance on our side because we are having a markup executive session on the highway bill, and that is our last crack at it.

I want to apologize for our meager attendance, but not necessarily our enthusiasm.

Mr. GRAY. Thank you, Senator. I certainly understand.

We also have several conflicts in our Committee on Public Works.

We are having hearings this morning on the brownouts, the lack of power on the eastern seaboard. So, we have many absentees. Conferees are also meeting on the water pollution control bill.

But this does not in any way lessen the enthusiasm on both the Senate and the House side for the need for this legislation. Considering the conflicts we have a good turn out this morning.

I would like now to have the great distinction and high privilege of calling to the witness table who I consider to be the greatest Mayor or Commissioner the city of Washington has ever had, the Honorable Walter Washington.

We are glad to see you this morning. We deeply appreciate your coming. I want to personally thank you for all your work on this historic project.

We want to welcome you here, and I understand that you are accompanied by some very distinguished citizens.

Mr. WASHINGTON. That is right, sir.

Mr. GRAY. The Honorable Jack Nevius, Chairman, District of Columbia City Council. Mr. Chairman, we are glad to see you this morning. We very much appreciate your coming.

Mr. Donald Bozarth, Acting Director, National Capital Planning Commission.

Mr. Bozarth, will you please come forward, and Mr. Daniel Shear, General Counsel, National Capital Planning Commission.

Mr. WASHINGTON. Mr. Chairman, Mr. Francis Murphy, our Corporation Counsel, will join us.

Mr. GRAY. Fine. We are delighted to see all of you, and appreciate your coming.

It is always a pleasure to see you, Mayor, and you may proceed in your own fashion.

STATEMENT OF HON. WALTER WASHINGTON, MAYOR, WASHINGTON, D.C.; ACCOMPANIED BY JACK NEVIUS, CHAIRMAN, DISTRICT OF COLUMBIA CITY COUNCIL; DONALD BOZARTH, ACTING DIRECTOR, NATIONAL CAPITAL PLANNING COMMISSION; DANIEL SHEAR, GENERAL COUNSEL, NATIONAL CAPITAL PLANNING COMMISSION; AND C. FRANCIS MURPHY, CORPORATION COUNSEL

Mr. WASHINGTON. Thank you very much, Mr. Chairman and members of the joint committee.

It is a great pleasure for me to participate in this historic occasion, one that is historic in all of the ways that you have mentioned. Even more, I would like to say it is historic in the fact that for one time I see practically every agency in the city of Washington, Federal, local, and in between, all joining in this effort.

I think history should mark this because it is a time when we are moving in unity and in concert for what we believe to be a very solid endeavor.

We are talking, Mr. Chairman and members of the joint committee, about a generator. We think the center that will generate business and serve the Nation. We must remember that our city is a city of tourists, a city that belongs to the Nation. Twenty to 25 million people are coming here to visit their city, and it is altogether fitting and proper that such a facility as we are here to testify in favor of be considered.

We note that throughout the country cities of 50,000 and 60,000 are now building civic centers. We believe that without a facility of this kind in the Nation's Capital, we are not only losing precious dollars which we need, but we are denying the people an opportunity to come to the seat of our Government and, indeed, the seat of the free world, and have a convention.

So we appreciate this opportunity to testify on behalf of the bill, H.R. 16199, which would authorize the District of Columbia Government to enter into a 30-year purchase agreement to finance and construct a civic center in the Mount Vernon Square area.

There we are talking about four lots bounded by Eighth Street, 10th Street, and H Street and New York Avenue, with Ninth Street being kept open for traffic.

As you know, this is a compromise from the original proposal which involved about six times the area. We have cut it down to the point where it is manageable and feasible. I would like to note, Mr. Chairman, and members of the committee, we have, as a result, received what I believe to be nearly unanimous support as a result of this action.

We are then talking about an area that is now deteriorated, an area that is in very sick condition. I am talking about a civic center that would indeed generate new opportunities and new possibilities for our downtown area.

The legislation provides for either public or private operation of a facility and a Federal appropriation of up \$14 million to ease the financial burden on the District government during the first years of operation.

We point out that Washington is a city on the move. It is the center of the Nation's fastest growing metropolitan area. All around we see evidence of important physical construction activities—major new buildings, many private office buildings and commercial centers, and indeed Metro, another generator which side by side with this center can make the difference.

Planned and ready to go are such projects as the Visitors Center at Union Station and a new town at Fort Lincoln.

They take their places along with a revitalized Smithsonian Institution, the Kennedy Center, the expanded National Gallery, the growing plants of our schools, colleges, hospitals, and other institutions, all of which suggest the viability of the town.

The civic center will address an unmet need—and I think this is so important—an unmet need by providing space and facilities for major national and international scholarly, scientific, cultural, and business organizations to meet in the Capital City.

Very recently, if I might digress, I was at a meeting of some foreign representatives. At that time, I understood that we have missed something like 25 international conventions because of the lack of space for exhibits, particularly the lack of space to accommodate groups of over 10,000.

We have and we will submit a list of organizations that fall into this category which are all available as they move from city to city.

The center will also create for the metropolitan area new opportunities for major exhibits such as home and flower, boating and other shows. Some of these are now being inadequately taken care of in the Armory, and this civic center would give us, indeed, the opportunity to draw nationally and internationally on such shows and such opportunities.

The center will be a major boost to the revitalization of downtown, which is what we know without a question. When in full operation, it is estimated that an additional \$50 million per year will be directly added to the economy by convention delegate spending.

We believe this direct dollar impact will cause the other economic benefits, such as the creation of new hotels, restaurants, and other related businesses.

In sum, we believe that the civic center will create such other businesses and spinoffs that the whole area of downtown will come alive. This will mean millions of dollars of growth and creation of hundreds of new employment opportunities for our citizens.

The importance of a civic center for the Nation's Capital was pointed out by President Nixon in his February 4, 1972, Bicentennial Address to the Congress. He said the Center was "vital to the kind of development momentum Washington must have to hold its head up among American cities in the bicentennial era."

The civic center would be an outstanding new addition to the city for the celebration of our bicentennial.

The President also pointed out that the project is largely local in benefits. Therefore, it should be principally financed from local sources, which is the case in the legislation before us.

However, because of the national interest, need, and importance of the project, the President has approved Federal assistance of up to \$14 million as a Federal contribution to the District of Columbia to carry out the purposes of this bill.

This contribution is necessary during the earlier years of the Center's operation before new revenues from economic development fully develop.

The contribution will ease the impact on the now very tight District budget.

The civic center, because of its importance to our city and the Nation, is a fitting memorial to our late President, Dwight D. Eisenhower. While President, General Eisenhower was most interested in District matters and made significant contributions to the life of our city and, indeed, the life of the Nation and the entire world.

It is only appropriate that we honor him with a memorial that will be living and vital to this city's future.

Mr. Chairman, I understand that we have in hand a letter from Mrs. Eisenhower.

Mr. GRAY. I am glad you brought that up. We do have one and, without objection, we will insert it just immediately following your testimony in the record.

Mr. WASHINGTON. Thank you.

As with all public developments, we will be most concerned with the impact of this project on the lives of the merchants, the working people, the property owners, and residents of the neighborhood where the center is to be constructed.

We have, as you will note in the material, adequate relocation funds which will be made available to the residents and the businesses.

There are in this area 61 households, residential, and 82 businesses to be displaced and relocation costs are expected to amount to about \$850,000, close to a million dollars.

The finalization of those plans, of course, is being made and will be made in relationship with the neighbors, both the business and residential neighbors.

We want to assure the Congress, and most particularly those who live and work in the area, that we will not overlook their interests and their concerns. And I think the nature of the hearing today indicates that there has been contact.

I have talked to some members of the business and residential community, as well as the religious community. I am sure that they are aware that our concerns are very, very definitely in their interest, and we will be talking with them throughout the process.

Mr. Chairman, as you can clearly determine from my statements, I fully support H.R. 16199. I indicated earlier we have practically every agency that serves the District here present to participate in one form or the other, either by information or by assertion of support.

This means that we stand foursquare behind this measure in the interest of the development of our great Nation's Capital.

I think it is essential that our city continue to grow, continue to be in the economic mainstream of this Nation, and we believe this is one of the essential elements to make that occur.

Mr. Chairman, with your permission, Chairman John Nevius, the Chairman of the City Council, is here and has a brief statement.

Mr. GRAY. Chairman Nevius, we are delighted to have you and I am sorry that we cannot be as cordial as you were recently. When I went down to the Council, you stopped the proceedings and came down to the well and shook our hands, and I hope that will take place a little bit later.

Meanwhile, I hope it will be sufficient to say we are delighted to have you here.

Mr. NEVIUS. Thank you very much, Congressman Gray and members of the joint subcommittee.

On behalf of the City Council, I would like to say first we endorse wholeheartedly the remarks of Mayor Washington this morning on the merits and desirability of H.R. 16199.

We are disappointed, of course, that Mr. Pollin chose not to place his sports arena in one of the downtown locations which we identified for him very recently, within 2 months or less than 2 months of the 3 months he was asking for.

But I would remind you gentlemen that a sports arena cannot compare with a convention center of the type envisioned here in terms of an income producer for the city.

Income produced by a center like this in turn produces local revenues, and I do not have to remind you gentlemen about the importance of local revenues in the financial cycle within which the District of Columbia meets its budgetary needs.

Now, the Congress and the administration and the private sector, the Mayor and the Council, have all cooperated, as the Mayor pointed out, to bring you a proposal which in this instance is large enough to bring in the kind of revenues that are very much needed in a city of our size and at the same time is small enough to fit into the neighborhood where it is projected with a minimum amount of displacement of merchants and the Chinatown community which we all value so greatly.

The economics of the thing speak for themselves. As was pointed out in the Booz Allen report, on the basis of which this proposal has been created, there are over 4,000 conventions held in the United States each year. Of these, about 124 have more than 1,000 people in attendance, and the demand for physical locations to take care of those 124 is extremely great.

The Booz Allen report estimates that about 30-some of those would be coming to this center, if you gentlemen will enact this bill.

This will provide a tremendous boost to the local economy. It will be economically feasible on its own face, and it will be an essential ingredient in the revitalization of the downtown of the Nation's Capital.

I earnestly solicit your support for this proposal.

Thank you, Mr. Chairman.

Mr. GRAY. Thank you, Mr. Chairman, for your very fine statement.

Mr. WASHINGTON. Mr. Chairman, if I might just for one moment before we get into questioning indicate that we have representation from the OMB. He has just joined us, Mr. O'Neill, an Assistant Director of OMB, if I might ask your permission to have him give a few remarks.

Mr. GRAY. We would be most delighted to hear him and we appreciate very much his coming. I understand he is accompanied by Mr. Ted Lutz, also of OMB.

Mr. WASHINGTON. That is correct. They are here in force this morning.

Mr. GRAY. Mr. O'Neill, we know you are extremely busy, and we so much appreciate your coming.

Mr. O'NEILL. I am happy to be here. I do not have a prepared statement, but I have a few remarks.

Mr. GRAY. We would be happy to hear from you.

Mr. O'NEILL. With the chairman's permission, I would like to insert in the record a statement by the Director of the Office of Management and Budget, dated July 5, stating the administration's basic position with regard to the question of the convention center.

Mr. GRAY. It will be received at this point in the record.

(The item referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 5, 1972.

Caspar W. Weinberger, Director of the Office of Management and Budget, today announced that the Administration would support legislation authorizing the District Government to build a convention center complex in the downtown area. The precise components and location of the project will be determined by the city government.

Because of the importance of this project to the 1976 Bicentennial, the President will request authorization for a small Federal contribution to the project to ease a projected operating loss in the first few years.

The Administration will cooperate fully with the District Government in the timely development of legislation to be transmitted to the Congress and will work for its early enactment.

The President in his Bicentennial message of February 4, 1972, had earlier endorsed the District Government's intention to build the project, which is expected to provide substantial local benefits for the city. Discussions have been in progress among executive branch officials, the Mayor's office, interested congressmen and local business leaders looking toward a means of building and financing the project.

The Administration's position is based on the following considerations:

1. This project is fundamentally a local project, with substantial local benefits and a significant impact on District citizens. The local government should have primary responsibility for and control over the project, and financing should be primarily from District funds.

2. Building the complex as a local rather than Federal project would preclude any questions about the propriety of using the purchase contract authority recently granted GSA under the Public Buildings Act to construct such a complex.

3. Authorizing construction by the District by a full legislative process rather than as a Federal project would allow for public hearings and a full discussion of the import and impact of the project on the city.

Mr. O'NEILL. With that in the record, I would like to proceed just to make a few comments in behalf of the administration.

First, I might introduce myself a little bit and say I am Paul H. O'Neill, Assistant Director of the Office of Management and Budget, and I have basic responsibility for the areas of human resource programs and what we classify as general government programs, which includes matters affecting the District government.

I am pleased to say that I am appearing in full support of H.R. 16199 and its purposes. We believe that this bill is an excellent example of local initiative by the Mayor and other city leaders.

As I have indicated in the statement I have read, the President's interest in this project is very real and very deep. He mentioned it in his February 4 statement on District of Columbia affairs and indicated at that time the basic role that he saw for the Federal Government in this project.

We commend you, Mr. Chairman and other Members of Congress, for your continued dedication to this project, and we are very happy to join the Congress and the District of Columbia government in achieving this project through this legislation.

We believe, as the Mayor and Mr. Nevius have indicated in their statements, that this project is an excellent one that would provide new life, new jobs, and new economic development possibilities for the downtown area of the Nation's Capital.

We believe it would provide an opportunity for thousands of citizens to visit their Nation's Capital, especially significant as we approach the bicentennial celebration of our Nation.

Finally, the President feels very, very strongly that the project as proposed for construction under this legislation would indeed be a fitting memorial for the late President Eisenhower.

We believe this bill is an excellent approach. We believe it recognizes the basic local nature and functions of the facility as well as the significant impact of the center on local citizens, by placing the long-term development, managerial and financial responsibility for the facility with the District of Columbia government.

The bill would provide the District government with a purchase contract method for constructing and financing the center, a method that will enable the District government to pay for the project as the revenues accrue to the District treasury.

In addition, the purchase contract method is comparable to the recently enacted amendment to the Federal Public Buildings Act.

Finally, we believe this project recognizes the importance to the forthcoming bicentennial celebration in Washington and the continuing Federal interest in the quality of life in our Nation's Capital by authorizing a limited Federal contribution to ease the initial burden on the District of Columbia budget.

Mr. GRAY. Thank you, Mr. O'Neill. There are no sweeter words than to get a nod from your banker.

In the 18 years that I have been here, I think this is probably the first time we had anyone from OMB actually testify on behalf of a bill. So I am doubly pleased you would take the time from your busy schedule to come down this morning.

Mr. O'NEILL. I am pleased to do so.

Mr. WASHINGTON. Mr. Chairman, I would just like to have the statement submitted to the President of the U.S. Senate and the Speaker inserted in the record. Both documents are similar in terms of summarizing the bill. Basically they deal with section 3 of the bill which has the elements in the bill involving the development plan, the design, costs, the direction to the Commissioner to acquire by purchase, condemnation or otherwise all real property involved, the authorization for the Commissioner to enter into purchase contracts for a period of not more than 30 years to provide for construction of the center, the authorization for payments to be made to amortize the cost of the design, construction, and also site acquisition, including relocation payments required by law. There is provision that the developers be allowed a reasonable rate of return.

These are summarized in these documents, and I would ask they be submitted for the record.

Mr. GRAY. Without objection, the letters will be printed immediately following your testimony.

Mr. WASHINGTON. Mr. Chairman, may I just say in concluding that I have had the rich experience of working with you in the past few months closer than we perhaps have ever worked in an effort to get both a convention center and a sports arena, and I would like to say for the record that I have had no greater experience during my period of service than that of working with you and seeing the enthusiasm and the dedication which you bring not only to the Congress but also to the interest of the Nation's Capital which should be everyone's concern.

I particularly was pleased with your program on Sunday. If I could get 10 people in the city to talk as positively about this town as you did on Sunday progress would be far less difficult. I must say I am having the tape viewed.

Mr. GRAY. I appreciate that Mayor, but I was in Chicago and I did not see it.

Mr. WASHINGTON. You might want to see it because I am showing it to my cabinet, on how one reacts positively to an area, to a Nation's Capital.

Mr. GRAY. Let me return the accolades, if I may, and I mean this sincerely from the bottom of my heart.

Not only on this project, but many, many others of no one in the Nation's Capital who has worked any harder than the present witness.

Mr. WASHINGTON. Mr. Chairman, we will rest our case on that. That is a good way to conclude, while you are ahead a little bit. I would be pleased to take questions.

We have a number of technicians that I hope will be called upon to assist me in giving you the best information we can.

Mr. GRAY. Thank you very much, Mayor, for a very intelligent presentation.

I would like, for the record, to ask a couple of questions since we are in this legislation authorizing private entrepreneur financing.

In your experience I know you have talked to a number of people and local consortiums, but do you feel we will have any difficulty at all in getting private capital to put up this money?

Mr. WASHINGTON. I do not at all. I know there are a number of firms, consortiums, and individuals that have indicated their interest already.

The board of trade and practically the entire business community, black and white, are represented here and I think they will further certify on this point that we are ready.

Mr. GRAY. I had a feeling that was so, but I wanted to hear it from you.

Mr. WASHINGTON. We are ready and willing in this community.

Mr. GRAY. Another thing I noticed in your letter submitted to the Speaker and the President of the Senate, you mentioned the possibility of having to pay as much as an 8-percent rate to a private entrepreneur. Do you not feel, particularly with local people who have the funds that we might be able to get a much more desirable rate than the 8 percent?

Mr. WASHINGTON. We think so, Mr. Chairman, but we felt that we should use the going rate and hope to be able to beat that.

But I think we took an outside parameter in the effort of coming in with this figure.

Mr. GRAY. I understand. I was not criticizing, but I really think you can get a better rate than that.

Mr. WASHINGTON. We discussed this, and I think OMB may be able to react to that in terms of their knowledge of the situation.

Mr. O'NEILL. I would just reaffirm what the Mayor has indicated. It has been our policy, as we look at Federal projects across the board or Federal involvement in construction projects, to try to use what we consider to be a realistic and conservative estimate of what interest costs might be incurred. We tried to follow that rule in this case, and we, with the Mayor, would hope the city would be able to do better than the rate indicated.

Mr. WASHINGTON. We have pledged the full faith and credit of the city, for whatever that is, Mr. Chairman, and we believe it ought to bring us a little better rate than the 8 percent.

Mr. GRAY. I wanted to ask one other question, and I did not say this in my opening statement to be critical toward Mr. Pollin because I, for one, appreciate what he is trying to do to bring sports to this area.

I feel he should have located it downtown, and we offered to build a sports arena with private funds. Be that as it may, I do think with his announcement of yesterday that he expected to have 350 or more events per year out at Largo, that this runs a great jeopardy to the revenues of the District of Columbia because if he does siphon them off with an 18,000-seating-capacity facility, siphon off the circus, the Ice Capades, the auto show, the boat show, other things playing in the District now and which certainly bring a lot of revenue to the District, this could certainly jeopardize your financial posture in the city if we do not build the Eisenhower Civic Center.

Mr. WASHINGTON. You are right on target and we are very much aware of that. If he can speak of 350, I would like to be thinking of 650 using the building all day and a good portion of every evening. With the kind of calls that we have had for space over the period this is possible. Without the center I think the arena could just completely

siphon from the city the opportunities we have and leave us virtually without any opportunity to compete in any way sportswise or otherwise in reactivating our downtown area.

It just seems to me this is so vital and I am so pleased that this joint committee has undertaken in such an expeditious way to concern itself with this legislation and with this opportunity. We are not simply talking about another city in America. We are talking about the vitality of the Nation's Capital and that is something that I think we all have to carefully examine.

Mr. GRAY. I agree with you implicitly, and I think it is certainly a warning signal that we had better get busy if we are going to stay with the revenues we are now getting from these events and certainly bring in new revenues so badly needed.

That concludes my questions. I would like to yield.

Senator, do you have any questions?

Senator GRAVEL. With respect to the relocation of the Chinese community, how will this take place? What plan do you have and also how will you relocate the businesses, those that average \$8,000 cost for relocating of the businesses and a smaller cost, obviously, for the families? Do you have any comment on this?

Mr. WASHINGTON. I would like to have Mr. Brimmer, from RLA, reply to that question. We will be following the guidelines of the Relocation and Real Property Act which is already on the books. The RLA is participating with us and has addressed itself to this problem for a number of months when we even had a larger site.

Mr. Brimmer, would you outline for the Senator, please, just how we will proceed?

Mr. BRIMMER. Yes, sir.

As you have indicated, the provisions of the Real Property Act will apply in this case. The cost estimates are average figures based upon our experience to date in relocating businesses.

They are by no means limits here. The provisions of the act provide for the payment of actual moving costs, whatever they may be, for families and businesses in this case.

Our agency functions as a central relocation agency for the District and presumably would operate under an agreement with the District if this facility is built to provide technical assistance as well as disburse the payments.

Senator GRAVEL. How much slippage in total employment is there with the relocation of these businesses? What has been your practice in the past of businesses that were actually taking their money and running since it is a good opportunity to be bought out?

Mr. BRIMMER. It is our hope and expectation that most of the businesses will remain in the nearby area and certainly in the District of Columbia.

Mr. WASHINGTON. The Senator asked what is our experience.

Mr. BRIMMER. I do not have that figure. It is not a significantly large one.

Senator GRAVEL. How does this compare with the employment potential of the center itself? I saw some beginning figures of 1,844. Do you have a figure of what you think the center will employ?

Mr. WASHINGTON. We have some figures at this time, Senator. I think that we are talking about some 65 people that are expected to

be permanently employed in the center. We are also talking about direct expenditures for construction of the facility which will go into the millions in terms of promoting the economy during that period.

Actually, in terms of the regular component as we envision it now, there will be some 65 to 100 people that will be regularly employed; but as the exhibit and the conventions come on, there will be thousands of people for service jobs and in the maintenance field and in other areas.

Mr. GRAY. That is a permanent cadre?

Mr. WASHINGTON. We are talking about a permanent cadre.

That is what I was trying to explain. It goes into the thousands as we have been able to get the experience from the hotels and—

Mr. GRAY. Plus there is no doubt in anyone's mind and certainly not in mine that after talking to many of the large groups, that new hotels and motels will spring up in the area. So I do not think anyone can really know as to how many thousands of jobs are going to be created. But thousands will be.

The day we authorized the National Visitors Center at Union Station, the Quality Court Motel at a cost of several million dollars investment was built on Capitol Hill. There is no doubt in my mind whatever there are going to be thousands of jobs created when the civic center is open.

Mr. NEVIUS. Mr. Chairman, I might just add to that I think to get a better perspective on this question, Senator, that it is important to remember this project is located in what is already an urban renewal area, and the entire neighborhood was chosen as an urban renewal area because it is not operating to anywhere near its reasonable capacity in terms of good, meaningful land use.

As the area is gradually renewed in the ordinary statutory process, many, many times as many job opportunities will be generated as new structures are substituted for the old obsolete structures in the area now.

Senator GRAVEL. How large is the urban renewal area in question in relationship to the immediate site that is being chosen here? Is that whole area urban renewal?

Mr. BRIMMER. The entire urban renewal area extends from approximately North Capital Street to 15th Street and consists of about 620 acres. This site is approximately 10 acres within that.

Senator GRAVEL. What is the status of that urban renewal?

Mr. BRIMMER. That plan is being carried out in annual increment program of action in which our agency is authorized by the City Council and funded by HUD to acquire specific properties within it for redevelopment, and we are proceeding.

Senator GRAVEL. When was that established?

Mr. BRIMMER. The general urban renewal plan was established in January 1969.

Senator GRAVEL. What stage are you at, 10 percent acquisition, 20 percent or what?

Mr. BRIMMER. We have purchased several blocs of property. We are in the process of completing the purchase on four or five additional blocs.

Senator GRAVEL. Percentagewise, what would you guess that is to the total area?

Mr. BRIMMER. So far we have been authorized to acquire 15 to 20 acres of the area.

Senator GRAVEL. That is what percentage?

Mr. BRIMMER. I am sorry. My mathematics are not that good, but it is 20 acres out of 600.

Senator GRAVEL. What character is this property as you acquire it? What is your new zoning? What are you going to do with it?

Mr. BRIMMER. With respect to the convention center site?

Senator GRAVEL. With respect to the total site since this is part of it. Mr. BRIMMER. The area is in the part of the central business district of the District of Columbia, and we intend for it to remain of a business character. We would like to introduce a new residential area north of Massachusetts Avenue. The area will stay predominantly the same, more opportunity for businesses, offices, hotels, with the additional component of apartment houses.

Senator GRAVEL. I am assuming that the Capital Planning Commission and yourself, Mr. Mayor, have an overall plan of how this is going to be integrated into the total package?

Mr. WASHINGTON. Yes; we do. If you would like, Mr. Bozarth, who is here, is the Deputy Director, and he could perhaps just thumbnail the general schematic plan for you.

Senator GRAVEL. I do not want to take too much time. I think I am in at the lower threshold of knowledge in this area, and I think maybe some of this could be done privately with myself and my committee.

Mr. WASHINGTON. We will be very happy to make ourselves available to you.

Senator GRAVEL. I think that can be done in a more efficient way at a later time.

Mr. WASHINGTON. I would like to say, Senator, that the National Capital Planning Commission and our City Council have both approved the entire schematic and development plan for the downtown area, and we would be most pleased—

Senator GRAVEL. We will coordinate in a very tight briefing.

Mr. GRAY. Thank you.

Questions on my right?

Mr. Grover of New York.

Mr. GROVER. Mr. Mayor, I compliment you on a very good presentation so far and on the great work you are doing in our city. If you decide to retire, we have a big city that needs help.

Mr. WASHINGTON. I have been up there, you know.

Mr. GRAY. We stole him from that city.

Mr. GROVER. We have got some problems with it of recent vintage.

Mr. Mayor, we have had some problems in financing the stadium and the Kennedy Center. At least the Kennedy Center has some financial problems which may have been a matter of misunderstanding.

So I think to clear the deck somewhat for this legislative effort, we should have some understandings.

There is proposed here in the legislation and as noted by Mr. O'Neill a \$14 million Federal appropriation, to remain available until expended. Do I presume correctly that is for construction purposes?

Mr. WASHINGTON. No, sir. That is for the use during the initial days of operation. Assuming it will take 2 or 3 or 4 years to put the center

into its full operation, this money would be available during that time as a cushion for operations.

The construction costs, of course, would come out of the leasing arrangement for that 30-year period. A private developer would go forward with construction. We would have the purchase agreement with the private developer.

Mr. GROVER. It is a temporary operating subsidy, if you want to call it that?

Mr. WASHINGTON. I think that is a fair description of it, but I want to be sure you understand that the precise construction and leasing factors are the same as this committee has authorized under the Public Buildings Act. It is the kind of arrangement where GSA goes out—

Mr. GRAY. If Mr. Grover will yield on that point, I am glad you raised it because I think it is very pertinent.

Is it not a fact that the private entrepreneur puts up all the construction financing and long-term financing, but it takes 3 to 4 years before this facility is operational, and then at that juncture, 3 to 4 years from now, you will then have the facility in operation and know whether your revenues are in a position to amortize the purchase contract payments, and only in that event if you do not take in as much as your payments are, you will reach into this \$14 million.

Mr. WASHINGTON. That is correct.

Mr. GRAY. So it will be 3 or 4 years downstream, and it would not affect the fiscal policy of the Nixon administration in 1974, 1975, or possibly fiscal 1976; and then even in 1977 whenever you have to use it, you would not use all of the \$14 million possibly the first year because the entrepreneur payments are only estimated to be between \$5 million and \$5½ million.

Mr. WASHINGTON. That is correct, sir.

Mr. GRAY. So this in no way could unbalance the budget or have any effect on the fiscal policy of the administration or the District of Columbia budget, is that not a fact?

Mr. WASHINGTON. I think that is exactly so, and that is what was my concern and Mr. Nevius' concern. We did not want to impact on our already difficult budget to provide the facility, or on the Federal Government's budget plans.

So that what we are talking about—and I think, Mr. Grover, you probably described it best—is a temporary cushion. This is what it is, available in the event that revenues do not come forward to cover the expenses in the earlier years.

Mr. GROVER. The \$14 million will not be used for land acquisition, nor for construction?

Mr. WASHINGTON. That is correct.

Mr. GROVER. Only for operations during the period when you are attempting to get the facility in high gear?

Mr. WASHINGTON. Yes, if needed.

Mr. GROVER. Again with the experience we had with the Kennedy Center, again born perhaps of misunderstanding, several times requests for additional funds for construction purposes were made, and then at a later date there was and has been a request for an operating subsidy.

Those who saw the words in the record, "We will make no more requests for funds," attributed that or related that to the operating funds which would be needed later, at least for so much of the Kennedy Center that was maintenance of the center as a memorial.

It is now funded through the Interior appropriation bill.

Is there going to be any budget appropriation in the future for operating or maintenance funds for so much of this which will be attributed to the memorial for Dwight David Eisenhower?

MR. WASHINGTON. I think, Mr. Grover, that is precisely what the \$14 million is intended to do. We are looking at a budget against revenues, expenses against revenues, and within the budget which we anticipate there will be a sum for maintenance. In the earlier years, of course, we will have the cushion until we can get in full gear.

This is why this is so different from either the stadium or the center. We do have here a clear experience. We are doing it through this process like 60 other cities in America, and we are following that same process with the same guidelines with respect to budget and revenues. Fortunately here, because of the Federal interest, we will have that cushion in the earlier years to offset losses until we can get going.

MR. GROVER. Let us nail that down.

MR. WASHINGTON. That is what does not happen, incidentally, in the Kennedy Center. If they had had their \$1.5 million, which this committee dealt with, they would not have had a problem. They did not have a cushion. They ran into unexpected difficulties even with vandalism and theft and were not able to have the money, as we will be able to in this case. This is the beauty of this situation over what the Kennedy Center had in terms of those projected earlier years.

You see, it has only been in operation for a year this September. If they had had what we have in this cushion, it would have been able to be managed without coming back to the Congress or being in the difficulty it is in now.

MR. GROVER. Keep in mind that the Washington Monument is a memorial to Washington and gets a maintenance subsidy of over half a million dollars and the Lincoln Memorial has one of over \$300,000 or \$400,000, and there is no objection to that and I don't find any fault at all with annual maintenance for the Kennedy Memorial, which is a national memorial for President Kennedy.

If this is to be a national memorial for Dwight David Eisenhower, the \$14 million is not going to last forever.

But you feel that when that \$14 million cushion is expended, it will be self-sustaining and you will not be coming back to the Federal Government for more money?

MR. WASHINGTON. Yes, sir. That is precisely what we believe, and we have some budgeteers here who will reflect a little more specifically this view.

Have a seat, Mr. Coppie. This is a very crucial question. You want to make sure you answer the Congressman.

MR. COPPIE. Mr. Grover, I am Budget Director for the District of Columbia and my name is Comer Coppie.

I think the plan has been carefully outlined here and it is important to recognize that the District will not get involved in any payment to the developer until it actually takes possession of the facility.

That possession is scheduled under the current calendar for the fiscal year 1977.

Now, in that particular year in the financial plan we have outlined, and just looking at this one year as a specific example, we anticipate that the lease payment in that year will be \$5.8 million. That, of course, will continue for a period of 30 years.

The operating loss in that first year of operation is estimated at \$1.4 million and the total cash requirement in that year is \$7.2 million.

The spinoff tax revenues that the District will realize in that initial year are estimated at \$2.3 million. The Federal contribution, therefore, would be \$4.9 million. The spinoff tax revenues of \$2.3 million, coupled with the \$4.9 million, will meet the total cash requirement of \$7.2 million.

Now, we go forward then for each year and that Federal contribution phases down from the year 1977 to a low point of \$200,000 in 1985. That is the last year that we anticipate the need for the Federal contribution. The total is \$14 million over the period 1977 to 1985.

I think it is significant that in the year 1986 we estimate that total cash requirement of \$6.2 million and the spinoff tax revenues from the total facility and related facilities at \$6.2 million. It will be at that point that there will be no net loss.

Mr. GROVER. It is a one-shot contribution?

Mr. WASHINGTON. We look upon it in our best estimates with our budget and finance people as a one-shot situation.

As you can see in 1985, the tax yield is \$5.9 million against a budget of \$6.1 million. So we are \$200,000 short in that year which is the cutoff year.

Thereafter, the tax yield is \$6.2 million against \$6.2 million.

Mr. GROVER. I am satisfied with that information.

One last question, Mr. Chairman.

Mr. GRAY. Yes.

Mr. GROVER. You mentioned delivery or occupancy in 1977. Is that fiscal 1977?

Mr. WASHINGTON. Fiscal.

Mr. GROVER. Then we are not precluded from occupancy during the bicentennial year?

Mr. WASHINGTON. Our whole projection is for occupancy in fiscal 1977, which is the year 1976, the bicentennial year.

Mr. GROVER. In fact, July 4, 1976?

Mr. WASHINGTON. Yes; and we expect to have it under inspection at that time.

That is why, of course, we are so appreciative of this committee's expeditious movement of it because in construction years it is a very short period of time.

Mr. GRAY. Our dear friend from Illinois, Congressman Kluczynski.

Mr. KLUCZYNSKI. Thank you, Mr. Chairman.

I want to congratulate the mayor of the city of Washington for the splendid statement he is making in support of H.R. 16199 on this much needed civic center.

We are very proud of our chairman of the Subcommittee on Public Buildings and Grounds, for what he has done and he has made it possible for us to pass the legislation for the Visitors Center, which was also much needed.

You have done a very good job, and I understand the Visitors Center will be completed before 1976.

Mr. Mayor, I want to see that the District of Columbia is the model city and the most beautiful city in the world.

I want to thank you for the splendid job that you and your staff, and the City Council are doing.

I have said a few kind words, and I hope when you meet with the City Council you will be able to say that "Big Klu" of Chicago, the chairman of the Subcommittee on Roads in the House of Representatives, is coming up with highway legislation. We anticipate passing that before the first of October.

He just said a few kind words. Maybe we can get together on the freeway and help build the Three Sisters Bridge. [Laughter.]

Just a few words for "Big Klu."

The mayor of the city of Chicago lives in my district. I do not know if he is interested in this legislation on highways, but "Big Klu" is.

Mr. WASHINGTON. I would be delighted, Mr. Chairman.

Mr. KLUCZYNSKI. We can get together.

Mr. WASHINGTON. "Big Klu" has always been a friend of Washington as well as Chicago, and I know it.

Mr. GRAY. Any questions or comments on my left?

The gentlemen from Ohio, Mr. Miller.

Mr. MILLER. If I may, I would like to thank Mayor Washington for his testimony and the answers he has given. It is very enlightening.

Mr. WASHINGTON. Thank you, Mr. Miller.

Mr. MILLER. I have one question about the legislation since you say other people are here with you who can also help answer the questions.

As I understand from the legislation, the Commissioner would be allowed to open, extend, widen streets, highways, alleys, this type of thing, and also the Commissioner shall acquire by purchase and/or condemnation all real property necessary to provide the civic center.

I understand from the list of people here who are to testify for or against the legislation that apparently they would be property owners, residents of the area.

I understand you have representatives of the Redevelopment Land Agency and the National Capital Planning Commission with you.

My question is, will this be the public hearing? Will it be necessary to hold another public hearing in order to acquire the property that would be necessary for the convention center?

Mr. WASHINGTON. First, we are mandated by statute.

Mr. SHEAR. Mr. Miller, the legislation would require the approval of the plans for the civic center after they are developed by the Commissioner, by the District of Columbia City Council, and by the National Capital Planning Commission.

In connection with that approval process, both the Council and the Commission will conduct, or would conduct hearings which they customarily hold in reviewing project plans.

So, there would be additional hearings on the plans for the civic center itself when those plans have been prepared and presented for approval.

Mr. MILLER. That is on the plans for the center, but not necessarily for acquisition of property?

Mr. SHEAR. That is correct.

The legislation would authorize the construction of the center within a site, within the four blocks previously described, and the plans would specifically indicate the site within the four-block area. Those plans would be the subject of further public hearings.

Mr. MILLER. I guess I still do not have my answer.

Mr. SHEAR. I am sorry, Mr. Miller, that it is not responsive.

There would not be a public hearing on land acquisition per se.

There would be a public hearing on the plans for the project, for the civic center, at which any member of the public, any property owner or resident of the area, or other member of the public would be afforded an opportunity to present their views on the plans from favorable comment to outright opposition with all views in between.

To that extent, it would go to the question of acquisition of the property necessary to carry out the plans for the center.

Mr. GRAY. Would you yield.

I think I can answer that.

This matter would be handled precisely like the land acquisition for all other Federal buildings throughout the country.

As you know, we recently authorized construction of 63 buildings. That does not require or permit in the law an individual hearing by an individual citizen in the District of Columbia. The U.S. attorney's office or RLA would take the property if it had to be condemned.

Every possible means of negotiation would be carried out before the land would be taken, but this would be handled in the same manner as a building in my district or your district or any other place.

Mr. MILLER. The fact that the Redevelopment Land Agency and the National Capital Planning Commission are also involved does not mean that there would be any additional public hearings?

Mr. GRAY. Not in connection with the civic center except as authorized by law.

Mr. NEVIUS. I would like to add, Mr. Chairman, that again all of the land envisioned here is part of an urban renewal area which, under existing statutes, is destined for renewal at some point in time in the years to come.

Whether this particular piece is developed as proposed under this legislation, or in some other manner, it is destined for redevelopment because it has deteriorated. It is in a condition of deterioration which meets the guidelines of the Federal urban renewal statutes. And it has been picked for redevelopment already.

Mr. MILLER. Thank you for that information.

Mr. GRAY. The gentleman from Iowa, Mr. Schwengel.

Mr. SCHWENGEL. Thank you, Mr. Chairman.

I am sorry to be a little bit late, but I had some other commitments before the Foreign Relations Committee where we have a treaty.

I assure you of my continued interest, which I think the Mayor knows quite well.

Mr. WASHINGTON. Quite well.

Mr. SCHWENGEL. Since I have been here, I have helped the District in every way I can. I am the one who went down when some of your people did not want all of your rights.

I want you to be a State. I want you not to have the title of Mayor but of Governor. I want equality for the District. I want to put that on the record.

I want to pay tribute to the President of the Council and you, in particular, for the fine leadership you are giving this community.

Mr. WASHINGTON. Thank you.

Mr. SCHWENGEL. You have given us a government we can look up to, and a safer city for the people to visit. I commend you for that.

Now, I want to talk about something that is making it hard for me and, I think, hard for Members of Congress, and you are not at fault, but the media is.

Every time we see something in the media, it refers to this as a convention center. That is not as defensible for us back there in the sticks as it would be if you speak of what this is, the Dwight David Eisenhower Memorial Bicentennial Civic Center.

I think it ought to be designated the International and National Center if this is what it is going to turn out to be.

Mr. GRAY. If the gentleman will yield to me, I apologize for interrupting, but the gentleman from Iowa offered the amendment to name this the Dwight D. Eisenhower Bicentennial Center. This was his idea.

Mr. SCHWENGEL. I wish the media, who professes to want to help us and help you, would quit calling this just a convention center, because it is not just a convention center.

It is appropriate to set the target date of 1976, and I like that.

But, I have not seen any plans that would identify this convention center with the bicentennial. Some have been suggested, and my question is, "Has some thought been given to this in your own Bicentennial Commission?"

There are going to be millions of square feet of walls that can carry a magnificent art message of the history of America for the bicentennial, and I offer that as a suggestion, because this should give an additional attraction for people to come to Washington.

You might even envisage a section of works from the art galleries, who might want help in displaying some things they want to display, or other displays, and cooperate with the folk festivals that are so magnificent that we have here.

Now, one other thing, and that relates to the figures we have.

Mr. WASHINGTON. Could I just respond to that?

Mr. SCHWENGEL. Yes.

Mr. WASHINGTON. The Chairman of the Bicentennial Commission is here, Congressman Schwengel, and we have some plans.

Of course, it is so important that we get the legislation so we can finalize our plans, but I think those suggestions are right on target.

For your information, the location here in Mount Vernon is only two blocks away from our new library, on the one corner, and right across the street from the Portrait Gallery. This would make an entire complex along the line that you are suggesting, with an interplay there between those cultural units that are already in place.

So, this would fall right in, it seems to me, with your suggestion.

Mr. SCHWENGEL. When we go to the floor with this legislation, we are going to be reminded of the stadium and its apparent financial fiasco.

So, my question now is, "Can you document these figures that have been presented and give this committee some assurance that in 1987, it will be self-sustaining, carry itself, with no additional cost?"

Can we document that? Can we give the Congressmen some assurance that we would not have the same thing which happened with the stadium?

Mr. WASHINGTON. I think we can, Mr. Congressman, and we will provide beyond the information which we have already provided our very best projections. This bill has got some things built in that were not included in for the stadium or the Kennedy Center. We will have full documentation.

I would believe that the important thing here is that in 60 other communities in America, we are using the same practice. This is an identical process that this committee used in its Federal Buildings Act.

We have taken the guidelines, the lessons, and have utilized the President's approval of the \$14 million cushion.

In direct response, we will have this information in your hands. We know what problems will be raised, and we want to be ready for them.

Mr. SCHWENGEL. Thank you, Mayor, and thank you, Mr. Chairman.

I think it is very important information and some assurance we must have because that question will be raised on the floor by those who are budget minded, and one might be from Iowa.

Mr. GRAY. We have studied this matter for more than 2 years. We have some very recent history, let me mention one place.

Anaheim, Calif., has a civic center with only 130,000 square feet of floor space. They took in \$780,000 more last year in Anaheim than the cost of amortizing their bonds.

They had a visitation at Disneyland of 3½ million people, and they admit they located the Anaheim Coliseum next to Disneyland in order to be close to the area where they had large numbers of people.

Compare, if you will, 25 to 30 million people now coming to Washington versus 3½ million going to Disneyland in California, and you can see that this certainly can be a self-sustaining operation.

So, I think we have been very conservative.

Second, there is a new Los Angeles Coliseum, and I have an artist's conception if one of the staff will hold it up. I think it is very pertinent that we get this in the record because these are very recent case histories.

There are three coliseums-sports arenas combinations in the Los Angeles area. We have none in Washington.

Even with the other competition in the Los Angeles area, this facility generated more than \$90 million in downtown Los Angeles in fiscal 1971-72. This is exclusive of what the exhibitors spent for rent and other moneys spent at the facility.

The chamber of commerce and the board of trade and other people in Los Angeles claim this one facility that is brand new generated \$90 million in the downtown Los Angeles area last year exclusive of what was spent at the center.

I am talking about motels, hotels, restaurants.

We now have a projection of \$50 million a year for this center. If we have three facilities in Los Angeles, and this one, being brand

new, generated \$90 million, and there are none in Washington, I think it is reasonable to assume that this could generate \$200 or \$300 million a year.

So, I personally feel these estimates of income in Washington are far too low. I understand you have to be very frugal about this—but I think taking the case history of Los Angeles and the one in Richmond, which very recently opened, a smaller facility, where they had three times more business last year than they expected; the history of the Anaheim facility that is very small, as I mentioned, it had 631 events last year. That is almost two per day, including Sundays and holidays.

So, I think you can see these projections of income are very small compared to what is really happening in other locales around the country.

MR. WASHINGTON. I think, as you know, Mr. Chairman, that you have also given us that information and we have that and some more in our projections. We wanted to be conservative.

MR. GRAY. I was not being critical. I appreciate your being conservative.

But, I think it answers the questions of the gentlemen from Iowa and New York that you have been very realistic and conservative in your estimates of income, especially when we will be 8 or 9 years drawing on the \$14 million subsidy, as it were.

MR. WASHINGTON. Yes.

MR. GRAY. This is not going to unbalance anybody's budget.

The gentleman from Kentucky, Mr. Snyder.

MR. SNYDER. I had to leave, and I hope I am not repetitious in what transpired.

But, there was some comment about current activities at the armory, and I anticipate that you are planning on moving these events to this facility which you indicate will be more adequate.

MR. WASHINGTON. Yes.

MR. SNYDER. What happens to the armory?

MR. WASHINGTON. The armory continues as it is.

Basically, it has accommodated a few exhibits and that sort of thing, the boat show, the horse show, but these are not generators of any substantive funds.

The basic purpose of the armory there is to service the National Guard as it is in most places.

MR. SNYDER. It has been generating some revenues from these activities, has it not?

MR. WASHINGTON. A limited amount, yes.

But, with the center, we would be in a position to really promote. You see, the problem with the armory is that it is just a gymnasium or a hall.

We are not able to generate much in the way of exhibits. No exhibit space is available except makeshift fashion. We would actually take all of that activity and put it into the civic center and utilize the armory for its legitimate purpose.

MR. SNYDER. Have the projections which you have talked about and the chairman has talked about of potential revenues from the new facility taken into account Mr. Pollin's announcement about his facility and what he intends to do out there?

Mr. WASHINGTON. We could not take it into account until this morning, but it certainly has gotten us activated and appreciative of the committee's expeditious action.

We will be in a strongly competitive position. We believe that what we are going to produce is something that is really going to be a credit to the Nation's Capital.

Mr. SNYDER. If he has any success out there at all, will not that reduce your business, sir?

Mr. NEVIUS. Mr. Snyder, if I may, the computations by the Booz Allen report on potential business for convention purposes are separate from the computations on potential business for sporting events.

The figures I cited earlier of 4,000 conventions a year in the country, with 124 of them having over a thousand people in attendance, the survey made by Booz Allen indicated 33 of those a year would come to the Eisenhower Convention Center, covering 120 days with attendance of over 350,000 people and 12 million square feet of exhibit space.

All of that is separate computation based on surveys, separate entirely from the sporting events that would have gone into the other facility if Mr. Pollin had brought his teams to the city.

Mr. WASHINGTON. I think, Mr. Snyder, the thing you probably referred to is that there was some mention this morning of some cultural events in addition to the sporting events.

Mr. SNYDER. I understood the discussions here today to be that while this project was going to be basically a sports arena, there was a matter that there would be some competition with the civic center in some way.

Mr. WASHINGTON. Our projections do not yield that result.

Mr. SNYDER. Then, why are you saying his announcement so activated you this morning if, in fact, you did not think it is going to be competition?

Mr. WASHINGTON. Well, from what we know it is just like the armory. There can be makeshift operations.

What we want to do is to get in motion so we can get the full-blown center that we are after. One that will really present, from our standpoint, an entirely different perspective.

But, if the need is there, Mr. Congressman, as it has been in this city for conventions, for exhibit space, somebody is going to make-shift it regardless. That is all I am saying.

We want to be in a position—

Mr. SNYDER. He is going to pay taxes, is he not, Mr. Mayor?

Mr. WASHINGTON. So are we.

Mr. SNYDER. Are you?

Is this operation going to be a taxpaying operation?

Mr. WASHINGTON. Well, it is a revenue producing operation.

Mr. GRAY. Same difference. We are paying that in the Federal payment. We increased it by \$72 million this year.

Mr. WASHINGTON. He will not be paying the taxes to us. It will be in Largo in the State of Maryland.

Mr. SNYDER. Is the District of Columbia going to guarantee the revenue bonds?

Mr. WASHINGTON. Yes, of course.

Mr. SNYDER. If, in fact, it does not generate the revenue to meet the obligation, the District is going to have to pay that money?

Mr. WASHINGTON. We have what is provided here, the \$14 million in the Federal payment, as a cushion during the period that we have projected the need would be there.

At that time, we assume a full operation that will provide the adequate revenue.

Mr. SNYDER. If this presents any deficit that the District government has to pick up by virtue of their guarantee of the revenue bonds, this is going, of course, to increase your budget and increase your request to the Congress for the Federal payment.

Mr. WASHINGTON. It could in that sense; but, we do not project it, and that is where the 14 million is important.

Mr. SNYDER. If these projections are equally as accurate as the ones for the Kennedy Center and the stadium, you will be back to see us.

Mr. WASHINGTON. I did not make those.

Mr. SNYDER. You did not make this?

Did Booz Allen make the ones for the two operations there?

Mr. WASHINGTON. Our projections have been developed outside of Booz Allen. Our own budget officer, who spoke here while you were away, gave the detail of those projections as we have seen them.

Mr. SNYDER. Do you know whether or not Mr. Pollin's decision to locate in the suburban areas was predicated upon traffic problems in the District?

Mr. WASHINGTON. I do not know, having talked to him two or three times, what his decision was predicated upon other than what he has announced.

Mr. SNYDER. Do you anticipate that you can handle the traffic problems with that facility as well as the suburban site?

Mr. WASHINGTON. Yes, absolutely.

We do not expect the center to be a generator of any great traffic as far as cars are concerned. These are people that come here, that fly here, that have conventions, and have exhibits. We do not see the same kind of generator of traffic that a sports arena would have where people come to an event.

In addition to that, our analysis shows that within three blocks of the center, there are 10,000 private parking spaces in that area at this time.

Mr. SNYDER. What revenue is now being generated on the real estate, the 61 houses and the 81 businesses?

Mr. WASHINGTON. I do not know that. I will check. We will be glad to supply it.

Mr. GRAY. Without objection, we will insert that information in the record at this point.

(The information referred to follows:)

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
FINANCE AND REVENUE,
OFFICE OF THE DIRECTOR,
August 17, 1972.

Memorandum to: Graham W. Watt, Deputy Mayor.

From: Kenneth Back, Director.

Subject: Proposed convention center.

At the recent joint Senate-House hearing on the proposed convention center, a question was raised regarding the amount of property tax loss resulting from site acquisition by the District government.

The amount, based on fiscal 1972 assessments, would be approximately \$167,000.

DWIGHT D. EISENHOWER MEMORIAL BICENTENNIAL CIVIC CENTER—ESTIMATED FULL-YEAR REVENUE, 1971

[In thousands of dollars]

	Event days	Rental	Concessions	Total
Exhibit area:				
Conventions and exhibitions.....	100	\$1,000	\$125	\$1,125
Public shows.....	54	143	39	182
Public exhibits.....	24	26	4	30
Subtotal.....	178	1,169	168	1,337
Miscellaneous:				
Meeting rooms.....		53		53
Restaurants and personal service space rentals.....		100		100
Advertising panels.....		41		41
Subtotal.....		194		194
Total.....		1,363	168	1,531

Source: Prepared by the District of Columbia Office of Budget and Financial Management based on report prepared for the House Committee on Public Works by GSA with Booz-Allen & Hamilton, Inc. July 1, 1971, with reductions for no sports arena.

DWIGHT D. EISENHOWER MEMORIAL BICENTENNIAL CIVIC CENTER—10-YEAR FINANCING PLAN

[In millions of dollars]

	Fiscal year—									
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Lease payment.....	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Operating loss.....	1.4	.6	.5	.3	.3	.3	.3	.3	.3	.4
Cash requirement.....	7.2	6.4	6.3	6.1	6.1	6.1	6.1	6.1	6.1	6.2
Spin-off tax revenues ¹	2.3	3.6	4.4	5.1	5.2	5.4	5.6	5.7	5.9	6.1
Federal contribution.....	4.9	2.8	1.9	1.0	.9	.7	.5	.4	.2	.1

¹ Equals District of Columbia cash outlay.

Source: Prepared by the Office of Budget and Financial Management, July 1972.

Summary of estimated annual tax revenues accruing to the District from the construction of a convention center only

[Annual estimated additional yield (1971 dollars)]

Real estate tax.....	718,040
Personal property tax.....	50,000
Sales and use tax.....	1,470,000
Total tax.....	1,440,000
Income tax.....	237,522
Total.....	3,915,560

Estimated annual tax revenues accruing to the District from the construction of a convention center only

Real estate tax.....	\$718,040
Market value of new major hotel.....	\$30,000,000
Market value of new smaller hotel.....	\$8,000,000
Total new hotel construction.....	\$38,000,000
Assessable percentage.....	×65
Total.....	\$24,700,000
Per \$100 assessed value.....	×3.32
Realty taxes from hotels.....	\$820,040
Loss due to removal of taxable properties on site of convention center only.....	—\$167,000
Accruing from new hotels.....	\$653,040

Estimated additions due to new and improved retail businesses, restaurants, etc.....	\$65, 000
Total	\$718, 040
Personal property tax.....	\$50, 000
Total new property taxes from hotels, restaurants, and re- tail stores.....	\$50, 000
Sales and use tax.....	\$1, 470, 000
Persons attending 33 conventions.....	\$375, 000
Reduction for those using suburban facilities and for local per- sons attending (Washington-Baltimore area) (percent).....	-25
Out-of-town conventioners staying in District of Columbia...	\$281, 250
Per conventioner expenditure.....	×\$104. 52
I.A.C.B. National Convention Market Survey, \$209.57; hotels, \$85.30; transportation and miscellaneous (not taxable), -\$19.75	\$29, 400, 000
Percent	×5
Total, \$104.52.....	\$1, 470, 000
Hotel	\$1, 440, 000
281,250×\$85.30 (I.A.C.B. survey)=24.0 million × 6 percent.	
Income Tax.....	\$237, 522
1. Estimated payroll of Center Only is \$591,000. Assume ½ are nonresidents so payroll to residents is \$295,500 × effective income tax rate of 3%=\$8,865.	
2. Income from Conventioner Expenditures:	
Sales	\$29, 300, 000
Hotels	24, 000, 000
Total	53, 300, 000
1967 Census of Business shows that for each \$1 sales for this type of sale, 28.6¢ payroll is produced. \$53,300,000 × .286=\$15,243,800 payroll.	
½ assumed to residents.....	7, 621, 900
Effective income tax rate (percent).....	×3
Total	\$228, 657

SUMMARY OF POTENTIAL CONVENTION CENTER BUYERS

The list of associations and organizations attached represents a considerable portion of the potential users of the proposed convention center.

To illustrate the urgent need for such a facility, we have placed an asterisk by a number of these organizations. They delineate two particular groups:

1. Those who have met in Washington, D.C. in the past and are now unable to do so because they have outgrown our present accommodations.
2. Groups now booked whose growth pattern is such that would be unable to meet in Washington, D.C. in the next few years because their need for exhibit and/or meeting facilities would exceed our capability.

Source: Washington Convention and Visitors Bureau.

AFL-CIO Industry show.....	25, 000
Air Conditioning and Refrigeration Institute.....	9, 000
American Academy of General Practice*.....	7, 500
American Academy of Ophthalmology.....	9, 000
American Academy of Orthopedic Surgeons*.....	8, 000
American Academy of Pediatrics.....	7, 000
American Apparel Manufacturing Association.....	10, 000
American Association of School Administrators.....	25, 000
American Bankers Association*.....	10, 000

American Baptist Convention	8,500
American Booksellers Association*	5,000
American Bowling Congress	80,000
American College of Cardiology*	72,000
American College of Obstetricians and Gynecologists*	5,000
American College of Surgeons	15,000
American Dental Association*	20,000
American Dietetic Association*	6,000
American Federation of Information Processing Societies*	35,000
American Heart Association	7,000
American Home Economics Association*	7,000
American Hospital Association	20,000
American Legion	25,000
American Library Association*	8,000
American Management Association	25,000
American Medical Association	35,000
American Mining Congress	15,000
American Nurses Association	10,000
American Psychological Association	12,000
American Public Health Association*	8,000
American Public Works Association	6,500
American School Food Service Association*	6,000
American Society of Metals	18,000
American Trucking Association	4,000
American Vocational Association	6,500
Assemblies of God	7,000
Associated General Contractors*	4,000
Associated Milk Products, Inc.	30,000
Association Development Supervision*	8,000
Association of Operating Room Nurses*	5,000
Association For Supervision and Curriculum Development	8,000
Automatic Car Wash Association*	4,000
Automotive Service Industries	22,000
Catholic Hospital Association*	8,000
Christian and Missionary Alliance	8,000
Church of God	8,000
Concrete and Aggregate Show	19,000
Council for Exceptional Children*	6,000
Dairy and Food Industry Supply Association	16,000
Data Processing Management Association*	4,000
Federation of American Societies for Experimental Biologies	20,000
Food Processing Machinery and Supply Association*	9,000
General Assembly of The Church of Nazarine	18,000
General Conference of Methodist Church	10,000
General Conference of Seventh Day Adventists	20,000
Girl Scouts of America	8,000
Institute of Food Technologists*	5,000
Instrument Society of America	15,000
International Association of Fire Chiefs	4,000
International Brotherhood of Electrical Workers	5,000
International Conference on Alcoholics Anonymous	11,500
International Convention of Christian Churches	10,000
International Reading Association	10,000
International Sanitary Supply Association *	5,000
Kiwanis International	15,000
Lions International	30,000
Master Brewers Association	5,000
Master Photo Dealers & Finishers *	10,000
Material Handling Institute	20,000
National Association of Bedding Manufacturers	4,000
National Association of Broadcasters *	6,000
National Association of Educational Broadcasters *	4,500
National Association of Home Builders	50,000
National Association of Music Merchants	8,000

National Association of Photographic Manufacturers *	15,000
National Association of Photo-Lithographers	7,000
National Association of Retail Druggists *	5,000
National Association of Retail Grocers *	5,000
National Association of Secondary School Principals *	10,000
National Automatic Merchandizing Association *	11,000
National Baptist Convention	11,000
National Canners Association *	5,000
National Catholic Education	19,000
National Decorating Products Association	5,000
National Education Association	15,000
NEA—Audio Visual *	8,000
NEA—Elementary School Principals	7,000
National Electrical Contractors *	10,000
National Funeral Directors *	5,000
National Grange	6,000
National Institute of Dry Cleaning	7,000
National Microfilm Association *	11,000
National Office Products Association	16,000
National Refuse Equipment Show	11,500
National Restaurant Association	10,000
National Rural Electric Cooperative	8,500
National Sand and Gravel	15,000
National Sanitary Supply Association *	3,000
National School Boards Association	16,500
National Science Teachers Association *	4,500
National Soft Drink Association *	10,500
National Sporting Goods Association	19,000
National Sunday School Association	10,000
National Swimming Pool Institute	5,000
National Tire Dealers & Retreaders *	6,000
National Water Well Association *	3,000
North American Christian Convention	10,000
Order of Eastern Star *	12,000
Packaging Machinery Manufacturers Institute	23,000
Plant Maintenance Exposition	19,000
Protestant Episcopal Church	10,000
Rotary International	10,000
Society of Plastics Industry	20,000
Society for Preservation & Encouragement of Barber Shop Quartet Singing in America *	7,000
Southern Baptist Convention	17,000
Supermarket Institute	12,000
Truck Body & Equipment Association	10,000
United Auto Workers	4,000
United Brotherhood of Carpenters	5,000
U.S. Independent Telephone Association *	5,500
U.S. Junior Chamber of Commerce	13,000
Visual Communications Congress	10,000
Watchtower & Bible Tract Society	50,000
Water Pollution Control Federation	5,000
National Cable T.V.*	5,000
National Association Plumbing, Cooling-Heating Contractors *	4,000
National Business Aircraft *	4,700

Mr. SNYDER. This facility will not pay real estate taxes; is that correct?

Mr. WASHINGTON. That is correct.

Mr. SNYDER. The relocation figure of \$8,000 per business—it seems to me, as I heard some discussion in the Uniform Relocation Act hearings, there was some objection because the relocation payments for businesses could run as high as \$50,000.

Is that \$8,000 figure based upon—

Mr. WASHINGTON. The \$8,000 figure, as we testified just a little earlier, is based on an average. They can go higher based on the individual circumstances.

Mr. SNYDER. Is that based upon an actual average of your experience in the District of Columbia?

Mr. WASHINGTON. It is based on an experience and in that area; that is, the average is—

Mr. SNYDER. What have you relocated out of that area?

Mr. WASHINGTON. Well, we are in two areas.

Mr. SNYDER. I mean the urban renewal area.

Mr. WASHINGTON. We are in the Northwest 1 and Northeast 1, and I am not sure that there has been any relocation there, but Shaw is next to it. Northwest 1 is next to the area.

When I said—

Mr. SNYDER. I understood you to say it was based on an average of relocation in that area.

Mr. GRAY. You are talking about the redevolpment area.

Mr. WASHINGTON. I am talking about the redevelopment area.

Mr. SNYDER. And that redevelopment area, what has been the total number of businesses relocated? How do they compare to businesses relocated here?

Mr. WASHINGTON. I will have to get the information for you on that. I will get it from the RLA.

Mr. NEVIUS. Mr. Snyder, I would like to add, once again, that this property is on the border between two major urban renewal areas. It is actually in the downtown area and, for some years, the process of renewal has been going on in both of those areas in annual increments.

The Redevelopment Land Agency does have experience on renewal costs in both of those areas in terms of relocation.

Again, the money for that purpose does not come out of the figures we have been talking about here.

That comes out of the annual appropriation for urban renewal nationally.

Mr. SNYDER. What you are saying is that it is going to cost more money than what we are talking about because it is in the urban renewal area?

Mr. NEVIUS. No. It will not cost any more at all.

Mr. WASHINGTON. This area is in the urban renewal area.

I will ask Mr. Brimmer to speak. He has, I think, a more specific answer to your question.

Mr. BRIMMER. The \$8,000 figure represents an average cost of moving businesses in the central business district area of Washington. It is based on relatively limited experience because the new Relocation Payments Act has only passed last year, and we have been making payments for only a year.

It is based on the actual costs, however, of close to 150 businesses which have moved out of the general area of Shaw and downtown and northwest 1 over the last 2 or 3 years.

Mr. SNYDER. Within the last year?

Mr. BRIMMER. It stretches a little bit before that. It is based on actual costs; so it could be higher. Certainly for some individual businesses it would be.

Mr. SNYDER. Is there any realistic item at all in this figure that is banded around of costs as high as \$50,000?

Mr. BRIMMER. That certainly is conceivable for several of the businesses in this particular area, sir. There are particularly unique businesses which could run that high.

Mr. SNYDER. If you get a few \$50,000 costs in here, that is going to run that up.

Mr. BRIMMER. We do not expect more than a few, and many would be much less.

Mr. SNYDER. What is your definition of a few?

Mr. BRIMMER. Three.

Mr. SNYDER. Now, in regard to the guarantee on the bonds, if there is such a sound financial picture, why cannot we have straight revenue bonds not guaranteed by the city?

Mr. WASHINGTON. Well, it is a lease arrangement to begin with, and it is done in the same manner you do all other lease arrangements.

Mr. SNYDER. There are some Government bonds around in this country, and very many, Mr. Mayor, which pledge only the revenues from the facility, and do not carry the guarantee of any State or local government, and some are actuarially sound because they have an experience of roughly one-quarter to one-half times coverage, which is, I understand, something that is sort of necessary to make them salable.

Mr. WASHINGTON. I am not sure that the full faith of the District of Columbia is making them salable. I think what the entrepreneur is depending on would be the lease arrangement which, of course, is backed by that. We have never had such bonds. We have always used Treasury bonds.

Mr. SNYDER. There are a lot of revenue bonds around the country that are salable, college bonds, and things of that nature, that pledge only the revenue, and are not guaranteed by any government because of the fact that they are so sound, and they are salable, and I might say many produce on the tax-free market less than what you are talking about for these bonds.

Mr. WASHINGTON. You see, even with Metro, we had that problem on a local basis, and there we went to the Federal guarantee.

I think the arrangement which we are going into, of course, we believe is sound. We believe it is self-generating. I think that we would be less than candid if we did not place the full faith and credit of the city behind it.

Mr. SNYDER. The full faith and credit of the city is, in fact, the full faith and credit of the Federal Government; is it not?

Mr. WASHINGTON. I would hope so.

Mr. GRAY. Mayor, is it not a fact that you project that the entrepreneur will pay as much as \$30 million in Federal taxes on the interest he is going to get from this 30-year contract?

Mr. WASHINGTON. That is a projection we make; yes.

Mr. GRAY. It is really the same if someone loans the money at 7 percent. If he makes a profit on it, he pays taxes. It is the same as selling bonds at 5 or 6 percent. It is the same difference.

Mr. WASHINGTON. That is the way we calculated it. You can call it by different names.

Mr. GRAY. Yes; the gentleman from Ohio, Mr. Stanton.

Mr. STANTON. I want to point out to the gentleman from Kentucky when local governments issue revenue bonds with the full faith and credit of the city—for example, the city of Cleveland, which I happen to represent—they get a substantially better interest rate than if they are outside of the full faith and credit because of the security that is given to it on the bond market itself.

So there are many reasons why I think the District ought to put its full faith and credit, not only financially, but the purpose of the convention center basically is to stimulate the development and growth of the community itself.

If we are going to get away from development and growth of the community in terms of stimulating business, in terms of keeping downtown sectors alive, then we duck our primary responsibility to show other cities throughout the United States how to redevelop and how to program and how to stimulate the activities of investments that are already made.

There are millions and millions of dollars of investments in the city of Washington, of private capital, whose interest and time and money will be protected by the interest of this committee, and by the development of this facility, in order to preserve what is already there.

Mr. SNYDER. I do not find any serious disagreement with what the gentleman from Ohio has said.

I would suggest to the gentleman, however, that if he is interested in purchasing some straight revenue bonds at an interest rate coupon with net yield comparable to what these are supposed to carry, there are plenty available without the full faith and credit of any State or municipal government or the Federal Government.

It is quite possible that the coupon will be bettered a little bit by the fact the Federal Government or the District government is going to guarantee the bonds, but it is also true, I say to the gentleman from Ohio, that our experience in the District of Columbia on similar projects, the Stadium and the Kennedy Center, has been one where the projections have fallen way short, and the obligations that have been picked up by the taxpayers of the United States have been certainly in excess of those anticipated that would be picked up at the time that we went into them.

I think if we are going forward with this project, that we ought to try to dig into it to the point where we can at least determine whether or not the \$14 million is going to be the full commitment that we are asking the taxpayers of the United States to pledge themselves to, or if, in fact, there is a reason to believe we are going to be thinking about additional authorizations and appropriations in the future, so that we are not fooling ourselves, we are not fooling the taxpayers.

You know, the other two places had very competent, I am sure, people working on the projections. I am sure the engineering firms and the financial analysis people that put those projects together were equally as certain at that time that they were going to be financially sound without obligations of the taxpayers beyond those which were originally set forth in the legislation.

I think the Congress thought that at the time they passed those bills, that they were acting in good faith, and that is what the situation was going to be.

But maybe this will be better. But I say that that puts us on notice that we need to take a good hard look at it.

Mr. GRAY. If I can make just a brief comment, my friend from Kentucky is very able; but I think in comparing the Kennedy Stadium with this facility is like comparing a Greyhound bus with a jeep.

They are going to serve two completely separate functions. You have an open-air stadium with no exhibit space. You cannot have night events other than sports.

We are talking about something here that can generate 600 or 700 events per year.

So I do not think there is any comparison whatsoever.

Mr. SNYDER. I think the gentleman is eminently correct. However, both projects could have been similar. Their financial structure was based upon the estimates of the financial people and engineers as to what they were going to do, and I am sure they took into consideration the fact they were going to serve different purposes.

Now, let us hope that if we go forward with this that they are much more correct in their determinations in this instance than they were in the others.

I do not think that the people who made the financial predictions on the stadium anticipated it was going to serve the purposes this is going to serve. They anticipated it was going to serve the purposes that it does serve, and they were eminently wrong in their financial predictions.

Mr. GRAY. I agree with that. [Applause.]

Thank you.

There is an old saying that hindsight is much better than foresight.

Let us look at some hard, cold facts.

In the State of California, which is certainly not geographically located in the central part of the country or on the heavily populated area of the eastern seaboard, there are three, as I mentioned, convention centers: Anaheim, Los Angeles, and Long Beach.

One is planning an additional 100,000 square feet of exhibit and floor space because of the phenomenal success beyond original estimates.

I said beyond original estimates, not less.

Private capital plans to construct three new hotels adjacent, and as many as two additional hotels at the Los Angeles Airport, primarily due to the increased visitation by conventioners.

These are hard, cold statistics, not projections.

We already have coming here, with no increase because of this proposed facility, 25 million people per year.

If we have a civic center, I think we could increase that figure substantially. So I do not think there is any question but what we could beat the phenomenal growth being experienced all over the country.

Mr. SNYDER. I wish you were so correct in what you say.

Mr. GRAY. These are official figures.

Mr. SNYDER. I do not question that. I want to say I can find some stadiums that are paying off today. There is one right across the river from my district, the Cincinnati Stadium. It is having phenomenal success.

I wish we were having equally as much success here. You cannot predicate what this convention center is going to do, this civic center, based upon what one is doing in California, any more than you can predicate what this stadium is doing, based on what one in Cincinnati, or many across the country are doing.

It has to stand on its own two feet. It really should do better because of the tourist situation, but so should the Stadium.

I do not know why it has not.

I say to you we need to find out before we go forward.

Mr. STANTON. I would point out the Cincinnati Stadium has the full faith and credit of the county in which it is located behind it, and I would point out at the other end of the State, the Cleveland Stadium, in which \$14 million was expended by the city, is having extreme financial difficulty, and is being subsidized by the city, by the local community, and without objection, because they wanted a major league facility.

Because they wanted that particular type of sports operation, they took on that obligation.

The real question before this committee is not whether this is a totally financially sound and secure proposition, but whether you have any faith in the city of Washington.

Mr. SNYDER. Well, I submit to the gentleman from Ohio, that it goes much further than that. If the folks in Cincinnati want to subsidize their local stadium, and the people in Louisville or Covington want to subsidize their stadiums in my area, it is fine.

But it is also true that we are putting the people of Louisville and Cleveland and the people of California in the position of not only subsidizing their local stadiums or their local civic centers, but also in a position of subsidizing their plus one in Washington, D.C., which many will use, and many will not, and it is a little bit of a horse of a different color.

Mr. STANTON. You would concede, of course, that this is the Nation's Capital. Thirty million people who come here each year, come from Cleveland, and Louisville, and Covington.

As a consequence, they take and share with the rest of us in the pride of this city. I share in the pride, not only of my hometown in Cleveland, but with the city of Washington. I find it very difficult to divide them.

Mr. SNYDER. I do not have much trouble dividing them. I do not want to take the time of the witnesses to do it.

I want to say to you that I want to be convinced about the financial soundness of it.

Mr. WASHINGTON. We would just like to do that.

Mr. GRAY. I thank my colleagues for their contributions.

Mr. COPPIE. I think it might be helpful just to clarify a couple of points. Let me say we feel we do have a viable financial plan, and a financial plan that has integrity at the heart of it.

I think that will come out very clearly when it is analyzed.

Mr. SNYDER. I believe you believe this, and you may well be right.

I do not want any misunderstanding.

I do not think you are coming here trying to hoodwink us. I think you believe it.

I think the folks who came here with the other two projects believed it as strongly as you believe this one is good.

Mr. WASHINGTON. Except we have got some other things built into this—

Mr. SNYDER. That is what I want to see about.

Mr. WASHINGTON. That is why it is unfortunate you were out for some period, because we did get into some aspects of that, and I think the record will further indicate that, and we will further convince you.

I think there is nothing wrong in asking the questions you ask, and we feel, as you do, that we want to convince everyone of the soundness of this proposition. That is why we have painstakingly gone into as many analyses as we could based on existing experience. I just wanted Mr. Coppie to be able to respond to just one little question on the bonds.

Mr. COPPIE. Mr. Snyder, you were raising the question with the Mayor as to whether the revenue bonds would not be a more viable approach than the approach that is suggested here.

I think the answer to that is clearly "No," and no because any revenue bond that we know anything about is designed or written in such a way that the revenue from the facility will sustain the cost of building the facility.

The revenue from this facility is not the main revenue producer. It is the spinoff revenue that comes from other facilities, other income that is generated.

So I really do not think the revenue bond approach is a viable approach.

You raised the question with regard to the Stadium, and certainly we do agree with you that the history of the financing of the Stadium is an unfortunate one for this city, and it has been a very costly problem for the city.

But I think it is important to recognize—and I do take your point about the Cincinnati and Pittsburgh experience as being valid—that we have done indepth analyses of stadiums across the country in relationship to our Stadium problem.

This analysis clearly shows that every stadium, with the exception of the two you have mentioned, and a third, which is Minneapolis, are in trouble in the United States.

The most recent development was Shea Stadium. They are having serious problems with regard to Shea Stadium in New York.

So the two you point out, I think, are exceptions rather than the rule.

Our problem with the Stadium is not unique to Washington, D.C.

Mr. SNYDER. I appreciate you are concerned with that problem, too, and commend you for what you may be doing.

You made reference to it, to try to better that situation, and I wish you well. I speak for most of the taxpayers, I think.

Mr. WASHINGTON. We need the help.

Mr. NEVIUS. Mr. Snyder, I would like to make one point, if I may. I think it is important to distinguish between a stadium or an arena on the one hand, which generates business only a few hours a week at a sporting event, and an operation like this which is a moneymaker from the very start, once the conventions have enough leadtime to schedule themselves in here.

I think it is important to keep that distinction in mind, and the anticipation is based upon a very careful survey that 33 major events with over a thousand people will be coming annually to this new facility, and it will work in the daytime as well as nighttime, over 120 days a year.

This is quite different from a few hours a week in a sporting stadium or arena.

Mr. SNYDER. Do you have any information on what will happen to the taxpaying revenue of the folks up in the Northwest, the big hotels up there, where they have those big ballrooms, and have some conventions?

What is going to happen to them? Would you siphon off some of that business down here? Have you taken that into account?

Mr. NEVIUS. The people will be staying in the hotels when they come to the convention center for the exhibits.

Mr. SNYDER. They are going to be staying in some new hotel you hope to be built, as I understand.

How about the big ones like the Sheraton Park, that has the big ballroom?

Mr. NEVIUS. It will be built by the same chains that own the old ones now.

Mr. SNYDER. I do not want to have another urban renewal area because they are not getting business.

My question is: Have you taken into account what is going to happen to that revenue, and how much is transferred down here, and how much is going to be new revenue at this site?

Mr. WASHINGTON. We have made some analysis. Perhaps if you have a specific question we could provide that.

We have certainly looked at the entire city as we produced it.

But what we have got to understand is that we are talking about what we are losing here, not what we have. We can take care of 2,000, 3,000, but a convention that runs 7,000, 8,000, or 9,000 has got to come in town all over the city. There is no exhibit space.

We have problems now with conventions from 10,000 to 20,000. We are losing that entire convention trade.

Mr. SNYDER. How many could be taken up at the big hotels in Northwest?

Mr. WASHINGTON. The largest one is about 4,000 in the Hilton.

Mr. SNYDER. You are going to take the 4,000-member convention here, are you not?

Mr. WASHINGTON. I would assume for the most part the larger conventions upward from 5,000 to 10,000—there are so many of them. We have a number of them listed here that go from 5,000 to 30,000. That is business that is not even in here. We certainly have got to have a facility that would accommodate this.

Most of the international conventions, most of the educational conventions run 15,000 upward. There is absolutely no way that business can be attracted here in this city, and we have been told that over and over again.

I think you will have our convention center people here who will testify specifically on this. They have looked at that aspect of it.

Our problem is, even from the State Department, that we cannot entertain an international convention of any size.

Mr. GRAY. Could I interrupt and say we have Mr. Richard Nelson, who is the first vice president of the Hotel Association of Washington, who is here to testify on behalf of all of the hotels and in full support of the legislation. They made a detailed study, and they feel this is going to be tremendously helpful to their existing businesses plus future business.

Mr. WASHINGTON. Maybe Mr. Snyder would wish to hear from him specifically. We have worked with them, and they have it in specifics.

Mr. SNYDER. I will not belabor the point.

You understand what my general questions are.

Mr. WASHINGTON. I do, indeed.

Mr. SNYDER. From time to time you present something to help me.

Mr. WASHINGTON. I will certainly do that, because they are questions I have to ask myself. I would like to share the answers.

Mr. GRAY. Thank you very much, Mayor and Chairman Nevius and all of your associates. We so much appreciate your coming.

We deeply appreciate the good work you are doing here and on other projects. We certainly intend to work very closely with you in the future.

Mr. WASHINGTON. Thank you.

Mr. NEVIUS. Thank you.

Mr. WASHINGTON. Thank you for your expeditious handling and your courtesy in giving us a chance to come.

Mr. GRAY. And you, sir, did a great job.

At this point, the documents previously referred to by Mr. Washington will be inserted in the record.

(The material referred to follows:)

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
EXECUTIVE OFFICE,
Washington, D.C., August 8, 1972.

The Honorable, the SPEAKER,
*U.S. House of Representatives,
Washington, D.C.*

DEAR MR. SPEAKER: I have the honor to submit herewith a draft bill "To amend the Public Buildings Act of 1959, as amended, to provide for the construction of a civic center in the District of Columbia, and for other purposes."

The proposed legislation, which has the short title of the "Dwight D. Eisenhower Memorial Bicentennial Civic Center Act," would authorize the Commissioner of the District of Columbia to provide for the development and construction of a civic center in downtown Washington in the vicinity of Mount Vernon Square pursuant to the terms of a purchase contract or contracts between the District Government and private developers. In brief, the bill would authorize the Commissioner to acquire and assemble the land necessary for the project and to lease the site to private developers who would construct and finance the project. The District would reimburse the developers for construction and other costs over a period of thirty years at the end of which title to the civic center and related facilities would vest in the District of Columbia.

Sections 1 and 2 of the bill provide, respectively, a short title and a statement of Congressional findings and purposes. The findings point out that the construction of a civic center will meet two very pressing needs. It will revitalize a section of downtown Washington, providing business stimulus and employment opportunities as well as increased tax revenues, and will make available appropriate facilities to accommodate those businesses and organizations who wish to come to the Nation's Capital to meet and conduct their affairs. Moreover, the civic center will provide a fitting memorial to the late President of the United States, Dwight D. Eisenhower, and significantly contribute to the commemoration of the Nation's bicentennial in 1976.

Section 3 of the bill amends the Public Buildings Act of 1959 by adding thereto a section 17 authorizing the Commissioner to provide for the financing, design, development, construction, operation, and maintenance of a civic center. Basically, this section of the bill would:

(1) require the development of a plan, indicating the design and estimated costs of the center, for approval of the Commissioner, the District of Columbia Council, and the National Capital Planning Commission, with review by the Commission on Fine Arts;

(2) direct the Commissioner to acquire by purchase, condemnation, or otherwise all real property needed to construct the center;

(3) authorize the Commissioner to enter into purchase contracts for a period of not more than thirty years to provide for construction of the center, and to lease at a nominal rental the land upon which the center is to be built for a period of not more than thirty-five years;

(4) provide authorization for payments to be made to amortize the cost of design and construction, amortize the cost of site acquisition, including relocation payments required by law, and other advances made by the developers; and

(5) provide the developers with a reasonable rate of return on their investment and reimbursement for all contingent expenses, such as insurance, repairs, and taxes, incurred in the construction of the center.

This section would further authorize the Commissioner to provide for the operation of the civic center and its facilities by a District department or agency, or contract with private entities to operate and manage the center.

Appropriations to carry out the purposes of the Act are authorized by section 4 of the bill. This section provides for a Federal contribution of not to exceed \$14,000,000 to cover any deficits arising out of the construction or operation of the civic center in recognition of the considerable Federal, as well as local interest in the completion of the project.

This bill, if adopted, will make the Dwight D. Eisenhower Memorial Bicentennial Civic Center a reality. This center is essential to our economic growth and will give the nation's capital an outstanding facility that it desperately needs. It represents the continuation of the dynamic progress we have made in recent years. It will mean new business and investments and will create new opportunities for those living and working in nearby neighborhoods.

I concur with the President in his February 1972 Bicentennial Address to the Congress where he saw the civic center "as vital to the kind of development momentum Washington must have to hold its head up among American cities in the Bicentennial Era . . ." The Center is a must. It has my fullest support as well as the Administration. With early and favorable action by the Congress, we will meet an unmet need in our city and will have the Eisenhower Civic Center in time for our Bicentennial celebration.

The Office of Management and Budget has advised that there is no objection to the submission of this legislation to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely yours,

WALTER WASHINGTON.

Mr. GRAY. The Chair would like to announce that he has just received a very fine letter from President Nixon in strong support of the Eisenhower Civic Center project. And, without objection, the letter will appear at this point in the record.

(The letter referred to follows:)

THE WHITE HOUSE,
Washington, D.C. August 17, 1972.

HON. KENNETH J. GRAY,
House of Representatives,
Washington, D.C.

DEAR KEN: I understand your Committee is currently reviewing H.R. 16261, a bill to authorize the construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center in downtown Washington. This legislation has my full support, and I urge its early enactment.

The development of the Eisenhower Bicentennial Civic Center will provide new jobs, new economic development, and new life in the downtown area of our Nation's Capital. The Mayor, the City Council, and the numerous local citizen

groups believe—as I do—that such a development is essential to both the future economic viability of Washington's central core and the city's continued vitality as the seat of the national government. The Center will encourage thousands of citizens from across the nation to visit our city, a factor which takes on special significance as we approach the 1976 Bicentennial in which the Washington metropolitan region will play a major role. Furthermore, as proposed in this legislation, the Center would be an active and impressive memorial to former President Eisenhower.

I believe H.R. 16261 provides an excellent mechanism for achieving this important project. By placing the long-term developmental, managerial, and financial responsibility for the Center with the District of Columbia government, this bill recognizes the basic local nature and functions of the facility and its impact on local citizens. The measure provides the District with the purchase-contract method for construction and financing which, in addition to being comparable to the recently enacted amendments to the Federal Public Buildings Act, will enable the District government to finance the Center as the increased revenues stemming from the project accrue to the local treasury. Finally, in recognition of the project's importance to the forthcoming Bicentennial celebration in Washington, the Center's appropriateness as a memorial to the late President, and the continuing Federal interest in the quality of life in our Nation's Capital, the legislation provides for a Federal financial contribution during the initial years of the project to ease the burden on the District of Columbia budget.

I want to join with the citizens of the Washington area in thanking you for your leadership and dedication in the effort to make the Eisenhower Memorial Bicentennial Civic Center a reality. Prompt Congressional enactment of H.R. 16261 will be a major step towards that goal.

With my best wishes,

Sincerely,

RICHARD NIXON

Mr. GRAY. Our next witness is Mr. Jim Gibson, chairman of the Washington Bicentennial Commission for the District of Columbia.

Mr. Gibson, will you please come forward? We are always happy to see you, and we appreciate the good work you are doing.

Mr. GIBSON. Thank you, Mr. Chairman.

Mr. GRAY. If you would introduce yourself and that lovely lady with you, for the record.

Mr. GIBSON. Mr. Chairman, distinguished Members of Congress, my name is James Gibson. I am chairman of the District of Columbia Bicentennial Commission and Assembly. With me is Mrs. Patricia Mathews, my executive assistant, and who, as you know, has worked very hard to try to help us maintain liaison with all of the Federal and local agencies and individuals working on this project.

Mr. GRAY. We want to compliment both of you for your outstanding work.

STATEMENT OF JAMES O. GIBSON, CHAIRMAN, WASHINGTON BICENTENNIAL COMMISSION FOR THE DISTRICT OF COLUMBIA: ACCOMPANIED BY MRS. PATRICIA MATHEWS, EXECUTIVE ASSISTANT

Mr. GIBSON. Thank you, Mr. Chairman. We are appointed by Mayor Washington to assist him and the city in determining priorities for programs and activities which are to be part of the observance and celebration here in the Nation's Capital of the 200th birthday of our Republic.

Because we as commission and assembly, and as active members of our community, are anxious to see projects put forth in a bicentennial time frame which will bring lasting benefit to our city, I am pleased

to speak today as chairman in favor of H.R. 16199, which enables the District of Columbia to obtain a civic center, the Dwight David Eisenhower Memorial Bicentennial Civic Center, in the downtown area during the bicentennial preparation period.

I am interested at this point, Mr. Chairman, in underscoring some of the remarks of Congressman Schwengel. We have received his indications of support; the enthusiasim which he has for the potential in this city of the bicentennial observance, the importance which we feel in the Nation's history that this memorial could represent in memorializing General Eisenhower.

I would like to mention, for the record that as we have been attempting to establish liaison around the country with the various bicentennial commissions at the State level, we have discovered that Iowa is indeed a very active commission, that it has a very broad perspective in its approaches.

It is encouraging national and international thrusts in the State of Iowa, encouraging people in helping to sponsor trips by Iowans into and out of Iowa, with respect to memorial matters in this country, and in preparing for visitors to Iowa with respect to their own celebrations.

We share our newsletter with that commission, and are very much aware of the activity which is proceeding on the bicentennial preparation front in the State of Iowa, and we appreciate and hope to have the continued support of Congressman Schwengel.

He has a very specific understanding of what it is we are trying to do.

For some time now many of us in Washington have been trying to resolve the issues and address the concerns which inevitably arise when redevelopment of underutilized areas is contemplated.

The area designated in this legislation, south of Mount Vernon Square, in the heart of our downtown, presents untold opportunities for redevelopment with increased economic viability accruing to us.

The creation of the civic center of the type addressed in the bill before us would mean increased jobs, especially for those in our community for whom jobs are currently scarce.

It would mean increased tourist activity for a city whose major underdeveloped industry is tourism.

As the studies which you yourself have cited, Mr. Chairman, indicate, the average tourist family coming to Washington anticipates staying here 7 days, and ends up staying 2.

It means that they have too little alternatives between the Washington Monument and the pornography shops.

In the area of downtown, this eastern sector of downtown currently so deteriorated, is where we see the fantastic potential to offer to the American citizens coming to their Nation's Capital the large array and display of skills and talents which the American public can manifest.

This facility means in general additional economic activities in our stores, in new restaurants, shops, hotels and other services, all of the things which will accentuate those existing positive aspects of our city, and which will increase the viability of our downtown and particularly in that eastern sector.

Yet there are questions which will be raised regarding those persons who do not wish to move.

Many of those questions are valid for many in our city have not fared well in other redevelopment projects.

What is assuring, however, is that this legislation attempts to speak forthrightly to these questions.

The benefit of the Uniform Relocation Act of 1970 will be available to those in the impacted area. There will be additional hearings, where necessary, in the city council and the National Capital Planning Commission on the specific scope and design of the project since it is a part of our urban renewal process.

There will be flexibility to allow the city to enter into a lease agreement for 30 years, thereby assuring a long term financial commitment. There will be Federal money available up to \$14 million, as has been extensively discussed for this most important project in its earlier years.

I would like to point out, Mr. Snyder, our analysis indicated that Madison Square Garden, and perhaps one other—I cannot recall the name of the other one—are the only facilities of this type in the country which we have been able to locate which have been erected without public subsidy.

I would like to point out that if it were within our power—and it is unfortunately not within our power—we would raise the revenues. The people of the District of Columbia would raise them. We would put forth the bonds, and would put it to a referendum, and the people of this city would pay their taxes for it.

We do not have that option. We have to serve not only the people in the District with respect to the facilities of the civic center of this sort, to meet its own needs, but we have to address the national and international role of this very gracious and beautiful and important Capital without the benefit of options which our people, I think, would exercise judiciously and joyously.

We would wish to have the capability of relieving the public coffers outside of Washington of the responsibilities we do not desire for them to have in the first place.

We hope as the Bicentennial Commission and Assembly that home rule and self-determination for the people of the District of Columbia will be a part of the bicentennial gift to the people of this city.

We feel that it would be rather hypercritical if we were to celebrate here in the District of Columbia 200 years of citizen freedom and liberty, but not have them for ourselves.

That is in general the philosophical orientation of our commission and assembly with respect to the preparations for the bicentennial, but it specifically bears on the large public works responsibilities which we must perform as trustees for the Nation in its Capital for 1976.

We undertake them in the present adversities and restrictions which we have due to a lack of home rule and self-determination, but it does require a partnership.

It requires a sensitivity to the national role we must play. We accept it. We think it is good.

We think we can perform it well. And we will be very conscientious, as the mayor and his staff has already indicated, in analyzing what

the realities are, and trying to be frugal and pragmatic in the ways in which we approach our responsibilities.

We do expect, on the other hand, that we cannot discharge the major responsibilities without an explicit partnership of the kind that we have received from the committee thus far, and which we hope to be able to receive in the years coming.

The Dwight D. Eisenhower Memorial Civic Center in the Nation's Capital here in our city is the cornerstone, or can be the cornerstone, and we hope indeed will be the cornerstone, to the development and life for that eastern sector of Washington.

It is most appropriate that during this intensive period of bicentennial preparation that such a facility, bringing lasting benefits to our city, should be constructed.

For some time now, the accomplishments of the mayor, with your assistance, your staff, the citizen groups, the National Capital Planning Commission, the Office of Management and Budget, who have worked together to help generate this piece of legislation, is, I think, an outstanding accomplishment.

It has taken Federal realities into account, presidential and congressional, and it has gone on to supplement the initial feasibility studies of Booz Allen & Hamilton. We have, I think, a lesson to be learned from this feasibility study.

Like so many traditional feasibility studies, it looked at the financial factors and looked at the physical and construction factors, and failed to look at the human factors.

I think the hearings you held earlier this year, Mr. Chairman, were most helpful in recognizing and bringing to formal recognition the need to extend the concept of feasibility studies around major public works.

There are people whose lives and livelihoods are affected by these works, and full public understanding is essential to full public support.

I think the process you have followed, the business of reviewing, taking stock, going back and making changes, as you have been helping us to do, is putting us on the road to that kind of development which can be fully understood by the people of the District of Columbia, and afford us the opportunity to mobilize behind it.

It is important, it seems to me, that when this bill is marked up by your subcommittee, that we begin on the basis of that markup a very explicit and extensive community education campaign, so that the broad citizenry can understand this project in all its details.

Our need is very great for the kind of jobs in the categories that will the broad citizenry can understand this project in all its details.

We have much to gain as a people by this.

We have much service that we can offer to the Nation's Capital by the addition of these facilities, and I think the people will rally to this, and I think we can work from here and go forward in partnership.

In conclusion, Mr. Chairman, I would like to express the appreciation of the citizens of the District with whom I am working, to you and to your committee for the manner in which you have gone about helping us get a major cornerstone in this area that so sorely needs redevelopment.

You have followed our concerns. You have listened. You have tried to see that the adjustments were made which were necessary.

We are very pleased to see that the Uniform Relocation Act assurances indeed are in this bill. We are very pleased to see that the trust and faith in this city and the partnership which the Office of Management and Budget signifies on the part of the President in our Mayor, in our City Council, are invited in this bill.

The responsibilities lie with us. The faith that we can discharge them are naturally inferred in this approach.

We must, however, for the record, lift up to this committee and to the Nation the continuing absence of a planning capability in the District of Columbia, which, if it were in existence, in my belief would have expedited this process far more swiftly than has been the case.

We have attempted to compensate in an ad hoc manner. We are all ready to work with each other in understanding the shifting factors, but I hope also it helps to build some sensitivity in Congress for the need for an explicit planning capability in the District of Columbia.

Mr. GRAY. Thank you, Mr. Gibson.

Cooperation is a two-way street, and we have certainly had it from you.

I just wanted to ask you one quick question, Mr. Gibson.

Do you feel, having followed this matter very closely and worked very closely, that it is within our capability to plan and construct this, and have the facilities ready for the bicentennial activity?

Mr. GIBSON. Yes, Mr. Chairman, I do. I say this not just from the top of my head. I say it from having participated in the analyses which your staff helped with, and which the President's staff helped with, and which the city staff helped with, and which the Board of Trade and other private citizens have helped with, the District of Columbia Chamber of Commerce. I say this also, Mr. Chairman, in the confidence which comes as the Commission Chairman from knowing we have had the services of, and the scrutiny and examination of this project by Phillip Hammer, who is Chairman of our Public Works Committee of the Commission.

Mr. Hammer, as you know, is president of the firm of Hammer, Greene & Silver Associates, one of the most outstanding economic planning consultant firms in the world.

He has participated in the performance of economic feasibility studies for many major convention facilities in this country.

Very specifically, Mr. Hammer and I are acquainted from Atlanta, a town we have both lived in, and in which I was born. We have followed very closely, in fact, in some instances worked together in examining and coming to understand the problems.

Mr. Hammer played a very heavy role in the development of Atlanta's great growth spurt which is currently going on. He has worked very hard, looked at it from all points of view, compared it to the ongoing experience in Atlanta and in other communities with respect to the facilities of this kind.

We have worked in exchange with the Board of Trade, the District of Columbia Chamber of Commerce, and the Mayor's Committee, and so forth, with that level of expertise.

It is not just a lay opinion which I bring to you, but that sort of scrutiny which is representative of the expertise in the field.

Mr. GRAY. These projections then are not solely obtained from the Booz Allen & Hamilton report?

Mr. GIBSON. Absolutely not.

Mr. GRAY. They are from many sources who have had great expertise in the field?

Mr. GIBSON. Yes, Mr. Chairman, and I am afraid there is a certain amount of skepticism around about a standard formalized feasibility study, and the citizens do not have faith that those pages contain all the questions and answers which they desire.

In that knowledge, we have attempted to proceed independently, and in parallel fashion to verify or reexamine the very issues which have been examined by Booz Allen & Hamilton.

We have had expertise in doing so, and so, therefore, our conclusions of feasibility are based on far more than the projections in Booz Allen.

Mr. GRAY. I appreciate that.

I have a letter which I purposely delayed reading until you came, Mr. Gibson, because you are the head of the Bicentennial Commission.

I would like to read the letter, and make a very brief comment.

It is dated July 24, 1972, Gettysburg, Pa.

DEAR CONGRESSMAN GRAY: Thank you for your letter of July 20th.

I have no objections at all to your naming the proposed Convention Center in Washington, D.C. in honor of my beloved husband. It not only would be a tribute to his memory, but it would focus attention on our Nation's Capital and, as you say, it would be a useful functional facility that people could enjoy.

With my warm regard and best wishes,

Sincerely,

MAMIE DOUD EISENHOWER.

Do you feel it is compatible to have this memorial to the late President at a time when we are celebrating our 200th anniversary the bicentennial?

Mr. GIBSON. I think it is entirely fitting, Mr. Chairman, and I think we owe honor to that President. I think there are many ways in which we can manifest it.

I certainly can think of none which brings itself into contact with people from all over this country and from all over the world as this center will.

I think it is very fitting indeed.

Mr. GRAY. Thank you very much.

Any questions or comments for Mr. Gibson?

The gentleman from Kentucky.

Mr. SNYDER. Mr. Gibson, what is the relationship of the Washington Bicentennial Commission for the District of Columbia to the American Revolution Bicentennial Commission?

Mr. GIBSON. The difference, sir?

Mr. SNYDER. Yes.

Mr. GIBSON. Ours is specifically concerned with advising the Mayor and our District government on what we, as a jurisdiction, should do in preparing our city for its major role as the Nation's Capital for the 1976 observance.

Our relationship to the National Commission is exactly the same as the relationship between any State commission to that National Commission.

We, in addition, are having the good fortune of having that office located here. We have already had an exchange of ideas and some resources with them.

They happen to have more money than we do, and it is very nice to stay close to people like that.

Mr. SNYDER. I understand.

I do have some questions. They would be better answered, I think, by the American Revolution Bicentennial Commission, and the young lady just pointed out to me that there will be a person later on who will testify for them.

So, I very much appreciate your eloquent statement on the philosophical position of the Commission, and I suppose they authorized that position?

Mr. GIBSON. Yes, sir.

Mr. SNYDER. Thank you very much.

(Senator Gravel assumed the chair.)

Senator GRAVEL. Thank you, Mr. Gibson, for your very fine testimony.

Our next witness is Mr. John Stadtler, president, Metropolitan Washington Board of Trade.

Mr. Stadtler, would you come forward with your associates. It is a pleasure to have you at the hearing.

Will you introduce your colleagues for the record?

Mr. STADTLER. Mr. Chairman and members of the subcommittee, as you stated, I am John Stadtler, president of the Metropolitan Washington Board of Trade and the president of the National Permanent Federal Savings and Loan Association.

With me, Mr. Chairman, is the executive vice president of the board of trade, Mr. Clarence Arata.

STATEMENT OF JOHN STADTLER, PRESIDENT, METROPOLITAN WASHINGTON BOARD OF TRADE; ACCOMPANIED BY CLARENCE ARATA, EXECUTIVE VICE PRESIDENT, METROPOLITAN WASHINGTON BOARD OF TRADE

Mr. STADTLER. It is my privilege to appear before you here today representing the area's biggest and major business organization. The board of trade represents some 1,300 firms and more than 4,000 individual members who are vitally interested in the economic and the social welfare of this city.

On many previous occasions, spokesmen for the board of trade have appeared before various committees of the Congress, speaking in support of a convention center, a civil auditorium, or a variety of other similar projects which have been under legislative consideration in the past.

Evidently the climate was never just right for providing this city with an adequate and appropriate convention center. Perhaps neither the timing nor the conditions were right on these prior occasions.

However, we now believe that the project that we are discussing with you today is one whose time has come and certainly under conditions which were never more appropriate than they are right now.

Let me say at the outset that we are deeply indebted to Congressman Gray—I am sorry he is not here to hear this—for the tremendous amount of time and intelligent consideration he has given to the proposed Dwight D. Eisenhower Memorial Bicentennial Civic Center.

Without his support and guidance, we probably would not have arrived at the point that we are at today.

We also express our appreciation to many other Members of Congress who have evidenced support of this legislation.

Recent serious attention to this civic center facility began in 1967, when the board of trade, our convention and visitors bureau, and the Hotel Association of Washington collaborated in causing a feasibility study to be made by the prestigious firm of Booz Allen & Hamilton on the subject of a convention center for Washington.

In that study, and in several that followed, deep consideration was given to major determining points such as possible utilization of such a facility, its location in the city, the cost of providing such a structure, its impact on the community and particularly the area in which it would be located, its accessibility, the economic effects on the city, the Government and the many business firms within the city.

These studies led us to the firm conviction that this project is of paramount importance to the city and, therefore, causes our unqualified support for H.R. 16199.

I would like to take a few minutes to develop with you the major factors which will hopefully assist you in reaching the decision to report this bill favorably.

I will not belabor the points, but I will touch on them briefly.

First, the potential utilization.

It is a certainty that convention activity in this country has become one of our major industries. Taken as a whole, convention business generates spending of over \$2 billion per year. Fortunately, Washington has enjoyed a good share of this convention business.

However, throughout the past years, the major national and international conventions have not been a possibility for this city because of the lack of a suitable convention facility.

Not only does this cause a deficit in our convention bank, but the number of meetings and conventions which we formerly accommodated but which have now grown beyond our capacity to handle is increasing rapidly.

We have made a precise canvass of convention potentials for the Eisenhower Center and, as of today, 135 major conventions and exhibits are rotating throughout the country on an annual basis with no stop planned in the city of Washington, not only not planned, but not possible.

Naturally, we are not going to get all 135 of these, even in a 3- or 4-year span, but we will get a sufficient number of them every year to cause what we believe will be a new dollar flow in this city of some \$112 million annually as a result of conventions and convention-related activities.

Out of this spending, which will accrue to the general benefit of the entire Washington business community, will flow \$6 million in direct taxes to the District of Columbia.

In addition to convention usage, the Eisenhower Center will provide a facility for many other activities and events such as annual trade shows, exhibitions, and even provide space for major concerts and individual performances.

We believe that it will provide us with a much needed facility to handle a number of massive inaugural events which, up to now, have been widely scattered or accommodated in an inadequate facility.

Not only will the center become the site of many historical and important national events, but it could provide the locale for international activities as well, thus permitting Washington to do what is done in many foreign capitals; that it, provide a forum for important international gatherings.

As to the site and accessibility, probably this is one of the most difficult decisions to reach in consideration of a convention center in this or any other city.

Five factors were evaluated—its proximity to services and attractions, transportation access, parking facilities, compatibility with the environment, and its cost.

Out of an original 13 suggested sites, five were given serious consideration.

Of those five, the Mount Vernon Square area was clearly indicated as the most preferred one.

While it is true that the original boundaries of the site included many of the interests of the Chinese community, furniture retailers and others, the reduced site finally agreed upon and the one under consideration today eliminates a major portion of the objections and objectors to the Mount Vernon Square area.

We have caused a study to be made of the property owners in the four-block area, and this study shows a preponderance of these owners favor this project. This will be developed by one of the later witnesses.

At the time of, and even before the completion of this project in late 1975, the accessibility to the area will certainly be one of the best in the city. Two major Metro stops will be located within two blocks of the project.

The eastern boundary will be within six blocks of the Center Leg Freeway, and it will be directly on the New York Avenue industrial freeway.

Further, it will be only eight blocks away from the city's major bus terminal.

It also adjoins Massachusetts Avenue, which is, of course, one of the major connecting highways to the hotels and other points of interest in Northwest Washington.

Finally, it is within one block of the city's major retail business area.

Mention has already been made of the direct economic benefits which will be produced by this center. These benefits, of course, are of paramount importance to the economic well-being of the entire city.

Probably of equal importance is the impact that the construction of this center in the Mount Vernon Square area will have on all of downtown Washington east of 16th Street.

All of us have seen the tremendous growth in business activity, in office buildings, hotels, restaurants, et cetera, west of 16th Street.

Our studies indicate that the fixing of the convention center in the Mount Vernon area will be the keystone of a similar growth eastward.

We have been told of two major hotel chains which will have a natural interest in constructing large-sized hotel facilities in this area, and as a consequence, it would only be reasonable to assume that smaller type hotels would be erected as satellites to the major convention hotels.

We can visualize improvement and enlargement of Chinatown. The natural affinity of such a Chinatown with the thousands of visitors who would attend conventions and other events in the center would

generate activity in this area, which is almost difficult to comprehend at this moment.

It is fair to assume that the Metro stops themselves will generate concentrated business activity and this, coupled with the addition of the convention center, will be the greatest economic shot in the arm this city will have for many years to come.

Every major city in the country has economic problems similar to those of Washington, but we believe that many of our problems have bottomed out.

There has been a dramatic slowdown in crime and the incidence of crime.

There has been evidence of larger private home construction within the city, the assurance that the Metro system will proceed, the number of large office buildings constructed in the western half of the city, and the growing evidence that commercial activity, such as tourist influx, retail sales, and other economic indicators, shows improvement.

I know that the attitude of our business community is that the construction of this convention center in Washington could be the one single turning point in assuring economic recovery.

Every Member of Congress—in fact, every citizen of the United States, is acutely aware of the need to do some solid planning for the Nation's bicentennial in 1976.

We believe that approval of H.R. 16199 now will assure that city and this country of one major project to be available in the bicentennial year.

Much time and thought has been given to this project over several years, and every study indicates it must be approved promptly in order to insure its completion in time for the bicentennial.

Furthermore, as has just been indicated to you, Mrs. Eisenhower has already stated that this building would be a fitting memorial to the great general and President.

Gentlemen and Mr. Chairman, I would like to recap for you the five major reasons for our testimony in support of this legislation.

We believe that the utilization of such a facility would be maximum.

We believe that it is scheduled to be located in the best site possible with outstanding accessibility to all means of transportation.

Third, it is so economically sound, this project, that it will prove a benefit to the District of Columbia and to our entire business community and the center will certainly provide a superior project for the bicentennial and be a fitting memorial for our former President.

For these reasons, the Metropolitan Washington Board of Trade strongly urges your favorable endorsement of H.R. 16199.

Thank you very much.

Senator GRAVEL. Thank you very much.

I would like to pose two brief questions to you.

One is how many Chinese families or how many individuals are affected by the site that has been chosen right now?

Mr. STADTLER. I do not have the exact number, but I believe that the gentleman who is going to testify following me from the Property Owners Group down there will be able to furnish you with those figures.

It is considerably less than what the original boundaries was. Maybe Mr. Arata can answer.

Mr. ARATA. I think, Senator, probably what you are asking for is of the total square footage in the area being considered, in the four-block area, approximately 4 percent, according to the records in the city, 4 percent of the land total is owned by Chinese people in the whole four-block area.

Senator GRAVEL. What is the attitude you found with respect to the desirability or sale, either by the Chinese people or anybody else living in the area?

Do they look forward to a chance to sell the property, or has this been greatly resisted?

I know we are going to be hearing from the property owners, but I want to get your impression.

Mr. ARATA. My impression from their studies, Mr. Chairman, is that a large portion of them are totally willing to have this center located in the four-block area we are talking about here.

Senator GRAVEL. How big a market do you have there with respect to the sale and resale?

Is this a fairly active market, or is this a very poor market?

If I owned a lot in the area, how easy would it be for me to sell the lot?

Mr. STADTLER. I would say this is not an active sale area except, you know, for possible speculation as to the possibilities of this center.

Senator GRAVEL. But is that because of the depressed nature of the area?

Mr. STADTLER. I would say so.

Senator GRAVEL. Could there be any chance of increasing values if the Congress acted on this, so the property owners that live there might benefit from some increase in value or speculative value, or have the speculators moved in already?

Mr. STADTLER. The answer to your question is, if this action was taken, certainly the land values in the area would increase in the periphery.

Senator GRAVEL. So everybody would have a potential benefit in real terms?

Mr. STADTLER. That is right.

Senator GRAVEL. I appreciate your testimony.

I see the chairman is back and maybe he might want to pose some questions.

(Mr. Gray resumed the chair.)

Mr. GRAY. Thank you, Senator.

Mr. STADTLER. Mr. Chairman, I would like to say while you are present, express to you the statement I made in your absence on how much we appreciate the time and effort you are giving to the development of this center.

Mr. GRAY. Appreciation is a two-way street, and I have had nothing but the finest cooperation from the Metropolitan Washington Board of Trade.

You and Mr. Arata have been very helpful.

I used the figures in Anaheim, Calif., which were officially obtained from the convention manager, of 641 events last fiscal year in that small facility of only 130,000 square feet of exhibit space.

We envisage this facility to be probably twice that size or maybe even larger.

Based on the projections that you made, do you think it is realistic to assume we would be in the ballpark estimate of 600 or 700 events per year in this facility?

Mr. STADTLER. I believe we would.

Mr. ARATA. No question.

Mr. STADTLER. I think, after you go through the crankup period and the leadtime that is needed, I think we are going to far exceed it.

Mr. GRAY. Here again I am not trying to raise up any false hopes of anyone, but I think we would have to recognize—that is, the business community in Washington would have to recognize if Mr. Pollin goes ahead with his facility, and if the estimates he has announced yesterday are accurate of 350 or more events per year—many of those events that are now being held in downtown Washington in various hotels, like the Sheraton Park and others, may go out to Largo.

Mr. STADTLER. If I were Mr. Pollin, I would have made those same estimates.

However, if we get this facility—

Mr. GRAY. Mr. Pollin is investing his money, and he wants to siphon off all he can get from Washington.

Mr. STADTLER. If we have this facility, we have a better market than on sporting events.

Mr. GRAY. That is the very point I made in comparing this with the RFK Stadium. His will be a sports arena and it does not have exhibit space, and it does not have conference rooms and, therefore, it serves a completely different need.

But, as the Mayor pointed out, some of these arenas are being used in makeshift facilities, such as the Armory is being used for the boat show, and it is not adaptable because some of the boats are in the basement and some are upstairs, and it is not a good situation at all.

But if we do not build the Eisenhower facility, then Mr. Pollin is going to have a makeshift operation out there for many events that are now being held in downtown Washington; is this not accurate?

Mr. STADTLER. No question about that. It is critical we have this facility.

Mr. GRAY. Thank you very much.

Any questions or comments?

(No response.)

Mr. GRAY. Thank you very much, gentlemen, for being so tremendously helpful today and in the past. We appreciate it.

Our next witness is Mr. Richard Nelson, first vice president, Hotel Association of Washington, D.C.

Mr. Nelson, please come forward and I see you are accompanied by someone.

Mr. NELSON. Right, Mr. Chairman.

I am accompanied by Mr. Len Hickman, who is executive vice president of the Washington Hotel Association.

Mr. GRAY. We are delighted to see both of you. You may proceed in your own fashion.

STATEMENT OF RICHARD NELSON, FIRST VICE PRESIDENT, HOTEL ASSOCIATION OF WASHINGTON, D.C.; ACCOMPANIED BY LEN HICKMAN, EXECUTIVE VICE PRESIDENT, HOTEL ASSOCIATION OF WASHINGTON, D.C.

Mr. NELSON. Thank you.

Mr. Chairman and members of the Subcommittee on Public Buildings and Grounds, my name is Richard C. Nelson. I am first vice president of the Hotel Association of Washington, D.C., and my appearance here is on behalf of the Association and its 42 member hotels.

Our Association is pleased with the provisions of H.R. 16199 which would provide for the construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center in the downtown area of the Nation's Capital.

I am general manager of the Statler Hilton Hotel, which is one of the larger convention hotels in Washington, D.C. so I am particularly aware of the conventions which this city cannot house because of inadequate exhibit and meeting space.

Experience in other cities has proven to us that great benefits can come to a city which can attract and properly accommodate large conventions and expositions.

While it is true that Washington does enjoy a large number of conventions, we are still not able to solicit or secure those which have requirements for multithousand meeting room capacity and those which require very large exposition space.

We are losing annually millions of dollars for our hotels and merchants, to say nothing of direct District tax loss, to other cities which can cater to this type of activity.

It is the hope of all concerned that such a facility would result also in a revitalization and new growth for our city and give our business community the economic boost it so strongly needs.

When such a facility is in existence, other hotels and motels will be required to help house and serve the convention delegates this city will attract.

Therefore, we know that much more revenue will come to Washington. There will be many more job opportunities. Many commercial enterprises will reap more profits, and the District will acquire much needed additional taxes.

In closing, the Hotel Association of Washington, D.C., has long supported the need for a convention center for the District of Columbia, and we urge each committee member to support H.R. 16199.

Thank you for giving me the opportunity of presenting the views of our members to you on this very important subject.

Mr. GRAY. Thank you, Mr. Nelson, for a very fine statement.

One of my colleagues on the committee Mr. Snyder, a moment ago—I am not sure you heard this question—asked a question of the Mayor.

He asked the Mayor if he felt that by moving this facility down into the Mount Vernon Square area it might siphon off business from the hotels in other distant parts of the city because of the new facilities which will spring up immediately adjacent to the center.

Do you feel additional business will be brought in and, therefore, you would preserve the existing business and, in fact, have additional

business generated by this facility, and you are not worried about competition?

Mr. NELSON. Not at all. I think that those hotels that can handle self-contained conventions—that is, conventions that could be housed in one hotel—will still enjoy that business.

I think this will attract conventions that will require many hotels to take care of their needs.

Mr. GRAY. Let us take again the example of the National Education Association that has more than 10,000 educators. They bypass Washington, although their national staff headquarters is here. They bypass the Capital because there is no single place where they can feed or seat 10,000 people at one time. I have a letter saying these people would be meeting here. And they would need housing all over the city.

For example, one of our staff members went to Dallas, and there were 100,000 Shriners in town for their convention.

So, I think you can see a convention of that magnitude would use every single facility within the area of Washington, Maryland, and Virginia.

So, what we are trying to do is have a hall so that we can attract those conventions and get additional business for the new hotels, as well as the existing hotels.

Mr. NELSON. It is appropriate that you mentioned Dallas, because I happen to have lived in Dallas for 2 years.

While I was there, the city passed a law, allowing them to build or to expand their existing facility, which they really needed badly, and it has attracted many, many conventions to the city that heretofore they could not house.

My sister hotel in Dallas, the Statler Hilton in Dallas, is doing better business as a result of that addition.

Mr. GRAY. That is important. You have had experience. This is not a matter of conjecture.

We have got hard facts to substantiate your theories then.

Mr. NELSON. Absolutely.

Mr. GRAY. We are appreciative of the good work you are doing in housing our people.

Mr. NELSON. Thank you.

Mr. GRAY. Thank you, gentlemen.

We are moving right along, and we still have about 20 witnesses. We are having a rollcall vote on the floor, and I am expected to be relieved momentarily. The Chair would certainly be glad to go through or we can have a 30-minute recess if you care to have lunch.

What would be the consensus of those who are still waiting to testify? Would you like a short 30-minute recess to eat, or would you like to run on through?

How about those who are going to testify, please hold your hand for a 30-minute recess.

(Show of hands.)

Mr. GRAY. Those who would like to run right on through?

(Show of hands.)

Mr. GRAY. Fine. Glad to accommodate. We will continue right on through.

Our next witness is Mr. Steven F. Lee, chairman, the Chinese Community of the District of Columbia.

Mr. Lee, would you please come forward.

Would you please identify yourself for the record, and identify the gentlemen accompanying you.

Mr. LEE. My name is Steven F. Lee, chairman of the Chinese Community of Washington, D.C.

The gentleman with me is Mr. Frank Fong, attorney for the Chinese Community.

STATEMENT OF STEVEN F. LEE, CHAIRMAN, THE CHINESE COMMUNITY OF WASHINGTON, D.C.; ACCOMPANIED BY FRANKLIN FONG, ATTORNEY

Mr. LEE. Mr. Chairman and members of the subcommittees, and ladies and gentlemen, I am very happy that I came here today and that I have heard the Mayor, Mr. Gibson, and the many honorable speakers who expressed opinions concerning the Chinatown area.

We are not here to fight against each other. We are here to express our opinion. As citizens we must help each other.

I want to speak to you, Mr. Chairman, and your members, but first I want to thank you for your kindness in helping us preserve the old Chinatown, the churches, furniture row, and the many Chinese stores and restaurants.

Your efforts and time and understanding will be appreciated by so many American Chinese in years to come.

I would like to answer a question that was raised by the Mayor an hour or so ago about relocating the Chinese.

In the past 18 months I have been helping the Chinese with my time and money, the Chinese citizens, to apply for the low-income housing. The District government has approved 59 so far.

In 18 months. we have not received any action from the District whatsoever.

So what I am trying to bring up to you, Mr. Chairman, is that it is not easy just to promise. We Chinese people do not believe in promising and not doing it.

Wherever you have a Chinese friend, when he promises you something, that Chinese friend is going to do it.

I have been in these old countries for many years, but the American people still, you know, promise like you. Whenever you promise the Chinese that you are going to relocate them, you do it.

So, No. 1, I have been attending four hearings in the past 6 months. Our efforts were devoted to preserving and beautifying the old Chinatown.

The first meeting was held at the National Capital Planning Commission. Mr. Gibson was the chairman.

The second hearing was held at the New Hope Baptist Church. Mr. Gray, the chairman now who is sitting up there, was the chairman.

The third hearing was on TV 26, and the fourth one was at the RLA and Mr. Gunther was the chairman.

The purpose of all these hearings was to give us a chance to speak out and express our opinions about the Chinatown area.

The result of all these hearings is that we have preserved Chinatown, the two churches, and the furniture row, which is part of our fine community.

Our community has been many years, and much will go on in many, many more years to come.

Last month I just happened to sit in my library and I saw Congressman Gray on the TV. He said, word by word, that the sports arena will be built somewhere beyond the Union Station or somewhere else in Largo, Md., and that Chinatown and the two churches will be saved to avoid legal problems.

This was good news to me as well as to my Chinese people; that is, to preserve the whole property of the community.

I want to point out that Dr. Chin Lee, the former chairman of the Chinese community, wrote to the RLA on December 30, 1971. The letter was a resolution passed by our meeting for the purpose of answering the RLA request.

In the last paragraph he said, Dr. Chin Lee said, "The Chinese community fully intends to fight in preserving the present Chinatown on both sides of H Street, including I, from Sixth to Ninth Streets. These will be preserved, the two churches, the furniture row, and the Chinese stores and restaurants in that area."

In concluding, Mr. Chairman, I want to make two suggestions.

The results of these hearings, I hope, will be, and I know are going to be, to preserve the Chinatown area with the two churches. The reason I mention the two churches is that any community without a fine church is nothing because the churches where we go, the churches are something that we must believe in. The churches offer us some, what I call, spiritual food for us to be better citizens, so that we could make future better citizens.

A community without a good church, well, it is just like a mountain, nothing but the trees.

Mr. GRAY. I agree.

Mr. LEE. So I was in a meeting with Mr. Gunther. He said, Mr. Lee, well, what if the RLA will hire a consultant to draft a plan which will be feasible to save Chinatown.

Well, whoever you are going to hire, you must send him down to the Chinese associations so that we could get together and discuss together what is everybody's idea, what we believe will be to make a better picture just like we prayed for in the pastor's home. So, he agrees.

Again, may I thank you for everyone's time, especially the people who sit back there. They are our friends, too.

So whatever you have done, the Chinese will appreciate your valuable time and your fine attitude and hard-working efforts in helping us out, the minority Chinese, with the fair decision.

Thank you, sir.

Mr. GRAY. Thank you, Mr. Lee.

You were a great witness at the Greater New Hope Baptist Church on that cold February night, and you are a good witness here today. I appreciate it very much.

Mr. LEE. I promised you a chop suey the last time.

Mr. GRAY. And I am going to get it, too.

Mr. LEE. You and I have been very busy, but let us do something better than the chop suey.

Mr. GRAY. That is fine.

Mr. Lee, as we told you after listening to your representatives of the Chinese community at the Greater New Hope Baptist Church, as far I am personally concerned and this subcommittee is concerned, we would not envision taking any of Sixth or Seventh Streets where the bulk of the Chinese community is located.

I recognize the great contribution you are making to our Nation's Capital, and I certainly, as one of the authors of this bill, would not be a party to disrupting this cohesive community and the great contributions it is making.

For that reason, we gave up our efforts to take 25 acres in the Mount Vernon Square area, for a small 10-acre tract over the west end, so we would miss Chinatown.

I wanted to ask you if you have any ideas as to how many Chinese families might be living on Eighth, Ninth, 10th and 11th Streets Northwest.

Mr. LEE. Well, I do believe that the RLA has taken some sort of survey about this, but most of the Chinese are located at I and New York Avenue and Massachusetts Avenue.

Of course, Massachusetts Avenue is ours from Eighth, Ninth, and 10th. Of course, we have a few that live on I Street between Sixth and Seventh.

Mr. GRAY. It is my understanding that it was between Eighth and 11th Streets NW. that there are three small Chinese businesses.

Mr. LEE. It is possible, yes.

Mr. GRAY. This is leaving all of furniture row, leaving the Methodist Church and the Calvary Baptist Church.

By leaving most of the churches in the community, which we agree should be done, do you not believe we would be able to locate those three businesses around Sixth or Seventh Streets and still keep all of the Chinese community together?

Mr. LEE. Well, I do not know. My attorney wants to answer that.

Mr. GRAY. We will be glad to hear from him.

Mr. FONG. Mr. Chairman, before I go on to answer that, I want to thank you for your efforts in the preservation of Chinatown. However, my feeling is that you did console us temporarily, but my main concern is this. It would not be as pretty a picture which we have heard painted here this morning. From what you have said, Mr. Chairman, Los Angeles would now anticipate a larger convention hall; and if that be true, it would fall into my imagination that the whole of Chinatown eventually be wiped out in the same theory like you advanced in Los Angeles.

The reason I have this opportunity to answer the question is this, that Chinatown has been there all along, and with our fear we would be wiped out on your action at a future time, which means that we will not get the fruit of the tree we have all this time planted, and somebody else will get the fruit from the tree. That is our main concern.

You ask how many people are affected in this particular area immediately. The three stores that were just mentioned are there, and, in addition, there is also a school for Kung Foo. It was recently established.

In addition, our building of the Chinese Consolidated Association Office is there, and we are very much concerned about this building.

I hate to take the time of the committee to say something about this procedural matter, but from what I have heard this morning from the Mayor, it seems to me that it would be appropriate for me to respectfully inform this committee on two grounds. One is the location cost, and the other is the hearing.

There was no hearing whatsoever from the Mayor with respect to this particular issue. If there had been, many things would have been solved.

We do not have this kind of problem here in this Congress.

For another thing, the relocation costs, it would help to go through the act which means power for relocation or whatever power of the agency which will move us out and more power which will give us much less money, which has been established before.

Mr. Lee has testified before you while you were down at the church. He mentioned his father's building which was asked to be removed and to the deficit of his father, something like \$10,000 to \$20,000.

So, I respectfully inform this committee on these two essential matters in the relocation and the moving out of the Chinatown residents.

Mr. GRAY. I certainly share your concern. I want to say to you categorically that this committee will not be any part of taking Chinatown.

I think what you have reference to is the RLA plans eventually to urbanize this area through an urban renewal program, and you could be in jeopardy, but not from the Eisenhower Center.

This is why I think you need the protection of the proposed improvement, cutting it off at H Street so you will have your Chinatown intact.

I think by staying with us and letting us stay with you, we will work out something more satisfactory because if you let the things go under the urban renewal project, they may take property for sale to private developers who are going to be building all over the place.

You are going to have a thousand percent increase in your business with the Eisenhower Center. There are millions of people that will be visiting just a block or two down the street.

So, I would think, from a business standpoint, this would increase your property values and certainly would enhance your entire position in the community.

Mr. LEE. Mr. Chairman, can I say something to you sir?

Mr. GRAY. Surely.

Mr. LEE. It is about 4 years ago what Mr. Fong just expressed to you, that they took down all the Chinese homes and the businesses on Sixth Street between H and I. That is a whole block.

At that time, they promised us so many things. They even had the Chinese make applications on where they are going to move to, and all of that nice talk.

But, after they took it down, they have not done anything for the Chinese. That is why most of the Chinese are now today living like sardines in Chinatown.

You see, you do go down there very often. You do not know the situation like I do.

I do not get paid for it, only that I was of the good luck that I retired several years ago. So I just came out to do what I could for the junior and senior citizens, all my time and money.

You see, you go down there and have some chop suey and a Chinese drink for lunch, and you get out as soon as you can, but the poor guys there are suffering. That is why I pointed out to you, Mr. Chairman, that if you cannot fulfill your promises, do not do it.

Mr. GRAY. Well, I agree with you, but if this project is approved by Congress you will know exactly what you are getting.

Mr. LEE. We are all brothers and sisters. We are not here, but when we go up somewhere, we will be.

But that is why I come in today to tell you that I heard a very frank gentleman—I think he is a Senator.

Mr. GRAY. Mr. Snyder from Kentucky.

Mr. LEE. He is a wonderful man, the way he expressed it.

[Applause.]

Mr. LEE. We have to look into it deeper, to find out whether we could do something.

So what I have been doing for the last 15 years for the Chinese. I never charged them a dime. They get sick, I go see them. I understand them.

Mr. GRAY. They have a very good spokesman.

Mr. LEE. I do not know about that.

So my idea to be a man is we have a different philosophy of love and understanding, not just because when we need you, we pat you or the back, and after we do not need you, you go and jump in the river.

So, what I am trying to do is say I am a little older than you are. I have been through a lot of promises, and I do not want my countrymen to be hurt.

So, at any time, at any cost, if I could afford it, I always go to help them.

Mr. GRAY. Mr. Lee, we told you in February we would protect you, and we are telling you now in August we will protect you.

Mr. LEE. I do not know about that. Let me tell you something.

Mr. GRAY. If you will read the legislation, sir, it defines the boundaries and it does not take Sixth or Seventh Streets, and no one would have any authority to go in under this act, and the purpose of this hearing is to hear testimony concerning H.R. 16199, and there cannot be anything beyond what this legislation calls for unless it is amended and I do not expect that it will be.

Mr. LEE. Well, thank you very much for your time.

Mr. GRAY. Thank you very much.

Any questions?

The gentleman from Kentucky.

Mr. SNYDER. Yes, I would like to thank Mr. Lee for his fine statement and thank him for his laudable remarks about this gentleman, and I would say in speaking of the great beyond, Mr. Lee, if you happen to hear a whirling, swirling sound in the chamber, do not get upset because that may be Dwight Eisenhower coming back to take a look at this.

Mr. Gray has, of course, given you certain assurances and under this act, it stops at a certain street. That is going to generate a lot of traffic down there.

I would ask you, Mr. Lee, if you think when they have a big parking problem down there after this facility is built and they decide they want to build some parking garages, where do you think as a local businessman those garages would come under the next act?

Mr. LEE. Well, could I ask you, Congressman—well, when I was a kid, I came to this country when I was very small I got nobody but myself. I got my education through hard working.

My father was telling me the big fish always eat the small one. That is what our attorney was trying to point out, that they gradually will force all the small men out of the area.

Mr. SNYDER. That is right.

Mr. LEE. So, therefore, when we are in positions, our first duty is to look and take care of the poor and small one, not the big one. The big ones always get some way around it and squeeze the small one.

Thank you.

Mr. FONG. May I further respectfully inform you, Mr. Snyder, that at the present time I believe that there are businessmen displaced in downtown Washington who have not been able to relocate themselves. For those who have already been relocated, they have a higher cost and I also want to point out to you the facts which I pass by—the building which I pass by every day before I take the bus to go back to Virginia is at 12th and Pennsylvania Avenue, and the store in that building have not been filled because of the relocation costs.

Mr. SNYDER. I am convinced that is true. A gentleman just came to me as I went over to the floor to vote and came back who is, I understand, going to testify, who is going to be displaced by either this or urban renewal projects in the same general area.

They suggested to him since he cannot find some comparable space at comparable price—I think his lease is \$1.50 a foot and the only thing he can find nearby is the new building at \$13.50 a foot—that maybe he ought to go to Plato, Md., and put his business there.

The point I was trying to make is that when this facility is built and if it is, I suspect the realities of the situation are that the steamboat is going; but when it is built, and they have parking problems down there, the Mayor has testified or one of the witnesses at that assembly testified that there are 10,000 parking spaces in the area. I ought to know, but when they have problems in parking and people are walking eight and 10 blocks at night to some convention assembly over there, they are going to build a parking garage and they are going to build it right across the street.

It is not in this bill and perhaps it is in the next bill to develop this great area where great hotels and motels are going to be built around it which they told us about today so elaborately in their projections, and I would not be surprised if some of those do not want to be kind of close by—like in Chinatown.

Mr. FONG. I think your surprise would become a reality, Congressman Snyder.

Mr. SNYDER. I think that we have got to take a hard look at this, and I am concerned about a lot of things, some of which I dealt with earlier in regard to projections and finances and the taxpayers' interest.

But I would say to you insofar as I have been able to determine all the folks in Chinatown are paying taxes on their property, and I think they need to have some protection in that regard, too.

I am not saying we do not need a convention center or a civic center in the metropolitan area. I am also not convinced it should not be somewhere around the Beltway where we have got some land and some access to it.

Mr. LEE. I do not think I should take too much of your time, Mr. Chairman, and I wanted to thank you very much for your kindness, your time, for what you have been doing.

Also I want to thank Congressman Snyder for his friendly philosophy of love.

Mr. SNYDER. And you did not promise me a dinner for it.

Mr. LEE. Thank you for your time and look forward to seeing you.

Mr. GRAY. Thank you, gentlemen, for coming.

The gentleman from Kentucky certainly has a right to his own opinion and I would not argue with him for a moment, but I do want to have the record show we have 6,170 spaces indoors in garages within a four-block radius of the proposed center and the 3,800 outdoor parking spaces within the four-block area. I want that in the record at this point.

Mr. SNYDER. Mr. Chairman, does the chairman have any information—probably I am out of order in asking questions of the Chair—any information as to how full those facilities are now because we are talking about an increase of people coming into the community over and above what there is now for the existing business. You are going to displace three businesses according to what the chairman just said awhile ago in the area taken.

How much is now being used at least in the present facilities so that we know what the parking facilities are that are presently unused?

Mr. GRAY. I can best answer that by stating that the owners of the parking lots are in strong support of the civic center facility. So evidently they are not being used to full capacity.

Mr. SNYDER. I have no doubt of that.

Mr. GRAY. Our next witness is Mr. David Frederick, chairman of the Mount Vernon Square Property Owners Committee, accompanied by Owen Jackson, vice chairman.

Gentlemen, we are delighted to have you here this afternoon and we deeply appreciate your patience in waiting to testify.

Maybe you can shed some light on the question just propounded by our friend and colleague from Kentucky since you do represent the property owners in Mount Vernon Square, and I assume that does include the owners of the parking facilities.

Mr. Frederick, you may proceed in your own fashion.

STATEMENT OF DAVID FREDERICK, CHAIRMAN, MOUNT VERNON SQUARE PROPERTY OWNERS ASSOCIATION; ACCOMPANIED BY OWEN JACKSON, VICE CHAIRMAN

Mr. FREDERICK. Mr. Chairman and members of the subcommittees, my name is David E. Frederick, chairman of the Mount Vernon Square Property Owners Association.

Mr. GRAY. Would you please pull the mike in closer so we can hear you.

Mr. FREDERICK. I am also associated with the H. G. Smithy Co. Realtors, operating in the metropolitan area of the District of Columbia.

The major part of my professional activity is concerned with downtown Washington, including Mount Vernon Square.

The committee which I represent today consists of Mr. Owen E. Jackson, who is with me here; Mr. Joseph H. Hennage, Mr. Angelo A.

Puglisi, and Mr. William Cohen—all owners of record of property within the site for the projected Eisenhower Memorial Bicentennial Civic Center.

As a committee and as individuals, we appear here today heartily in accord with the provisions of H. R. 16199.

In the past several months, several of us have taken the opportunity to contact all the property owners or agents of real estate located in the four-block area bounded by Eighth Street, 10th Street, H Street, and Mount Vernon Square.

We contacted the owners or agents of every lot within the described area with the exception of one which I could not locate.

Mr. SNYDER. Is that the area marked on your map, sir?

Mr. FREDERICK. Yes, sir. As a result of this effort, we find that there are 357,548 square feet of privately owned property within this area. Owners representing 281,541 square feet or 80 percent of the privately owned property in that four-block area are in favor of locating the Eisenhower Center in the Mount Vernon Square vicinity.

Mr. GRAY. Would you give us those figures again?

Mr. FREDERICK. Eighty percent of the people—the people who own 80 percent of the land in that four-block area are in favor of the center.

Mr. GRAY. You did contact all the owners save one?

Mr. FREDERICK. Yes, sir.

Mr. SNYDER. Is that 80 percent numerical or area?

Mr. FREDERICK. Area.

Mr. SNYDER. Do you have any large property owners involved in that?

Mr. FREDERICK. Yes.

Mr. SNYDER. What is the percentage owned by the largest single property owner?

You can go ahead with your statement, and I will ask you for the answer later.

Mr. FREDERICK. I have that here, sir. Owners representing 42,521 square feet, or 12 percent of the area, prefer not to sell, but they told me they would not oppose the project if their property was needed and they were fairly compensated.

Owners representing 29,348 square feet, or 8 percent of the area, oppose the project because they have a viable business located on the premises in most cases or have a favorable lease arrangement.

I refer your attention to the chart which you have put on the blackboard and note that the yellow area indicates those that are in favor of the project, and the green areas indicate those who prefer not to sell but would sell if necessary, and the red blocks represent those who are opposed to the project.

Our committee and those who have joined us feel that placing the Eisenhower Center in this area is one of the best things that could happen to downtown Washington. We feel it is the best utilization of the property involved.

We hope you will agree with us that the joining together of these property owners is a great demonstration of the response by the Washington business community in favor of a most worthwhile project which would add immeasurably to the ultimate economic good of the city.

Joining with me today and wishing to add his own brief statement to my comments is Owen E. Jackson, vice chairman of the Mount Vernon Square Property Owners Committee.

Mr. GRAY. Mr. Jackson, we are delighted to see you. You may proceed.

Mr. JACKSON. I do not have a prepared statement, but I only would like to go on the record as being in support of Mr. Frederick's statement as vice chairman of the committee, and I speak not only as a property owner in the area but also as a businessman in that area.

Mr. GRAY. Mr. Jackson, since you are a businessman, let me ask you this question: How many of those buildings—and I realize this is just an estimate or a guess from you—how many of those buildings are more than, say, 50 years old?

Mr. JACKSON. I would say they are the overwhelming majority.

Mr. GRAY. And would you have any idea how many of those buildings are vacant?

Mr. JACKSON. It is pretty hard to say. I would say 10 to 15 percent.

Mr. GRAY. Is vacant?

Mr. JACKSON. Yes.

Mr. GRAY. You have been in the area how many years?

Mr. JACKSON. I have been in the area 3 years as a businessman.

Mr. GRAY. Knowing that some of these buildings are in a bad state of repair, is it your opinion that urban renewal is eventually going to take them or they will fall of their own weight?

Mr. JACKSON. Something would have to be done to improve them because they are steadily deteriorating.

Mr. GRAY. Not all of them, of course.

Mr. JACKSON. As a general rule.

Mr. GRAY. The gentleman from Kentucky.

Mr. SNYDER. I would like an answer to the question I asked awhile ago.

You say 80 percent of the property owners are in favor, 80 percent by area, are in favor of the project?

Mr. FREDERICK. I say that the property owners who represent 80 percent of the land privately owned are in favor.

Mr. SNYDER. Eighty percent of the land area is in favor of it, so to speak?

Mr. FREDERICK. That is correct.

Mr. SNYDER. Can you give us a breakdown of the number of property owners rather than the land area?

Mr. FREDERICK. Yes. There are 80 different property owners.

Mr. SNYDER. Eighty?

Mr. FREDERICK. Right.

Mr. SNYDER. How many of those favor it?

Mr. FREDERICK. I have not totaled it up that way, but I can. Fifty-four of the 80 are in favor of the project.

Mr. SNYDER. And the other 26 fall in the category of either opposing or going along if they have to?

Mr. FREDERICK. Yes, sir.

Mr. SNYDER. What portion of this area is owned by the single largest property owner?

Mr. FREDERICK. Well, there are two large property owners in there. One is a man who operates an automotive carburetion service who has indicated to me if he was compensated for it fairly and had some assistance on relocation that he would not oppose the project.

Mr. SNYDER. How much of that total area does that large property owner own? Is it a substantial portion of this area or not?

Mr. FREDRICK. Yes, it is. It is that part in the lower left-hand side to the corner.

Mr. SNYDER. Is he the single largest owner in that four-block area?

Mr. FREDERICK. He is one of the largest.

Mr. SNYDER. You indicated you were in the real estate business, professionalizing in this area?

Mr. FREDERICK. Yes, sir.

Mr. SNYDER. Have there been any substantial transfers of real estate in the four-block area since this District project has been talked about?

Mr. FREDERICK. None at all that I am aware of.

Mr. SNYDER. Thank you.

Mr. GRAY. Thank you very much, gentlemen. You have been very helpful. We appreciate it.

Would it be possible for you to leave this design in place because I understand either the red or the green area is the New Hope Baptist Church.

Mr. FREDERICK. That is correct.

Mr. GRAY. We do have Reverend Hamilton here to testify later. Would you point out where the New Hope Baptist Church is on that map so we can refer to it?

I believe it is in the lower right-hand corner. Do you not have him listed as not wanting to sell?

Mr. FREDERICK. Yes.

Mr. GRAY. That large green area?

Mr. FREDERICK. Yes.

Mr. GRAY. If he were willing to be relocated, that would up the 80-percent figure considerably of those willing to sell?

Mr. FREDERICK. Yes.

Mr. GRAY. Thank you very much.

Our next witness is Mr. William Calomiris, director, Washington Convention and Visitors Bureau.

Mr. McARDLE. We have a substitute.

Mr. GRAY. Please come forward and identify yourself for the record.

Mr. McARDLE. With a name that is as hard to identify and pronounce, we had to have a substitute.

I am Walter McArdle and I am president of the McArdle Printing Co. and also a member of the board of the Washington Convention and Visitors Bureau.

I am here today to present the statement of William Calomiris who is president of the William Calomiris Investment Co. and the volunteer chairman of the Washington Area Convention and Visitors Bureau.

STATEMENT OF WALTER McARDLE ON BEHALF OF WILLIAM CALOMIRIS, DIRECTOR, WASHINGTON CONVENTION AND VISITORS BUREAU; ACCOMPANIED BY AUSTIN KENNY

Mr. McARDLE. Over 800 area business firms and the District of Columbia annually support us in our efforts to attract an ever-increasing number of conventions and visitors to the Nation's Capital.

Almost from its inception, some 41 years ago, the Convention and Visitors Bureau has recognized the need for the type of facility that would be provided with the legislation under consideration today.

May I interpose to say I have with me Austin Kenny who is manager-director of the convention bureau.

Mr. GRAY. You are doing a very good job.

Mr. McARDLE. We are apparently a long way from the first group of civic and business leaders to suggest the need for a convention center in Washington. A potential customer of a convention center in Washington has recently sent us a clipping from a November 1908 edition of the Christian Science Monitor citing the need for, and I quote, "great auditorium for the use of national conventions desiring to meet in the Nation's Capital."

Several committees and groups down through the years have attempted to bring this dream to a reality and some 60 years later, 1968, the Washington Area Convention and Visitors Bureau and the Hotel Association of Washington hired Booz Allen & Hamilton to do the first in-depth study to help bring about this essential project.

From the start, we would like to express to you our very sincere appreciation of your long and tireless efforts in seeing that this project has continued to move ahead and, thereby, giving us the opportunity to express here today our very strong support for H.R. 16199.

Over the past 25 years, we have watched almost every city and town in America construct this necessary type of community facility so that the growing convention market could be tapped to the economic benefit of everyone in these communities.

Years of sales calls by our convention sales staff on virtually all large national and regional trade associations, religious organizations, professional societies, service clubs, and others have convinced us that virtually all convention holding organizations have a very sincere desire to meet in Washington, D.C.

We have not been able to accommodate these groups and they have been forced to look elsewhere.

We have had the additional problem of watching our sales efforts slip away as groups that were already sold on Washington and scheduled for future meetings continually grow too large for us and are forced to seek other locations due to a lack of proper meeting and exhibit facilities.

We therefore feel that this facility cannot only provide over \$100 million in new convention spending, but at the same time permit us to retain our current level of convention business—a twofold gain for the economic life of the community.

As the sales force for the Washington area's second largest industry, conventions and tourism, we very strongly urge passage of this legislation creating the Eisenhower Bicentennial Civic Center. We feel it is the right thing in the right place at the right time.

We thank you for your having granted us the opportunity to appear today.

Mr. GRAY. Thank you for a very fine statement.

I would like to refer to your testimony. I quote :

We, therefore, feel that this facility cannot only provide over \$100 million in new convention spending, but at the same time, permit us to retain our current level of convention business.

I am sure you were here and heard the colloquy that took place between my friend from Kentucky and the Mayor concerning the payout, the projection for the payout of the profit costs.

If you will notice, the Mayor's testimony referred to the possibility of this generating \$50 million of new business a year.

With all due respect to the city officials and their analysts that worked out these figures, I do not think anyone is in a better position than those who are now handling the convention business to project the right figures and you are talking about at least double what the Mayor talked about.

I personally feel that we are talking about \$200 million to \$500 million in additional business each year.

I am talking about the study of the National Park Service that shows the average tourist is only staying 2 days rather than the 7 days he had planned because of the problems of having no place to park, no central place to get visitors information and proper sightseeing transportation.

So if we just double that from 2 to 4 days, we would be talking about an additional \$300 million to \$500 million each year.

But even taking your \$100 million estimate, that is double, double business means double taxes and double revenues. So I think we can see without a doubt that the Mayor's figures in amortizing this building are very, very conservative as far as collected revenues are concerned.

Would you not agree with that?

Mr. McARDLE. I would agree with it completely and I would say this, that currently we hold about 700 conventions in the District of Columbia.

But the ones that we are precluded from holding are ones like the NRECA, the National Rural Electrification Cooperative Association, the National Education Association, the American Medical Association, the Rotary, the Lions, and a whole group of others that are really large ones.

If we got 35 new conventions, which we anticipate would be the case if this were to go through, another 350,000 to 400,000 people would attend and this would give a minimum of direct payments of \$75 million.

Now, the added expenditures of these people would bring it to \$100 million, perhaps \$200 million. I am sure that the figure you have quoted gets us in the ball park of being more correct because you would have also the additional stay of so many of the tourists who now visit Washington, and this I think would be compounded on it.

Mr. GRAY. Also we obtained figures from the Los Angeles Civic Center that they estimate a dollar turns over seven times before it leaves.

Mr. McARDLE. That is right. We do, too, and the figures I gave you are only direct figures.

Mr. GRAY. That is correct. The intangible benefits are just unbelievable. A dollar turns over seven times.

Mr. McARDLE. That is right.

Mr. GRAY. It creates new jobs, less unemployment benefits. The spill-off is tremendous.

Any questions?

The gentleman from Kentucky.

Mr. SNYDER. I did not, but since you have commented about the Mayor's \$50 million and this gentleman's testimony is about \$100 million, which has gone to \$400 million, I wish the Mayor were here so I could find out who his financial analysts are and I wanted to ask you who yours were because this seems to be a great disparity in projections between what the Mayor said and what you said, even using your low \$100 million in your testimony.

That is a 100-percent amount off from what he said.

Mr. McARDLE. Suppose we ask Mr. Kenny to answer that.

Mr. KENNY. The Booz Allen & Hamilton study that the General Services Administration had updated from the original one quoted a direct income of \$76 million from convention delegates. That took no jobs into account. It took nothing into account other than the direct expenditures of the additional convention delegates.

Mr. SNYDER. Do you happen to know—I do not—who did the income projection and estimate on the stadium and the Kennedy Center?

Mr. KENNY. No, but we are talking about a different kind of dollar. When you are talking about a stadium, you are talking about turning over a community's own dollars. When you talk about a convention center, you are talking about bringing in other dollars and injecting new money into your economy rather than turning over your own dollars which a stadium basically does.

Mr. SNYDER. You are taking these dollars from another community.

Mr. KENNY. They are taking them from this community today, as you appreciate.

Mr. SNYDER. If the NRECA convention comes here and the Rotary and the other ones that the gentleman mentioned, they are coming here in lieu of going to Dallas and other places. That money is being spent there. It is not going into the Washington area economy.

Mr. KENNY. We have a situation where this is the second largest income that this community does have, and it is the economic life of this community when we are talking about this particular industry.

We also have the factor, taking the case of the National Rural Electrification Cooperative Association, where they have continually come to us and almost criticized our efforts in not having such a facility here because of their desire to meet in the Nation's Capital. They expressed the thought of wanting to be here every fourth year.

It is not really a sales effort at all. That would be an order-taking type of situation.

So it is a desire on the part of the national organizations to be able to come to their Nation's Capital.

Mr. SNYDER. Do you have any input on site location? You are for the civic center and the convention center, but are you convinced that this proposed location is the ideal place for it?

Mr. KENNY. We are convinced the center city is the only place such a facility has any chance of survival. This location here is excellent because of the small amount of people, for instance, that are disposed from housing, et cetera. This is an excellent site.

I think anybody would be foolish to say it is the only site, but it is an excellent site and has been gone into by all kinds of people who agree that this is as fine a site in the District of Columbia, and a Beltway

site as you mentioned would not be suitable because convention delegates are not automobile travelers. They come by air travel. They go to their convention site by other means of travel than the car.

In our case we are going to have the Metro which is going to be a distinct advantage to us because it serves our high density convention hotels already, plus the fact they are high cab users as they are every place in the country.

Mr. SNYDER. But these hotels and motels that are going to spring up around the convention center probably will spring up around it at any location within reason.

Mr. KENNY. I did not hear all the question.

Mr. SNYDER. The housing facilities for the conventioners, they are supposed to spring up around such a proposed center, and they would spring up around it in any location within reason; would they not?

Mr. KENNY. The assumption from the very beginning and contained in the Booz Allen & Hamilton studies was that at least a major facility would be located, hotel facility would be located in the area. That is a basic assumption. That is part of the basic assumption in the revenue generation for the District of Columbia because, of course, there is currently a 5-percent room tax on hotels. It is part of the revenue projections that are in there.

Mr. GRAY. Let me give you two real quick examples. Let us take the Democratic and Republican National Conventions in Miami. Our Illinois delegation stayed 33 miles from the convention hall.

I think the Kentucky delegation was up in Georgia someplace. There were delegations all the way from Hollywood and Fort Lauderdale, all the way to the convention site in Miami Beach.

So I think it is reasonable to assume that the Sheraton Park, the Shoreham, and the outlying hotels, are going to get the same business as that hotel located right next door.

Mr. KENNY. That is absolutely true, and it is also an important factor—

Mr. SNYDER. Off the record just a minute.

(Discussion off the record.)

Mr. GRAY. On the record.

Mr. KENNY. I think it is important to understand something because I think Mr. Snyder brought up the fact that no convention moves out of a hotel as long as it can stay there. In other words, if you can have your exhibition, your meetings, your sleeping room and your entertainment all under one roof, that is the ideal.

It is only when organizations grow too large to use such facilities that something like we are talking about today becomes necessary. So we are not talking about taking any business away from any existing facility.

We are talking about add-on or those that outgrow us now.

Mr. SNYDER. You have been very helpful. I appreciate it.

Mr. GRAY. Thank you very much, gentlemen. You have been tremendously helpful. Keep up the good work for Washington.

Our next witness is the very distinguished Rev. Charles H. Hamilton, pastor, New Hope Baptist Church.

Reverend Hamilton was here a bit earlier and he had to leave, and we have a very fine substitute to fill in for him.

Please come forward, sir. I want the record clearly to show that Reverend Hamilton and the entire congregation at the New Hope

Baptist Church opened their doors in that Christian fellowship on a cold February night, and it was a great host and we deeply appreciate the consideration they gave us at that time.

Sir, would you please state your name for the record and we are happy to have you here this afternoon and we appreciate your coming.

Mr. SIMPKINS. My name is James Simpkins. Mr. Chairman, I am here to pinch hit for the Reverend Hamilton. He had to go to an appointment, very important, with his dentist.

Mr. GRAY. He was here earlier. I saw him.

STATEMENT OF JAMES SIMPKINS ON BEHALF OF REV. CHARLES HAMILTON, PASTOR, GREATER NEW HOPE BAPTIST CHURCH

Mr. SIMPKINS. Mr. Chairman, our church is a thriving congregation of 1,500 members. We come from all over this city and from Maryland and Virginia. We have poured our love and money into our church which, as you know, is an official landmark of the city. Our location in the center of the city is important to us. It is near good public transportation and easy for our folks to drive to.

Now this bill before you today says our church will have to go to make way for a new civic center in our downtown.

We have heard the winds of change coming upon us. We have studied with our neighbors in the Chinese community and the businesses in our area to see what this great change means to us. Your committee very kindly came to my church in February of this year to hear what all of us thought.

We told you we wanted to protect our Chinese community. We told you that our business people should not be destroyed by this great new project. And we told you, in the presence of the Lord in our own tabernacle, that the churches of the people could not be destroyed.

In my church we have prayed and studied over what this all means. We have asked the Lord to help us understand the right way to see the needs of the general public good and to measure those needs against the needs of the Greater New Hope Baptist Church and our neighbors.

Mr. Chairman, we believe in this city. We are its people and we are strong. This city is strong and getting stronger. But in my congregation we have those who need jobs—good people, family people, people willing to work but not able to find work. This is true all over the city. It is especially true for many of our good people who did not have the advantages of education and training in the new kinds of jobs that more and more of our sons and daughters can have—if their mothers and fathers can find work.

We understand that the great majority of people in this city are ready to set it right and get it moving. The majority of our city's people are black people and our hearts and heads and bodies are ready for this great work.

The Greater New Hope Baptist Church says we will not stand in the way of the most good for the many. We are interested in getting more jobs for all our people. We want this city of so many black people to thrive and be great.

Therefore, Mr. Chairman, we support this bill. We are ready to move the Greater New Hope Baptist Church to make way for this new progress.

But let me say, Mr. Chairman, we say this because we read this bill and we see that it puts our Mayor in charge of the total operations. And we will trust our mayor. This bill says that the urban renewal will be used to create this new project, and that means we expect hearings before the National Capital Planning Commission where the people can see the plans and help to shape this project. We also understand that this urban renewal means the City Council will also have public hearings to listen to the people on this project.

And most important, Mr. Chairman, most important, we see that this bill makes the Uniform Relocation Act assistance available to all of us who will have to move.

Mr. Chairman, we are prepared to trust you, and our Mayor and our City Council to see that the people help plan this project. We expect that the small business people and those who live in our area will get help—the kind of help they need and deserve. The public good does not mean the little person must be hurt.

And we expect, Mr. Chairman, that the Mayor, and Mr. Melvin Mister of the Urban Renewal Agency and the Bicentennial Commission will guarantee our church a fair price for its present land, taking into account all we have spent to buy it, to improve it and keep it up.

And we expect to get from the Mayor, Mr. Mister, and the Bicentennial Commission another piece of land near to our present location for a new church.

We expect RLA land at low cost. If we do not receive such land, our congregation will be destroyed and, Mr. Chairman, we will be betrayed.

We pray and we trust that we can help the public good. We pray and we trust the public will help us.

Thank you.

Mr. GRAY. Thank you very much, Mr. Simpkins. That was a very fine statement, and please tell Reverend Hamilton we so much appreciate his Christian attitude toward this problem. We know it is a soul-searching matter for him and the entire congregation, and you can tell him for us that we certainly will stand by his side and make sure that justice and equity is given to the great people of the New Hope Baptist Church.

Mr. SIMPKINS. Thank you, Mr. Chairman. I appreciate your concern.

Mr. GRAY. Thank you very much.

Our next witness is Mr. Harry Hahn, owner, House & Herrmann Furniture Store, and a great business leader in the Mount Vernon Square area and other areas of our Nation's Capital.

I first want to apologize for being so long in calling you, and we appreciate so much your patience and appreciate your coming today.

STATEMENT OF HARRY HAHN, OWNER, HOUSE & HERRMANN FURNITURE STORE

Mr. HAHN. Thank you, Mr. Chairman.

First of all, I would like to say that I do not have a prepared statement. I have been out of town for the last several days. I have been up in Montreal, and just returned last evening.

Mr. GRAY. I understand, and I apologize for the hasty appearance.

Mr. HAHN. Eight-thirty last night was when I got the word.

Mr. GRAY. You have a fine store, and I have been in it many times. You are a great leader in the community, and we want to get your views on the record.

Mr. HAHN. I thank you very much.

I would be remiss if I did not say that we are very proud of our store.

For the record, my name is Harry Hahn, and I represent the House & Herrmann Furniture Store, which is located at Seventh and I Streets, which is within the boundaries of the original proposal, and why I got so active in the matter that is before the committee at the moment.

I would like to review a little bit, and tell you that most of your communication with me has come through an organization or a committee known as the Mount Vernon Association of Business, Religious, Civic, and Chinese Groups, and we have formed a coalition and fought rather vigorously against this proposal.

It might be interesting to know why we were against it. We felt, first of all, that the community would be disrupted with the destruction of the two black churches.

These churches had a total membership of 4,000 families, and they were the leaders in the community in keeping stability in that area.

We have heard some figures on crime in the past at some of these hearings, but in our area we have, believe me, very little crime.

I think the churches have done a great deal to support this feeling of confidence that we have in being open in the evenings in that area, and we are very proud of the contribution these black churches have made to our location.

They also, both of these churches, have youth centers, and they are looking to the future, and they are doing constructive things, which we feel that we all should be proud of, and we are very happy that they are there.

We did not want to see them disrupted. We did not want to see them displaced.

For that reason we were against the original proposal.

Second, we felt a strong kinship to our brothers in the Chinese community. We are rather proud of that little community, and we know from our being adjacent to Chinatown that they have a lot of plans to build up Chinatown into a real tourist attraction.

These people are our friends, and we all work and live together in the community, and we did not want to see them hurt.

I am in the furniture business, and, of course, I was vitally concerned about "Furniture Row" and the businesses located in the Seventh Street area.

We as a group help each other, and to disperse us singly in other areas would have hurt us all. We were against the proposal because of the loss of taxes that it would mean to the District, not just real estate taxes, as mentioned at your February 14, I think, meeting.

Our store alone paid \$521,000 in District taxes last year; \$160,000 of that alone was in sales tax. This is just one store I am talking about.

We happen to have two other stores in the area, and in addition to that we have about eight total furniture stores, some of them doing very, very large volumes.

You add all of these stores together just on the Seventh Street Furniture Row, and you get into a tax situation that amounts to millions of dollars. So, of course, we felt that it was bad from an economic standpoint for the District.

Finally, we were against it because we seemed to get the feeling that there was a lack of coordination between legislation that the Public Works Committee was considering and legislation that was being considered by other parts of the Congress and the city.

I refer first of all to the Metro, which disrupted a good part of the city. We feel that this is in the best interest of the city, and that the Metro will probably contribute more than any single thing that has been done in the city over the years.

However, we must face the fact that Metro did disrupt many businesses. We find that while the original presentation was to take our area on Seventh Street from H Street on up to Massachusetts Avenue, at the same time Metro was saying they wanted the two-block area on the east side of Seventh Street from F to H.

If that was not bad enough, along comes the Pennsylvania Avenue Redevelopment bill, which is now pending in front of the Interior Committee of the House, and which has already been passed by the subcommittee, and which they say now they want to take all of the area on Seventh Street from Pennsylvania Avenue up to F Street, but not including the Hecht Department Store.

It would mean the displacement of Landsburgh's, Morton's, the Hub Furniture Co., Kanns and the last viable shopping community in the area for the less affluent people.

These are the negative things we had in mind when we testified at your previous hearing, and this was the thought that we had, and the reason we were so strongly against this bill.

Now we find—and when I say we, I am talking for a few of us in the area. I am not talking for the entire group. I am talking for myself and I am talking for a few other people who are major business people in the area.

Now we find ourselves in a new ballgame. We not only support the revised bill, but we feel that it is something that is very, very necessary for the community. There has been a need for such a facility for a long time, and I am not going to be redundant and go over things that have already been said this morning.

We feel very strongly that this will bring much new revenue to the District. I might point out that I can be completely objective in coming to this conclusion, because in the furniture business we get no impulse buying at all. People do not because they are attending a convention a block away, walk into our store and say, "I am going to buy a bedroom suite."

The economic benefits to our furniture people will be nil, will be nothing, but the economic benefits to the District cannot be overlooked. These will be very, very great.

Finally, when you tie this in as a part of the bicentennial, I think now based on the fact that our churches are happy—one of them is

going to remain. The other has agreed, as we have just heard from previous testimony, to a relocation.

The major part of Chinatown, which was of great concern to us, is now saved under the revision. Furniture Row is all saved. The tax structure which benefits the city today is saved.

Coordination of activities at this point becomes less important because now you are not getting into the Seventh Street area which is being really ruined down at the lower end of the avenue. You are going off a block away into a rather poor retail area actually.

All of these things combined led us to the conclusion that the bill in its current state, the revision, would be good, and we support it wholly.

I would like to point out one thing, and I think you folks on the committee should consider this, and consider it very strongly.

I feel that even though I say I support this bill strongly, that I am a little reluctant to do so, because some of the people who work with us on this committee are still affected, and are still going to be hurt.

You talk about the Relocation Act and the reimbursement that comes to these people. But what you forget—and I think it is important enough to bring up—is that when you move a business, the moving expense is only a part of the overall loss this business incurs.

I cite one little gal who was part of our own group, a gal by the name of Inga Yaeger. I do not know if she is on the list to testify.

Mr. GRAY. We contacted her. She is on the list.

Mr. HAHN. Here is a gal who has already been displaced once by Urban Renewal, or by Metro, I guess, and it took her 2 years to get her business back.

Now, you can pay for the moving, and you can set her up in a facility, and you can transplant her, but you cannot bring customers to her. She must do that herself, and it takes time to build up a business.

I think somewhere along the line you should give this very serious consideration and see what else you can do to protect the interests of these people who are going to suffer whether you act under the Relocation Act or not, because they cannot get that business back.

Mr. GRAY. If I can interrupt, I think that is a very, very important point, and I agree with everything you have said.

What I am going to try to do is talk to the city and the architects particularly, and see if we cannot draw into the center in the peripheral areas around the facility rooms or shops, and give those people first choice that are being displaced.

So, if Inga Yaeger wants to relocate her beauty shop in the facility immediately adjacent, she would have priority in doing so. So I agree with everything you have said.

Mr. HAHN. This is a good point, but what would she do in the meantime? That might be the question she would ask.

Mr. GRAY. That is true, but getting back to her as a case in point, the owner of the building, I understand, wants to sell it. So he may be displacing her anyway, even if this project is not built. Maybe he will decide to put in another type shop, and take the building away from her anyway.

She faces that imponderable regardless of whether this bill passes or not. She is only a tenant and does not own the building.

Mr. HAHN. In the legislation in Interior on the Pennsylvania Avenue redevelopment, they have taken that into consideration, and have come up with a tenant's right, and that might be something that you would want to think of as far as marking up his bill. Tenants have rights as well as property owners.

Mr. GRAY. That is true.

Mr. HAHN. That is about all I had to say, except I wanted to take this opportunity, Mr. Chairman, to thank you, to thank the general chairman of your committee, Chairman Blatnik, and all of the members of your committee who have been so kind, even though we have been fighting rather strongly, and you have always been fair, and you have always listened to us.

You yourself have shown the kind of leadership I think all of us can be proud of. Whether we are for you or against you, you have always been fair.

When I first got into this matter, your subcommittee had already approved the legislation. We talked to you, and we thought we had some pretty strong arguments, and you were fair enough so that you reopened the hearing, not only reopened it, but reopened it right in our area. We have not forgotten that.

It was, as you mentioned a while ago, a miserable night.

Mr. GRAY. Let me say that you have been very cooperative, and that extemporaneous statement you gave was very succinct, right to the point, very cohesive, and chronologically listed in order. I do not think you could have done better if you had worked on it for a week.

Mr. HAHN. You are probably fortunate that you did not have time, because I probably would have been a lot longer.

Mr. GRAY. Thank you very much, and we deeply appreciate your position. Thank you very much, sir.

Mr. HAHN. Thank you.

Mr. GRAY. Our next witness is Mr. Ronald Evans, president of the District of Columbia Chamber of Commerce.

Mr. EVANS, we very much appreciate your patience and appreciate so much your coming.

Mr. EVANS. Thank you, Mr. Chairman. I appreciate the chance to present, not prepared testimony, but at least a few comments from the chamber of commerce.

Mr. GRAY. We would like to hear from you.

STATEMENT OF W. RONALD EVANS, PRESIDENT, DISTRICT OF COLUMBIA CHAMBER OF COMMERCE

Mr. RONALD EVANS. Mr. Chairman and members of the Senate and House joint session, the Subcommittees on Public Buildings and Grounds, I am W. Ronald Evans, president of the District of Columbia Chamber of Commerce which was organized in 1938, the local affiliate of the National Business League founded in 1900 by Booker T. Washington.

The District of Columbia Chamber of Commerce, which represents the interests and the members of more than 3,000 minority business men and women in the city, welcomes the opportunity to present

testimony to you and express its views and ideas about the proposed Dwight D. Eisenhower Memorial Bicentennial Civic Center as proposed in H.R. 16199.

Our urban areas are facing a number of crises. We are concerned about the spiraling property tax rates. The burden of increased taxation is falling on the people least able to afford it.

New ways must be found to bring revenue to the city because those persons who are able to contribute to the tax base are rapidly fleeing the city.

We are concerned that a better climate must exist for the development and growth in our city.

At the heart of our economic life, there must be a healthy business community that insures jobs for all of the people. The existing businesses and those to be developed in Washington, D.C., must provide equal opportunities for black people and other minorities.

Over the years the black community of Washington has been systematically shut out from ownership and profits in the business enterprises that have reaped billions from redevelopment projects. Too long, black people have held jobs at the lower level of the pay scale.

The time has come when business must hire and promote blacks to executive levels. We are concerned that the black business community should be encouraged and aided to help to meet its responsibilities to the total needs of our citizens.

More and better business means more jobs and income for workers and more revenue for our city. We not must frighten business away from the city but make possible conditions under which it can prosper.

We are concerned that our small businessmen not be destroyed while the priorities of our city are rearranged. There is a definite place for them in the scheme of business; and in reshaping the inter-city business area, the small businessman must be a part of the planning process. His rights must be respected and protected.

Great cities are built by little people, not by giants.

It is our consensus of opinion that if we allow such a complex to locate anywhere but the center city that it would be a very devastating move to the economic base of our city.

Concerning the flight of business to the suburbs, this development would be an attracting vehicle, not only for drawing major businesses, but also for enhancing the conventions and tourist business.

Of the utmost importance is that it would assist in developing the development of minority business efforts in both the uptown and downtown areas. The spillover into the business sections that would be further created will increase our tax base and afford us a chance to expand ownership of businesses as well as the brick and mortar aspects that would be created by such a development.

It is our understanding from those interested parties that there will be many, many advantages accruing to us through construction contracting, subcontracting, as has already been talked about in businesses around the area as well as the service related contracts that will be developed through the development of this project.

We realize again that this will also allow both our underemployed and unemployed a chance to find employment within our community.

The Dwight D. Eisenhower Memorial Bicentennial Civic Center will allow major organizations to bring their conventions to our steps, as I will propose to the National Business League in October in Dallas, Tex., at our 72d Annual Convention, that we come to Washington in 1976 to help the 200th anniversary of our country, to suggest that we have our convention here in Washington at that particular time.

So, hopefully, I will be able to propose this if the legislation passes and we are able to tell the people that this facility will be available.

In conclusion, I would like to thank you for this opportunity to express our thoughts and feelings about enhancing our—the majority of this city—economic base.

Mr. GRAY. Thank you very much, Mr. Evans, for a very fine statement.

Let me ask you one quick question.

How many members do you have in the District of Columbia Chamber of Commerce?

Mr. RONALD EVANS. We have dues paying members of well over 100 people who are actively participating in the economic development of the city. We have been actively participating in this process along with the sports arena, the civic center, the Fort Lincoln new townsite. We are in the midst of a consortium program that will help us through the Department of Labor.

As you have read recently, we have just gone into a joint venture with the Board of Trade to create the Metropolitan-Washington Business Resource Center (BRC) which will allow us to use our people bank, that will allow us to further enhance minority business within the city.

Realizing this city is made up of 72 percent black population, and that we only own 10 percent of the businesses, or less, we are trying to enhance and change that. There are some 12 or 13 funded programs that offer immediate business development kind of direct assistance.

We need the fostering of assistance of the BRC to help us bridge the gap between the black and white business communities so that we might begin to get into more meaningful and viable businesses.

Mr. GRAY. I appreciate your fine statement. I know of your good work, and I want to compliment you for it.

Thank you very much for coming.

Congressman Kee, of West Virginia, is going to take the chair while I go over and vote and come back.

Before I go, I would like to announce for the record that just in the 24-hour period we have been contacting our colleagues in the House, we have approximately 40 cosponsors for this legislation, almost equally divided between Democrats and Republicans.

I will read the list very quickly.

The distinguished chairman of the full committee, Mr. Blatnik, Mrs. Abzug, Mr. Anderson of Illinois, Mr. Badillo, Mr. Begich, Mr. Beville, Mr. Biester, Mr. Ben Blackburn, Mr. Broyhill of Virginia, Mr. Frank Clark, Mr. Conover, Mr. George Danielson, Mr. Dorn, Mr. Fauntroy, Mr. Grover, Mr. Gude, Mr. Howard, Mr. Bizz Johnson, Mr. Kee, Mr. Kluczynski, Mr. Matsunaga, Mr. Clarence Miller of Ohio, Mr. Mizell, Mr. Riegle, Mr. Rangel, Mr. Rodino, Mr. Rosenthal,

Mr. Roy, Mr. Siberling, Mr. Vander Jagt, Mr. Ware of Pennsylvania, Mr. Whalley of Pennsylvania, Mr. Wiggins, Mr. Bob Wilson, Mr. Jim Wright, Mr. John Young of Texas, and Mr. Quillen.

I think you can see that this is a very good representation just in a 24-hour period. We expect additional Member's names to be added to the cosponsorship list.

I will now turn the chair over to the very distinguished Congressman from West Virginia, Mr. Kee, and I will go vote and be right back. (Mr. Kee assumed the chair.)

MR. KEE. I am indeed delighted to have Mr. Knox Banner, executive director, Downtown Progress, National Capital Downtown Committee, Inc.

Mr. Banner, you may proceed in your own fashion.

STATEMENT OF KNOX BANNER, EXECUTIVE DIRECTOR, DOWNTOWN PROGRESS, NATIONAL CAPITAL DOWNTOWN COMMITTEE, INC.; ACCOMPANIED BY ROBERT N. GRAY, PLANNING DIRECTOR, AND MRS. CHRISTINE BLACKWELL, PLANNING ASSISTANT

MR. BANNER. Thank you, Mr. Chairman.

I have a brief statement. I know you will be happy to hear that. I have some material to be entered in the record.

My name is Knox Banner. With me is our planning director, Mr. Robert N. Gray, and Mrs. Christine Blackwell, one of the planning assistants on our staff.

Mr. Chairman, We very much appreciate your invitation to testify and this opportunity to express our strong support for H.R. 16199, a bill which would provide the authority and the means to construct the Dwight D. Eisenhower Memorial Bicentennial Civic Center in downtown Washington, between Eighth and 10th Streets NW., south of Mount Vernon Square.

I am the executive director of the National Capital Downtown Committee, Inc., being more commonly known as Downtown Progress, a nonprofit corporation formed and supported by Washington business and civic leaders to develop and to help carry out a program for the revitalization of downtown Washington between the White House and the Capital.

Our president, Thornton W. Owen, who is also president of the Perpetual Building Association, would be here testifying on our behalf were it not for the fact he had to be in Boston today.

Downtown Progress began activities in 1960, publishing the "Action Plan" for downtown in 1962.

Based on the "Action Plan," Downtown Progress has initiated or participated in numerous plans and activities beneficial to this city, to this metropolitan area, and to this Nation, including the development of basic information necessary to the approval and design of a National Visitors Center, in which Chairman Gray played such a leading role, and in support for the restoration of Ford's Theater, in which Congressman Schwengel played a significant role.

These are but two of the many examples I could give you.

A copy of our most recent annual report, which more fully describes our organization, its activities and its accomplishments, is offered here for the record, and is attached to the statement you have.

I also offer for the record a copy of "Recent Downtown Progress Research and Educational Public Service Activities," outlining 40 recent program activities for our organization.

As this makes clear, Downtown Progress is now devoting its energies to continuing research and educational activities and to the provision of information about employment, business opportunities, and development potential in downtown.

Our support for the construction of the Dwight D. Eisenhower Bicentennial Civic Center is based on our conviction that this civic center, built in downtown south of Mount Vernon Square, in addition to providing a fitting memorial to one of the great world leaders of this century, will benefit significantly the residents of and visitors to the Nation's Capital.

At this time, I would like to associate myself with the special objectives described in Ron Evans' testimony, that of the preceding witness, and personally and on behalf of our organization—the special objectives in terms of black employment, black subcontracting, and related activities.

The location of the civic center south of Mount Vernon Square is in close proximity to the heart of the 98-mile Metro system now under construction, and is also highly accessible by other means of transportation.

At this location, the Eisenhower Civic Center would constitute a centerpiece of further public and private action in support of the public objectives for total downtown revitalization.

The hotels, restaurants and other service uses which this civic center would generate are clearly in keeping with the established public policy for downtown improvement. It can be expected that this multi-purpose civic center would promote more nearly round-the-clock use of downtown, improving its image and public safety accordingly.

The substantial environmental improvement which the civic center itself would constitute would be exceeded only by the adjacent supporting private improvements which would occur as a result.

The value of all new construction and the substantial increase in jobs, which would be created for persons at all skill levels in the city, is another direct and much needed benefit which would accrue.

In these ways and in new tax resources, the proposed Eisenhower Civic Center would benefit the city's neighborhoods as well.

In addition, the 20 million visitors who now come to Washington annually, and some 35 million expected in 1976 for the National Bicentennial Commemoration, would be beneficiaries of improved and expanded facilities to accommodate their needs and to make their stay here more pleasant and rewarding.

As an association created in the private sector to work for the general public good within downtown, Downtown Progress concurs in the provisions of H.R. 16199 which establish a lease-purchase method for the construction of the civic center and which authorize the Mayor-Commissioner of the District of Columbia to enter into purchase contracts which would involve private enterprise in the operation and maintenance of the facilities when built.

We believe that the provisions in the bill pertaining to the modification of the urban renewal plan for downtown are appropriate and

that the public powers to be vested in the Commissioner of the District of Columbia for the special purpose of creating the civic center are necessary.

Also we are encouraged that the bill authorized Federal money, as recommended by President Nixon, not to exceed \$14 million, for the purpose of creating this national memorial to former President Eisenhower.

In conclusion, Downtown Progress supports fully H.R. 16199, the bill to create the Dwight D. Eisenhower Memorial Bicentennial Civic Center in downtown Washington, D.C., south of Mount Vernon Square, and offers its full cooperation, as appropriate, to advance and assist in the development of this important and much needed facility.

Thank you.

Mr. KEE. Thank you very much.

No.1, the material submitted for the record, without objection, will be included as part of your testimony at this point.

(The material referred to follows:)

RECENT DOWNTOWN PROGRESS RESEARCH AND EDUCATIONAL PUBLIC SERVICE ACTIVITIES

Owner/Tenant meetings concerning Metro construction and potential.—During December 1969 and January 1970, Downtown Progress was host to a series of thirteen meetings at which owners and tenants of properties and businesses likely to be affected were apprised of public actions being contemplated at 12th and G Streets, N.W., and at 7th and G Streets, N.W. A representative of the District of Columbia Redevelopment Land Agency was present at each meeting to provide information and to hear businessmen's comments and concerns. A summary of this meeting series is available upon request.

Special business relocation assistance.—Downtown Progress initiated the Special Business Relocation Assistance proposal in October 1970. In response to positive comments by the D.C. Redevelopment Land Agency and others, Downtown Progress convened an ad hoc committee, composed of individuals representative of businesses affected and likely to be affected by public actions in Downtown, together with business, civic, and professional leaders. Downtown Progress served as host at the series of four meetings of this ad hoc committee to refine the proposal. The objective of the proposal is to provide interim rental assistance to help businesses displaced by public action adjust to new market rental rates. A summary of the proposal and the meeting series is available upon request.

Metro coordination.—Downtown Progress, in cooperation with the Retail Bureau of the Metropolitan Washington Board of Trade, helped initiate activity by responsible public agencies and interested and involved private groups to help expedite METRO construction and to reduce construction hardships in Downtown. A brief memorandum summarizing this activity is available upon request.

Bicentennial activities.—Downtown Progress provided substantial technical assistance in preparing general cost estimates of the projects initially identified for possible undertaking as part of the Bicentennial commemoration in the Washington area. In addition, Downtown Progress helped to finance work by The Special Task Force on the Bicentennial of the Joint Center for Urban Studies of M.I.T. and Harvard University and The American Academy of Arts and Sciences concerning metropolitan Washington. This work has been published by the Joint Center.

Downtown design and development program review group.—At the request of District of Columbia Government officials, Downtown Progress assembled a group of knowledgeable and experienced developers, realtors, mortgage bankers, and other professionals to advise and assist the D.C. Redevelopment Land Agency and its consultants on matters of development feasibility and marketability during the Downtown Design and Development Program.

Pennsylvania Avenue area redevelopment.—Downtown Progress was invited to participate with other private organizations and public bodies interested and

involved in the creation of an appropriate mechanism to plan and carry out Pennsylvania Avenue area redevelopment. Statements and policies by Downtown Progress on this matter are available upon request.

F Street Plaza.—As part of the F Street Plaza demonstration program which it conceived and helped to plan, Downtown Progress prepared the F Street Plaza Demonstration Project final report which describes and evaluates the project. This work was carried out for and under the direction of the District of Columbia Department of Highways and Traffic with a grant from the Department of Housing and Urban Development. A copy of the report is available upon request.

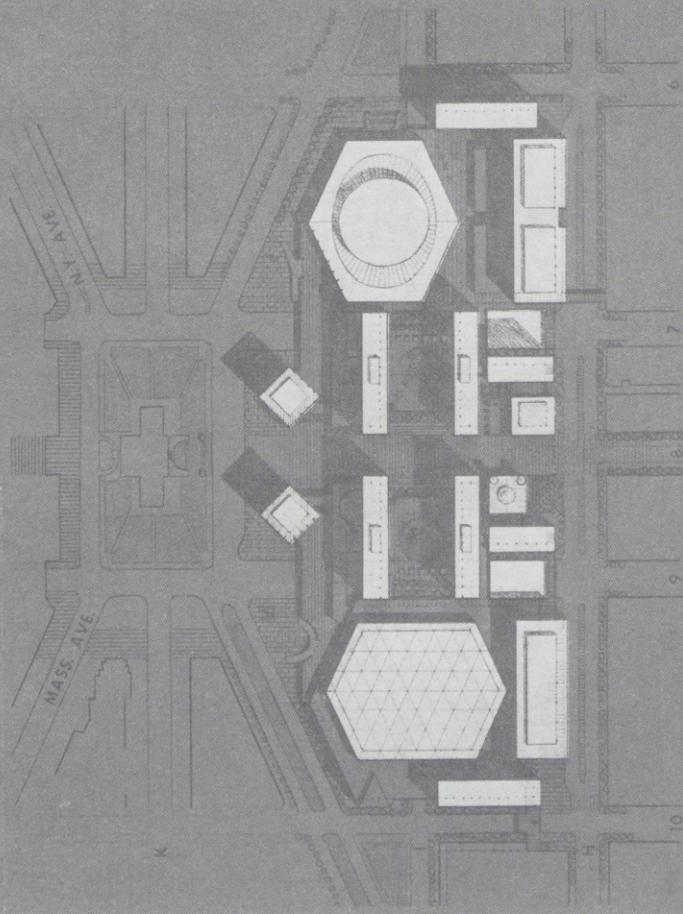
Zoning incentives meeting series.—In June and July 1971, Downtown Progress was host at a series of five meetings to which representatives of 26 organizations and agencies were invited to discuss an incentive zoning system proposed by the D.C. Zoning Commission staff. The proposal would encourage private developers to provide a number of public amenities such as plazas and pedestrianways in exchange of judicious building height and density increases in selected areas. The Executive Director of the D.C. Zoning Commission staff made the presentation at each of the five meetings. A summary of the meeting series is available upon request.

Midi-bus.—As a follow-up to the successful Minibus Demonstration Program initiated earlier by Downtown Progress, preliminary Capital Grant and Demonstration Grant applications for the improved and expanded internal circulation service were prepared on behalf of the District of Columbia Government by Downtown Progress for submission to the U.S. Department of Transportation. These applications were refined, under the direction of the D.C. Department of Highways and Traffic, at a series of meetings convened by the Deputy Assistant Secretary for Environment and Urban Systems, Department of Transportation, and attended by representatives of a wide range of public and private organizations. The Capital Grant application has been approved, and the fifteen Midi-buses on order will all be delivered by September 1972. The Demonstration Grant application is pending. The total in Federal Capital Grant and Demonstration Grant funds anticipated is \$1.75 million.

Downtown redevelopment marketing meeting series.—In May, June, and July 1972, a series of thirteen meetings was convened by Downtown Progress as a public service at the request of the D.C. Redevelopment Land Agency to discuss the marketing and redevelopment of publicly approved action areas above Metro stations at 12th and G and 7th and G Streets, N.W. Representatives of eighty-two community, professional, and business organizations and governmental agencies, as well as private developers, were invited to participate in this meeting series. A summary of the series will be available upon request as soon as it is prepared.

In the community interest, Downtown Progress continues to devote its energies to research and educational activities, and to the provision of information about employment, business opportunities, and development potential in Downtown Washington between The White House and the Capitol.

CONVENTION CENTER/ SPORTS ARENA



*Downtown Convention Center/Sports Arena illustrative site plan—ML Vernon Square South
Courtesy of the National Capital Planning Commission.*

The proposed Convention Center/Sports Arena to be constructed in the District of Columbia was determined to be desirable and feasible in the Building Project Survey prepared at the direction of the House Public Works Committee by the General Services Administration and published on July 1, 1971. That survey recommended that the Convention Center/Sports Arena be built in Downtown, south of Mt. Vernon Square, within the eight block area bounded by New York and Massachusetts Avenues, H, 8th, and 10th Streets, N. W.

The proposed facilities would provide more than 2.8 million gross square feet of floor space including 280,000 square feet of convention/exhibit space and 31 meeting rooms having various capacities, arena facilities with seating for 17,600, and multi-level, multiple use, enclosed parking for 5,000 cars.

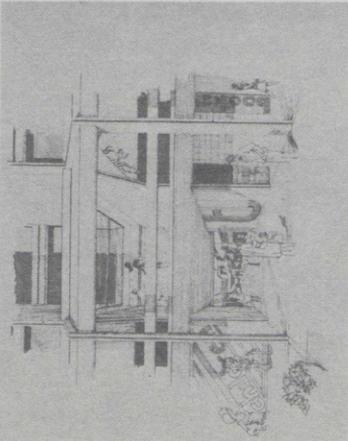
Adjacent development of the Convention Center and the Sports Arena was recommended in order that maximum use and advantages can be made of these facilities both for attracting the larger conventions and for serving area residents.

The total net cost of the Convention Center/Sports Arena is estimated to be approximately \$80 million, but the facilities are expected to add \$112 million annually to the local economy. After only five years, the new and additional tax revenues attributable annually to the Convention Center/Sports Arena are expected to exceed the debt service.

The Convention Center/Sports Arena is also expected to generate approximately 4,000 new jobs and to stimulate hotel, restaurant, and other business enterprises thereby advancing and supporting other positive private and public actions to help bring about total Downtown revitalization.

Action is expected soon to designate the method for financing and development of the Downtown Convention Center/Sports Arena if construction is to be completed by 1976 in time for the American Revolution Bicentennial. The Convention and Visitors Bureau of the Metropolitan Washington Board of Trade has been the principal business community leader, along with others, in efforts to bring about the Downtown Convention Center/Sports Arena.

REDEVELOPMENT ACTIVITIES

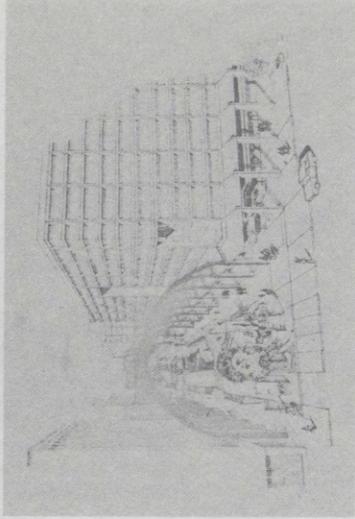


*Mid-block Arcade from G Street
Robert Calhoun Smith, architect
Courtesy of the D. C. Redevelopment Land Agency*

The Downtown Urban Renewal Plan, approved in January 1969, proposes as predominantly residential the area generally north of Massachusetts Avenue, N.W. Underscoring the importance of housing to total Downtown revitalization, the first urban renewal action taken in Downtown included acquisition of sites north of Massachusetts Avenue for residential redevelopment. During 1971, these initial actions were carried one step further, when the National Capital Planning Commission adopted the District of Columbia City Council approved acquisition of additional sites and of disposition criteria to guide the residential redevelopment of the sites previously acquired.

Responsive to the Downtown plan objectives, these criteria will result in housing predominantly for adult families and for individuals, with approximately 30 per cent of the housing for those of low and moderate income, and with the remainder responsive to the private market. Downtown Progress supports these actions toward creating a strong residential community for Downtown, in the Downtown retail core, public acquisition of sites selected for redevelopment at METRO station locations at 12th and G and 7th and G Streets, N.W., began in 1970. Criteria to guide this redevelopment were formulated in 1971. Redevelopment can proceed, in accordance with these criteria, after final approval by all responsible public bodies. This redevelopment is expected to create space in Downtown for nearly 14,000 employees on sites where less than 1,000 now work. This redevelopment should increase the property tax base for the city on improvements to these sites from less than \$900,000 to more than \$31.5 million. By means of judicious public redevelopment actions, new amenities also can be created, including improved public spaces. Greater and more diverse business opportunities can result from the estimated increase of nearly one third in first floor retail and service space on these sites.

The full range of amenities and improvements proposed are discussed in the *Design and Development Program, Downtown Washington, D. C.*, prepared in 1971 for the D. C. Redevelopment Land Agency. Building upon the *Action Plan for Downtown*, published in 1962 by Downtown Progress, the *Design and Development Program* recommends improvements in public right-of-ways, including a *galleria* at 12th and G Streets, N.W.; municipal parking facilities adjacent to the retail core so that appropriate streets there might be made predominantly pedestrian; and specially designed buildings which would offer pedestrian attractions including arcades and mid-block passageways, where



*View West from 11th and G Streets
Robert Calhoun Smith, architect
Courtesy of the D. C. Redevelopment Land Agency*

appropriate, and which can feature stores, shops, and restaurants with an international theme.

The D. C. Redevelopment Land Agency is now taking steps to carry out these recommendations. Work is underway to advance Chinese community and other international theme projects; to designate and accomplish needed alleyway improvements; and to prepare design and engineering information for a predominantly pedestrian G Street in the retail core. All of these improvements are in the spirit of the *Action Plan for Downtown*.

Mr. KEE. Second, what makes America great is the fact that there are people like you who care, people like you who look back at where you were, see where you are now, see where you want to go in the future. Without your efforts, without your concern, nothing would happen, and this is very constructive. It will do so much for the city of Washington.

I think you are going to have more than the 35 million visitors to come to Washington in 1976. So many folks want to come to Washington from all over the United States, and the problem has been that you just did not have the facilities to accommodate these large national organizations and your large regional organizations.

I certainly take my hat off to you and commend you.

If you would like, you may introduce those you have with you at the table.

Mr. BANNER. Mr. Robert N. Gray, our planning director, and Mrs. Christine Blackwell, our planning assistant.

I might say, Mr. Chairman, I think you for the praise that I accept on behalf of the progressive business leadership which is reflected in our board of directors on page 10 of the report, some 66 board members who represent a wide cross section of the business community of Washington, D.C., who, working with the Board of Trade, the Convention and Visitors Bureau, and numerous other business organizations, have all joined together in really the most cooperative approach I have seen in this city. We are delighted to be a part of that venture and we appreciate the reception we have had by this committee.

Thank you, sir.

Mr. KEE. The committee, indeed, is grateful. Thank you so very much.

Our next witness is Mr. Louis Glickfield, owner, Marlo Furniture.

STATEMENT OF LOUIS GLICKFIELD, OWNER, MARLO FURNITURE

Mr. GLICKFIELD. Thank you, Mr. Chairman.

My name is Louis Glickfield. I was previously involved with the community group that opposed this legislation.

Mr. KEE. Could you speak closer to the microphone.

Mr. GLICKFIELD. I was part of the group that originally opposed the convention center-sports arena complex.

Mr. KEE. I remember.

Mr. GLICKFIELD. Needless to say, it would have taken my business as well as the other businesses on Seventh Street.

Personally, I am gratified that maybe by luck or by lobbying or being concerned about my own welfare, as well as the welfare of others, as it looks today, my company is preserved.

I do not know about tomorrow, or what other projects people have in mind.

Mr. Hahn stated his company contributes many hundreds of thousands of dollars to the taxes of the District. We also contribute over \$130,000 to the tax base of the District of Columbia.

There is no question but that the convention center will help the city. In my mind, as a businessman, one of the few questions I had in mind about it is where to locate a convention center.

I think a responsible Government official would have to analyze this area and compare it to others.

This area has been held back in the past 2 years because of the doubtful outcome of this sports arena and convention center.

There is a 500,000-square-foot office building that has been proposed on the old Goldenberg site, which is directly across the street from my store. They have a \$25,000 deposit up with the District government. They were prepared to go ahead a year ago. It has been held up.

On the southeast corner of Seventh Street, where the Riggs Bank is, there are contracts already out to group together property and build another office building.

Knowing these things are happening in the area, there isn't any question in my mind that the area would develop with or without the convention center.

Is it better for the city—and I do not take a position one way or the other—but is it better for the city to develop this area and compromise by eliminating acreage that would be developed for office buildings, because of the subway stop and because of the future progress that I've indicated, or would it be better for the city to develop an area that has been proposed before, whether it be Union Square or other areas, that do not have a potential for development? This is where I think the thought has to come and the decision has to be made.

What is better for the city totally? Now, everyone here says that we must have a convention center, it's beneficial to the city. But, you know, a real decision isn't made that easy. I think a lot more indepth study has to be made.

There is a traffic problem. Will it interfere with the future office buildings? I don't know. That has to be made by the council here and the committee.

The boundary that I originally signed to agree with with the Chinese community and the churches was the area between I and New York Avenue, and Seventh instead of Eighth, over to 10th or 11th. If it's possible to fit the convention center in those areas, then you would serve all purposes. You would save both churches, the entire Chinese community, and satisfy all your needs, and still leave more ground for C-2 zoning or office buildings.

I appreciate the opportunity to give you my opinions. The convention center is needed; the question is, Where? The decision has to be made. Maybe it should be on Mount Vernon Square, but "maybe" it should be elsewhere, and that's up to the committee.

Thank you very much for the opportunity to express myself.

Mr. KEE. Thank you very much for your observations. What we are talking about on the General Eisenhower Convention Center certainly has tremendous historical impact.

The second observation I would like to make is that the Public Works Committee of the House, in 1965, independently, we found that the money turns over several times, and furthermore, it creates five new jobs. That's a proven fact.

Mr. GLICKFIELD. I never took the position we didn't need the convention center. It's a question of where. I think most of the men in this room are concerned with the welfare of the city, the Nation's Capital. The small businessman, the large businessman, jobs and employment.

One of the most important factors of a healthy community through business is the ability for business to communicate to the consumer. We of the Washington community in business, who have just stores in Washington, lack that ability, which is hurting downtown business, because we have to pay for a 400,000 to 500,000 newspaper-circulation where we are only appealing to maybe 150 to 250 people, for obvious reasons. The suburban people shop in the suburbs, but yet we're penalized. So there is a lot more involved here than the welfare of the city than meets the eye.

I'm diversing a minute, but there is no question that a convention center is needed. Again, will it benefit the city entirely having it in Mount Vernon Square and loss the potential tax base of the office building development, or are we better off putting it in another area and gain the benefits of both.

Thank you.

Mr. KEE. You will find this committee extremely fair, and we certainly thank you very much, Louis, for your testimony. I can assure you it will be thoroughly considered.

Our next witness is Mr. L. A. Jennings, Deputy Director, Federal City Council.

STATEMENT OF KENNETH SPARKS, DEPUTY DIRECTOR, FEDERAL CITY COUNCIL

Mr. SPARKS. Mr. Chairman, my name is Ken Sparks. I am the deputy director of the Federal City Council. Mr. Jennings, who is chairman of the Federal City Council and chairman of the board of the Riggs National Bank, wanted to be here very much today. He was here for approximately two and a half hours but he had to go to a 2 o'clock meeting. He asked that I submit this statement for the record.

In the interest of time, I would like to submit this statement for the record.

Mr. KEE. Without objection, so ordered.

(The referred to statement follows:)

FEDERAL CITY COUNCIL

STATEMENT IN SUPPORT OF H.R. 16199, PROVIDING FOR THE CONSTRUCTION OF A CIVIC CENTER, IN THE DISTRICT OF COLUMBIA

Mr. Chairman, my name is Lewellyn Jennings. I am Chairman of the Federal City Council, a private non-profit business and professional organization working for community development in the Nation's Capital.

I am here today to urge in the strongest possible terms that this Committee approve H.R. 16199, so that construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center can begin as soon as possible.

If there is any one project which could be the catalyst for the physical and economic revitalization of downtown, it is a Convention Center. By attracting large numbers of people for several days at a time, this facility will spur considerable private commercial growth in the surrounding area. Certainly this is something our downtown area needs desperately.

The development thus generated will in turn create additional jobs for many residents of this City, jobs which for some may mean the difference between a life of dignity and a life on the dole.

Such development will also expand our tax base. Each year the City government must look to the Congress for assistance in meeting its financial needs, and I must say that the Congress has generally responded in a positive way. For this we are grateful. Today, however, what we are really asking you to approve is a

facility which would in the long run begin to make the City more economically self-sufficient. Indeed, this legislation provides that the District shall pay for a substantial portion of the costs.

There is no doubt as to the need for a convention center where citizens and groups who come to this City from all over the country can convene and conduct their business. I need not review the statistics as to the number of new conventions which such a facility would attract. These have more than adequately been pointed out by the Board of Trade in its testimony before you.

Finally, a point which I think is most significant. As yet we have no memorial in Washington to the late President Eisenhower. All Americans had great admiration and respect for this man and for the public service he rendered to his country. As President he lived in this City for eight years, and I can think of no more fitting tribute to him than what is really a living memorial, a place where thousands of people will come every year. And they will come not merely to view a monument, or an inscription, but to participate in some specific event meaningful to them, in their capital city.

In closing I would like to commend the Mayor for his efforts on behalf of this legislation as well as other organizations which have spent considerable time and effort on this project, particularly the Metropolitan Washington Board of Trade.

To you, Congressman Gray, we cannot express enough gratitude for your efforts in this regard. Your diligence and patience have been literally unbounded, and you shall have whatever support you need from the Federal City Council to see this project to its completion.

Thank you, Mr. Chairman.

Mr. SPARKS. Just drawing your attention to the fact that Mr. Jennings, on behalf of the Council, wanted to extend his thanks and appreciation to you, to Mr. Gray, and to this committee, for the support you have given this very necessary addition to our city.

Thank you very much, sir.

Mr. KEE. We certainly thank you very much.

At this time the Chair takes genuine delight in recognizing one of Washington's most outstanding citizens. I have had the privilege of knowing Mark Evans, chairman, Bicentennial Commission of the District of Columbia. I would say for my friend, Mark, that I certainly have a tremendous respect and admiration for him. Every time I have ever heard him testify, he testifies on logic.

STATEMENT OF MARK EVANS, FORMER CHAIRMAN, BICENTENNIAL COMMISSION OF THE DISTRICT OF COLUMBIA

Mr. MARK EVANS. Thank you very much, Mr. Chairman. I, too, am going to "wing" this a bit, because I have been out of the city and have been unable to prepare a formal statement.

I do have a couple of things I would like to share with you. As you mentioned, I have been the chairman of the Bicentennial Commission and currently I am chairman of the Board of Trade, a special committee to see if we can't get this thing built that has been talked about for so long.

I have been on the Washington scene for 30 years, and I happen to be a taxpaying, property-owning resident of the District of Columbia. I confess to an open love affair with this city, as I think most everybody does who has been here any period of time.

I must confess, Mr. Chairman, as I sit here and contemplate the long road behind us, that my original contact on this in the early days as I had taken over the chairmanship, was to meet with Chairman Gray and Mr. Broyhill. I will recall Mr. Broyhill stating that he would help us providing we could find a location that was not going to be controversial.

We had originally selected the Union Square area, and there was a great deal of antipathy to going down there by the merchants on H Street. They expressed themselves in the first meeting I had.

Recognizing that difficulty, we came up with the conclusion, after a thorough study by some professionals, that Mount Vernon Square was the most advisable location for all concerned.

I am convinced, Mr. Chairman, there is no place that is going to meet with the approval of everybody. There is no way you can please all the people, as you no doubt have found in your long political career—

Mr. KEE. That's exactly the purpose of our hearings.

Mr. MARK EVANS. We have had discussions on this matter. I would like to clarify at the outset that I have no pecuniary interest in this thing. I am strictly a citizen of the District of Columbia. I must confess, the only relationship I have is on the board of directors of a bank, the only bank that will be displaced by this move.

In the board of directors meeting we had to decide this issue, I must pay my respects to that bank, Security National Bank. It is one of the smallest of the District banks, and this is going to be a very meaningful sacrifice on their part. They have just put in a \$250,000 installation there before this thing came up. It's the headquarters for the bank, and it is going to be an unbelievable hardship on them. But recognizing what this means and can mean to the District of Columbia, they have foregone their own interest and are willing to step aside, although they're not too happy about it. But they recognize the overall advantage of this selection.

I want my brevity, Mr. Chairman, not to be interpreted as lack of conviction on this matter. I can't help but make the parenthetical observation, that the number of people who have lined up to cosponsor this that includes Bella Abzug and Joel Broyhill has got to have something going for it.

Twenty years back, if anyone had told me what was needed in the District of Columbia, I don't think anybody would question that there was three things needed—a stadium, a cultural center, and a convention center.

Now, if I were going to equate the most important of those three, the most viable, the most possible chance of getting an economic return, I would unhesitatingly put the convention center as No. 1. Ironically enough, it has been left to the last.

I say that because it seems to me a convention center has more appeal to more people than any of the others. The stadium was appealing to the sports people, and the peculiarities of the sports world, which I sometimes do not understand, has left us in a dilemma there. Frequently we're left and blamed with their problems.

The cultural center is appealing only to a small minority. But both of these are vital and I certainly don't knock them. But by contrast, it seems to me the convention center is by far and above needed more than the other two put together for the benefit of this city.

Now, I have taken the opportunity to visit no less than 15 cities, Mr. Chairman. I have examined the convention centers on my own. I am excited to see some of the progress that has been made in the cities. I give you the prime example of the city of Atlanta, a dynamic, growing, active city, where they have now placed a convention center

in the heart of the city, a sports arena right next to it, and I mean that city is jumping.

The same thing is true of other major cities in this country. I call particular attention to Chicago, to which I'm sure there has been an allusion already. Chicago, with one convention center destroyed, started building the next day on another one. It is the "gut" of Chicago. I think Chicago would have real troubles if they didn't have that convention center.

It seems incredible to me that the most important capital in the world, and one of the major cities that is eighth now, I think, in the ranking of American cities, has no convention center to take care of the convention business, which is major in this country, and the willingness on the part of many, many different facets of our society eagerly want to come to Washington, primarily to be closer to you men with whom they want contact; they want the availability of your speaking powers. They have many reasons for wanting to come to Washington. It is tops on the list of cities to which they want to come. And it's rather a travesty that we can't serve the great labor organizations in this country. Mr. Meany himself told me he would be tickled to death to be able not to have to go to some city like Atlantic City, that they would like the convenience of moving right in across the street, so to speak. The bankers convention—I mean, when you get that divergence of opinion and that divergence of orientation, it seems to me you've got something going for you.

There are a number of reasons for this, and I'm not going to go into them. Let me just point them up.

The chance to clean up the heart of the city I think is a very important argument in favor of this thing. The chance to do it and at the same time to pay tribute to one of our great heroes; the chance to entice new businesses down into the downtown community; the revenue possibilities. I have often said for us to fail to do this is like having oil under your ground and you don't have the gumption to dig for it. Or, if Mr. Snyder were here, if you had a tobacco crop and didn't have the gumption to go pick it. It's there for the asking. It's there for the opportunity to bolster the economic welfare of this city.

It is sheer foolhardiness for us not to do something about it.

There is no doubt in my mind if this were not the capital, this would have been done a long time ago. So being the capital, there is kind of a load of stone around our necks on the possibility of building or taking advantage of really the only natural resource we have in this city.

Certainly, the jobs to be gotten and all these things can't help but be meaningful as far as argumentation is concerned.

My only exception, I think, that I would make to Chairman Gray—and, believe me, the city owes him a monumental debt, as I am sure you recognize, Mr. Chairman—on the determination he has applied to this. At the same time I must commend more than Chairman Gray, his right arm, Nancy Vitali, who certainly is deserving of a very, very sizable kudos for her determination and her heartfelt desires to see this thing accomplished. I publicly recognize her contribution.

I do not think the administration should be blamed on this thing, because in every instance they have tried to be cooperative. There was a difference in methodology and only that. But if the thing can be

built, we don't care about the method. We just think it ought to be built, and it will be built. I have confidence in you men; I have confidence in your good judgment; I have confidence in the rightness of this project.

I do admit there is going to be some inconvenience to the Chinese community. I would, however, and I still willingly would like to buy an interest in a Chinese restaurant close to this convention center. I'm confident that the overall good is what must be measured most in this consideration. I wouldn't be at all surprised when they built this Capitol Building somebody had to be moved. I doubt if there has ever been a major project in this city that somebody hasn't had to be moved for one reason or another. It's unfortunate, but the public good is concerned and it seems to me that's the major consideration we must consider.

I do often commiserate with the men of the Congress on the difficult decisions you have to make occasionally. In all conscience, I can't believe this is a difficult decision. There is too much going for it. There is too much reason, too much logic, too much wisdom to be exhibited by not taking advantage of this opportunity—which may not come again, because we now have a very valid excuse, the bicentennial. And if we get off our haunches—and I can't help but compliment Chairman Gray for getting this hearing called so quickly. It's an evidence of the nature of the crisis, that we've got to get underground; it'll take a year for planning, it'll take a long time, and I think in order to get this done by 1976, which I think we all want to do, we've got to move yesterday.

I'm grateful for the privilege of testifying, Mr. Chairman, and I sincerely hope that wisdom will prevail.

Mr. KEE. Mark, thank you very much. You are truly a solid, substantial citizen. As a matter of fact, you're as solid as the Rock of Gibraltar. It is our hope that we can get this show on the road, to use your words. Thank you.

Mr. Terry?

Mr. TERRY. Thank you, Mr. Chairman.

I have only one question for Mr. Evans. I noted in your testimony, Mr. Evans, you referred to our distinguished colleague, Mr. Snyder, planting tobacco and to yield a crop therefrom. Presumably, as in your business, it's for purposes of making a profit.

But I notice in the fine expectations contained in the report, which we have had for some time before us, it requires a Federal contribution, giving fiscal 1977 as an anticipated completion date, of \$1.9 million, then up to \$2.8, and slowly going downward to a point where the Federal contribution presumably would be down to \$200,000 in fiscal year 1985.

Do you feel this is a good business investment on behalf of your constituents in the State of Colorado, and my constituents in the State of New York, from the standpoint of their tax dollars being expended in the Nation's Capital for the generation of outside source of income, where the hotels and restaurants and so on will have a profit, as well as the entrepreneurs carrying on activities at the center?

Mr. MARK EVANS. As near as I can anticipate, Mr. Terry—I really am not an economist. I can only assume the figures that are given to us are somewhat accurate.

I must also confess that I feel some of them are guestimates. But I can only conclude, as I look about the country and find major cities involving themselves in this endeavor, including New York City, which has now got a major project going for a convention center, that there has got to be some reward from it.

Now, I don't think there is any convention center that literally, of itself, makes money. But the great advantage of the convention center is the byproduct. There is no question but what this is viable and that this city will be better for it.

Now, I can't give you the exact figure on what the difference will be. I can only assume from the past history of other convention centers that this is what is happening. I just think Chairman Gray's own city of Chicago is a brilliant example. I just don't believe, that if it were not a going concern, were not a worthy project, I just can't believe that they would build two of them in a period of 3 to 4 years.

Now, you can imagine what kind of economic costs were involved in building two of them. So to answer your question, Mr. Terry, I can't help but believe this is not only good business—and I really believe that were we not in the District of Columbia, that we would have built this a long time ago.

We can't get bonds like you can in New York. We can't do many of the things that a normal city can do. Had it not been for this, there is no doubt in my mind, with the dynamism of the small business community—and I think the Members of Congress forget sometimes that the District of Columbia has really no businesses, that the major businesses in this city are the associations. The number of businesses are minuscule. Our department stores, I suspect, are probably—and the banks—are probably the only real businesses we have in the District of Columbia.

We have no business but Government, and the No. 1 business is tourists. It is just silly for us not to take advantage every time we can of taking care of these tourists. Chairman Gray has fostered this great visitors center, and this is a major step in the right direction. It's not going to serve the people of the District of Columbia, it's going to serve your constituents, the people who come in here. I think the convention center will not serve the District of Columbia people. It will serve the people of this country who will want to come here and meet in conventions, which is a major part of the American way of life.

Mr. GRAY. Thank you, Mr. Evans. I was telling my colleagues here in the room how helpful you have been in this entire matter. I know you have spent not only weeks but months on this project, and I deeply appreciate it.

You have only one thing in mind, as I do, and that is to improve the life in the Nation's Capital.

Mr. MARK EVANS. I frankly think, with all the monetary considerations, with all the problems in the movement of certain people, the areas of condemnation, that it's an unpleasant situation. But I do not think economics is the main argument. To me, the main argument is do we want this city to stay alive. I don't think there is any question in anybody's mind who has been here as long as I have, to see the gradual deterioration of our downtown area. It has been gradual, it has been certain, there is just no doubt about it, if you have watched it over a period of years. Here is one hope to revitalize it, to bring the city to life.

I think we are dealing more than with a major American city. I'm altruistic enough to believe this is the most important city in this world, and I think we're dealing with the future life of the Capital of the World.

Mr. GRAY. Thank you very much. We appreciate your contributions.

Our next witness is Mr. Foster Shannon, president of the Washington Board of Realtors.

Mr. Shannon, you have been very patient today. I want to apologize on behalf of the committee for the delay in getting to you.

Thank you very much for waiting.

STATEMENT OF FOSTER SHANNON, PRESIDENT, WASHINGTON BOARD OF REALTORS

Mr. SHANNON. I have a very brief statement which I would like to read, and I hope the committee will not construe the brevity to be lack of interest, but rather, in the interest of time, that I will keep it rather brief. I hope I'm not too repetitive.

Mr. Chairman and distinguished committee members: I am Foster Shannon, president of the Washington Board of Realtors. I am honored to be here, and I represent approximately 1,400 members who represent the real estate industry in Washington. We appear before you to urge your support for H.R. 16199.

Let me preface my comments by expressing great thanks to the Members of Congress who have offered their support for this most vital venture, particularly the tremendous work of Congressman Gray, without whose tireless efforts we might well not be here today.

Congress has in its power the ability to administer what may be the vital transfusion to restore the essence of life to our Federal City. Surely there is not one among you who would not want to help revive the economic and social growth and to restore investors' faith in the Nation's Capital.

In our judgment, the passage of this bill will do just that. For over 5 years this proposed center has been studied and restudied, and we believe there can be no question as to its feasibility.

Certainly, you are well aware that the tourist and convention trade in our city, even though it has suffered to a certain degree in recent years, has been largely responsible for keeping this city from dying altogether; and experts have or will testify that with this center we might well expect a dollar flow in excess of \$100 million per year from the convention business alone. Needless to say, this will improve the tax base immeasurably, which I feel is of prime importance to Congress.

Another important factor is the impact on the entire area between the Capitol and 15th Street NW. What growth Washington has enjoyed in the past decade has occurred generally west of 15th Street toward Georgetown.

Not only will this industry provide vital dollar revenues for the city, but we state that it will be the key factor in reversing that westward trend and will attract investment and development in the very areas where we need it most. Our study of this proposed site reveals, that

from the standpoint of accessibility, transportation, proximity to services, and other physical factors, it is ideal.

The proposed center is unique in Washington in that you will find that there is almost unanimous agreement among citizens, government, and the business community that the concept and its proposed location are ideal.

In closing, I would like to say, if we are to make any significant progress toward a contribution to the Nation's Bicentennial Celebration, this center is a must. We believe it is the key factor in starting the economic and social recovery that your Federal City so sorely needs. I thank you.

Mr. GRAY. Thank you very much, Mr. Shannon, for a very fine statement. I think you have covered the field very well. You certainly don't need to apologize at all.

How many members did you say you have in the Washington Board of Realtors?

Mr. SHANNON. Approximately 1,400.

Mr. GRAY. You have discussed this with the other constituent members?

Mr. SHANNON. They are almost unanimously in favor of this center; yes, sir.

Mr. GRAY. Thank you very much, Mr. Shannon.

Our next witness is Mr. Gerald Snider, chairman of the board of trustees, Calvary Baptist Church.

Mr. Snider, again, we want to apologize to you, as I had to on that cold February night. You were very patient then, and you've been very patient today.

STATEMENT OF GERALD SNIDER, CHAIRMAN OF THE BOARD OF TRUSTEES, CALVARY BAPTIST CHURCH

Mr. SNIDER. Mr. Chairman, I am Gerald L. Snider. I am a businessman, and I also happen to be chairman of the trustees of Calvary Baptist Church.

I would have liked to make a more succinct and perhaps up-dated statement had I been given a little bit more time to do so. It takes a little bit longer to write a short statement, as you know.

I am happy to observe that the attitudes seemed to have changed about as much as the weather, however, since our snowy meeting. I do want to thank you for this opportunity to appear before your committee and support the Eisenhower Memorial Convention Center. We, the trustees, while charged with the responsibility for directing the financial affairs of the church, have not evaluated and reached a decision on this proposition purely from the standpoint of its financial impact on us, or on the community generally.

We have attempted to evaluate it from the standpoint of its impact on the families that would be involved, the small businessmen, the churches, on employment, on the crime rate, and to reach a conclusion that would be generally in the best interests for all.

This church has been located at Eighth and H Streets NW. since its erection in 1865 of the Sanctuary Building. Through the years, it ex-

panded its facilities in the four buildings on the east side of H Street, and is adjacent to the proposed convention center complex.

Our membership exceeds 1,800 people who are dedicated to community service programs. In the past 30 years, we developed, through determined effort, a specific program of outreach and service to this community. Because of this dedication to the community program, a fourth building, erected at a cost of over \$700,000, opened in 1962 and serves as our primary facility for community programing.

This houses a gymnasium, woodshop, game room, arts and crafts room, several modernly equipped classrooms for child care, teenage learning, and other things.

These facilities have been and are now used regularly by various groups in response to requests for assistance, through the office of the Mayor of the District of Columbia. It was in these buildings that progress began following the civil disorders of 1968, and for several years we have maintained weekly contact with Bonabond and efforts from ex-convicts to agencies dedicated to rehabilitation of offenders.

Additionally, our facilities are being used by Federal City College in the early childhood learning center by the Association for Children with Learning Disabilities, the Chinese Youth Organization, and until last week the Northwest Settlement House for the daily programs.

Our community program includes a preschool program for children, primarily Chinese and blacks, of the community. We have a class in English language and orientation for Chinese adults, in addition to regular Sunday programs for the general membership.

These are far-reaching and very active programs which require facilities to be available on a 7-day-a-week basis, often as late as 10 or 11 o'clock.

Realizing that survival of a downtown church comes predominantly from its suburban membership, we began 7 years ago buying property on the west side of Seventh Street in square 429, as insurance against the day when Sunday parking facilities, which we currently utilize, would no longer be available to us. We saw this as an opportunity to assist in a viable program for redevelopment of square 429, and to insure our survival and to preserve substantial community programs.

I would like to say parenthetically that, despite a recent article appearing in the newspaper, which indicated that we had made a decision to put up what they called a gleaming tower and office building, in a rather derogatory fashion, that decision has not been made. We have, however, commissioned a feasibility study. The one criteria in that study was that it should provide parking facilities, so that there would, in fact, if we go ahead with this development, be additional parking facilities in the community. And if anything occurs to prohibit parking, we'll be back to see you to protest that, I might add.

Mr. GRAY. I agree with you, Mr. Snider.

Mr. SNIDER. So as I indicated, we discussed and considered the impact of this proposed complex on the crime rate, small businesses, the residents in the area, long-term development, potential of the immediate and surrounding area, and believe that, in total, this project will make a significant contribution to the redevelopment of this generally blighted and rapidly deteriorating section of the city.

We believe that the convention center has the potential to create an attractive and healthful environment by the ordered arrangement of buildups, major streets, vistas and open spaces, by design of buildings and building complexes and by proper landscaping and lighting of public streets, places, and parks, all in such a way as to reflect the unique identity of the project area.

Therefore, as an organization actively devoting its time, money, energy and improvement of the community, we support the concept of the Eisenhower Memorial Convention Center in the area south of Mount Vernon Place, subject to such revisions as might be necessary to preserve the viability of the Chinese community.

We believe that the development of this complex will stimulate the redevelopment and revitalization of the community well beyond the immediate area, with attendant increases in employment, reduction in crime, and substantially increased buisness potential for small businessmen in this and the adjoining area.

In our support for this proposed project, we again urge inclusions of such modifications necessary to preserve the Chinese community. If these goals can be achieved—and to us they do appear achievable—we believe the inconvenience caused to some will be far outweighed by the benefits to many. We therefore endorse the proposal and recommend your approval of this worthwhile and beneficial project.

We need this convention center, and we believe the area needs the center.

I would like to make some observations based on personal experience, as a corporate executive in a large conglomerate based in New York City. I attend and participate every year in large conventions and trade fairs in every country in the Free World—the Hanover Trade Fair, which is probably the biggest, to others in Rome, Berlin, London, Tokyo, Bangkok, and Hong Kong.

I can find no reason why the United States of America should not have a convention center in its Capital City of Washington, D.C.

Furthermore, my firm was involved in Transpo 1972, in space sale and some floor management. I had a great opportunity to talk with executives of some of the major corporations in this country to ask their opinions, and without exception, they expressed favor and interest in a convention center, and indicated that should such a center exist, they would at some time certainly consider using it.

I would like to commend this committee and to you particularly for your fairness, your honesty, and concern and interest, and to recommend that this whole project be approved.

Thank you.

Mr. GRAY. Thank you, Mr. Snider. Your work and that of your colleagues is well known to all, your helping those who are disadvantaged, and it's all very commendable. I certainly appreciate the attitude you have taken.

Again, certainly your contribution here today is deeply appreciated. Thank you very much.

Our next witness is Mr. James O'Donnell, Restaurant & Beverage Association of Washington, representing Mr. Matthew J. Kane, president.

Mr. O'Donnell, we're always delighted to see you.

STATEMENT OF JAMES O'DONNELL, RESTAURANT & BEVERAGE
ASSOCIATION OF WASHINGTON, REPRESENTING MATTHEW J.
KANE, PRESIDENT

Mr. O'DONNELL. Mr. Chairman, I was going to apologize for not having a prepared text, but that seems to be the order of the day. As I sat back there and listened to the enthusiasm of these people without their prepared texts, I think it shows that you've brought them all together.

Mr. GRAY. Well, there are probably a few who "haven't seen the light."

Mr. O'DONNELL. Mr. Chairman, I am making this statement on behalf of the Restaurant & Beverage Association of Washington, D.C., a trade association comprised of a true cross-section of restaurants, both name and neighborhood, both large and small, and hotels, throughout the District of Columbia.

As on a cold night last February, the association wholeheartedly endorses the legislation before us today, H.R. 16199. At that time we came with some reservations that the Chinese community be preserved, that an accommodation be reached with the churches, that the churches be preserved, or that some relocation solution be reached on the problems they would face.

I think the chairman has brought the city a miracle here, because the committee has recognized the need to give this city an opportunity to reach its maximum potential in terms of attracting people into the central city, and the convention center, I think, is the cornerstone of that need.

Second, the approach has been a very positive approach. It hasn't been an inflexible one. Several different proposals have come forward. The proposals have been modified.

Third, the community has been listened to. And finally, an accommodation has been worked out by the staff and the committee in response to the problems and objections and considerations voiced at the public meeting from the community. And so, while we do have, regrettably today, a problem of dislocating some—I think three businesses have been mentioned, and certainly some other persons—while we do have the prospect of taking property by the condemnation procedure, which I very much loathe myself, but we're talking now about a relatively small percentage, we are hearing people before the committee today who previously were on record as opposed to this concept, and this location, as now favoring it.

I say today about this center what we said in our testimony about the sports matter last February, that there is going to be a convention center built in the Metropolitan Washington area. The only question is where. Certainly we know today that there is going to be a sports center in the Metropolitan Washington area, and we're relatively sure it's not going to be in downtown Washington. We don't want to miss this opportunity.

I think the rest of the arguments are sentiments that I would bring have been brought forth abundantly and clearly by the District of Columbia Chamber of Commerce, by Downtown Progress, by the Board of Trade, and particularly by the Mayor.

Just one observation I would like to make about this center which points out it's a two-way street. It's an asset to the Congress and to the Government, because as these large groups come into the city to hold conventions here, who are precluded and have been precluded for years by the lack of such a facility, it gives the members of all branches of the executive and legislative an opportunity to meet the people in the city, to communicate with them, to talk over the problems of the day, without having to go out of town to address conventions around the country as often as they do now.

I think the political climate today, and the upcoming election, is going to demonstrate more and more the survival of our society is based upon talking straight and good communications. The mere fact we're going to have a facility here in this city, hopefully, in which the Members of the Congress can come down and meet their own constituents, together with a cross section of other people attending the convention from throughout the country, the members of the State Department can do likewise, the Department of Commerce, the Small Business Administration, is a factor which should not be overlooked.

I think there is a great advantage to the constituencies of all Congressmen and Senators throughout the country, not simply for the District of Columbia, in the program which you have advanced. I think it's a very fitting functional tribute to the late President Eisenhower.

Thank you.

Mr. GRAY. Thank you, Mr. O'Donnell.

I want to ask you very quickly, how many constituent members of the Restaurant & Beverage Association do you have in Washington?

Mr. O'DONNELL. 300.

Mr. GRAY. You have discussed this at your meetings and do they all think this would be good for business, generally?

Mr. O'DONNELL. Yes. And as I say, frankly, we discussed it at every single meeting we've had since last February. I have never heard an adverse comment or an argument in opposition.

Mr. GRAY. Thank you very much, Mr. O'Donnell. I appreciate it very much.

Our next witness is Mr. Joseph Morris, vice president of Winslow Paints.

Is Mr. Morris here? (No response.) We'll get back to him if he comes in.

Next is our friend Jimmy Muscatello. Jimmy, I see you're here. Please come forward. As always, we're delighted to see you.

STATEMENT OF JIMMY MUSCATELLO

Mr. MUSCATELLO. Mr. Chairman, I'm here today maybe in a little bit different role than I've been before. I usually object to the displacement of people. I'm of the opinion, after talking to you several times, that I think you are a man of integrity; I think you want to do what's right for people.

My prime interest here today is to give you some of the experiences that have happened to some of the members of our group. Our group is BASHAT, of which we are recognized in the courts, by the City Council, and we have better than 100 members. Some of our members happen to be in the area that you're working on.

My prime interest here today is to find a way that your committee can watchdog the City Council and RLA in protecting the small businessmen that is necessary to provide services and merchandise to minority groups in this city. I have to disagree with Mr. Evans, that there is nothing left in this city but banks and department stores. There are many small businessmen. There is better than 2,500 of them. I think that what small businesses we can keep in the city would help turn the lights back on to 11 and 12 and 1 o'clock in the morning, maybe, instead of having a bank on a corner that will close its doors at 2:30 and 3 o'clock, and that take up half of a city block.

I also would like to call attention to the committee that there are no relocation places in the city to take care of some of the smaller storekeepers that need to relocate themselves. If they do go into new areas and new stores, the rents in some areas are exorbitant which they cannot afford. If the committee could see fit to put something in the bill that would protect the smaller storekeepers in some way that would help those folks to get relocated, and avoid them from leaving the downtown area, I think probably this would also help some of the small businessmen get along.

Mr. GRAY. A very good point.

Mr. MUSCATELLO. I also recommend to this committee that they require RLA to give you a report on what has happened to the last 100 people that have been displaced by urban renewal, and where they have been relocated, and how they have been relocated, and whether their payments have been promptly for the people involved that have been moved.

I also question, knowing by experience—and I have also reports in my files if your committee cares to have them—that in the downtown area at this stage of the game there are many people who will—that will cost you more than \$8,000 to move. Now, you might move a residential person for that kind of money, but when you're talking about moving pressing machines, sewing machines, and restaurant equipment, you don't move them for \$8,000, because some of the equipment is not usable in the next place. It's impossible.

Mr. GRAY. I agree with that. But if I could inject this point, in fact, there is no reason why it should be limited to \$8,000. I think that was estimated as an average. If this project goes, I certainly intend to see that an equitable price is paid to these people for relocating their businesses or residences, for that matter. But I did want to point out at this point in the record that it is not limited to \$8,000. That's not a maximum.

Mr. MUSCATELLO. Yes, sir; we understand this.

In a lot of instances, I think that maybe we don't want this committee to be misled, that you're going to end up with between \$8,000 and \$10,000 moving a person out of their business.

We also would like to bring to the attention of the committee one more item. I have just talked to the minister of the church out here just a few minutes ago, and even though he committed himself here today, he said the reason why he did it was because he didn't want great big buildings built around them and the church would not be any good to them at that location any more.

Well, I hope that they move the church in an equal location so that they can keep their church and also their congregations together.

I also want to bring to the attention of the committee of one more item that I don't think probably anybody has thought about yet. When you construct a building of this type, you must by no means not take into consideration that you are going to cause a lot of problems in the surrounding areas, because of loss of businesses, damages to property that you might not think you're going to touch. We happen to be in the area right now, and the Metro system has done damage to property, we've lost plenty of businesses down there from 30 to 50 percent, and I hope that even if this bill goes through, I hope that you can put something in this bill in order to cover these small people that are around the construction area that will be damaged by loss of business and things like that.

At this stage of the game I cannot say that I would not like to see a convention center in this city. I would like to see a convention center, and I think it can be built so that it could be profitable for everyone concerned. The only interest that we always had was that the small businessman didn't get kicked out, so that we would have one department store in the place of many small businessmen.

Thank you very kindly.

Mr. KEE. Thank you very much, Jimmy. I regret I had to go vote and I didn't get the first part of your statement, but what I did hear from you since I've been back, I believe you do have a valid point that the committee will look into.

Thank you very much.

Mr. MUSCATELLO. Thank you, sir.

Mr. KEE. Our next witness is Mr. Charles Cassell, member of the D.C. Statehood Party, and also a member of the Board of Education.

STATEMENT OF CHARLES CASSELL, MEMBER OF D.C. STATEHOOD PARTY, AND MEMBER OF DISTRICT OF COLUMBIA BOARD OF EDUCATION

Mr. CASSELL. Mr. Chairman, I was so moved—indeed, shocked—by a statement made by a former witness, that I want to repeat that even before I identify myself.

The statement was that the convention center will not be for the District of Columbia residents, but it will be for the constituents of those of you on the committee. And the second statement was that the major thrust of the convention center would not be economic, but would be for purposes of revitalizing the city. I was, indeed, moved by that statement. It's quite revealing, especially since the individual who made that statement is apparently held in very high esteem by the chairman and by yourself, as I heard your commendations and your praise for this individual. So that his testimony would refute entirely the claims of everybody else who has testified in behalf of this legislation, that it would be an economic boon to the city. I would hope that you would keep that in mind in your deliberations.

Now, my name is Charles Cassell, I'm a member of the Board of Education, as you said. That is an elected body. There are only 12 elected people in Washington, D.C., 11 on the Board of Education and our nonvoting Delegate.

I am also the Vice Chairman of the Emergency Committee on the Transportation Crisis, and that organization, as you probably know,

has been instrumental in announcing legal suits and community organized activity against any more construction of the unwarranted freeways in Washington, D.C. Of course, our most recent battle which has been waged successfully so far was against the Three Sisters Bridge, which the courts have stopped construction of.

Finally, I am a cochairman of the D.C. Statehood Party, which you probably know is a third political force in Washington, D.C. It has been in existence for some 20 months, for the purpose of giving people an alternative to the old parties and the ways in which they function.

I am also, of course, a candidate for U.S. Congress on the D.C. Statehood Party ticket in the election next fall.

Now, we in the D.C. Statehood Party, the Emergency Committee on the Transportation Crisis, and all of the various organizations that I talk to and deal with in the course of my daily work, are strongly opposed to a convention center or a sports arena or any other large undertaking in the center of the city in Washington, D.C.

I'm very sorry that the notice of this meeting came so late. I just found out about it. I was listening to the radio last night about 11 o'clock or so, so that I had less than 24 hours to prepare for this. I don't have a prepared statement.

There are several things I would like to say about it. Because of the shortness of notice, I suppose very few people who constitute the bulk of the citizens in this city are here, or perhaps even know this hearing is going on. So while I don't purport to speak for all of them, I would say to you that I believe my views reflect those of the city as a whole.

I am concerned with the fact that those people who have been speaking on behalf of the convention center have indicated that the major concern for this city is to improve the tax base. That is certainly a necessity for any jurisdiction, but the determination as to how to do this is being made by a very limited element of this community. It is essentially the business community, and a very small part of that business community.

I would like to commend Congressman Schwengel who earlier today said, in his first remarks to a witness, that he himself would prefer not to have to address the Mayor of the City, who happens to be appointed by the President of the United States, and the Chairman of the City Council, who happens to be appointed by the President of the United States, but he preferred talking to an elected official, say a Governor. And the reason for that is we would then be talking now not to the U.S. Congress, which is not voted upon by the citizens of this city, where it is desired to build a convention center, and which community has practically no influence on the Congress, but we would be talking to our State legislature and to the Governor, and we would be talking about whether the citizens of this city want a convention center, and where such convention center should be located, and how such convention center should be financed.

Now, the location that has been proposed is, indeed, a very controversial one. I haven't heard yet any of the articulations for the reason for that.

I do know that the Chinese community is strongly opposed to it, for obvious reasons. I haven't heard anybody refer yet to the interests of minorities, essentially black people. And there are black people who are concerned about the development of the downtown area, and I

think we all recognize that in Washington, D.C., one of the most pressing problems is the inadequacy of housing. There have been proposals from time to time agreed to by some of the people who testified for this convention center, that perhaps a solution is to bring more people downtown, that perhaps where we have limited resources, such as these land resources, that we should be thinking in terms of providing housing opportunities for people.

I support very strongly the concerns of the small businessmen, because, indeed, they do have rights. I was somewhat disturbed by the attitude of this former witness that I referred to, who seems to think that the life of the city and the interest of the city is represented by large businesses such as the banks and department stores.

These people, after all, do thrive on the existence of this large minority/majority, the black people in Washington, D.C., if, indeed, they are to continue to exist in downtown Washington. Therefore, their concern I should think should be of great moment to that witness and to the members of this committee.

One of the things that hasn't been talked about—and I am certain that some of the people who have testified here must be aware of this, because they're astute people, well informed, and they read the newspapers. We have a very serious problem in this city as in most other cities of air pollution. And science has revealed for us recently that one of the major kinds of pollution is airborne lead pollution, and that in Washington, D.C., we have a higher percentage of that than in any other city in this country. That is because of the concentration of so many vehicle in a relatively small area.

Now, there has been much talk recently about the danger to children living in poor areas who are forced to live in poorly maintained, poorly painted, poorly cared for tenements. And in these houses children are eating, as children do, the paint off of walls. This contains a high degree of lead which gets into the system. Of course, there are obvious results from that.

But some pretty eminent people now, including Dr. Daniel Fisher at American University, have developed the fact that the danger to all of us—not just children—from airborne lead poisoning is very, very high. In fact, I think there was a report in the papers yesterday that whereas the waters are relatively perhaps getting cleaner, the air isn't. In Washington, D.C., we have this terrible problem of air pollution. In fact, the air in Washington is so bad that it is hard to see the stars any more. When I go to areas near the ocean, I am surprised to be reminded of the fact there are millions of stars up there that I can see clearly. I don't see that in Washington, D.C.

Now, what would the convention center do to this air pollution? I don't know how many cars are proposed. I see this legislation here was drawn up as recently as August 2, very hastily, I suppose, supposedly after Mr. Pollin made his decision to move to Largo, Md.

But can you imagine what would happen in the Mount Vernon Square area if you had a gigantic convention center with the tremendous parking facilities that would have to be provided for those automobiles, with those automobiles getting in and out of that center, whatever the parking facilities would be, with the long waits that they must suffer in line, with motors idling, whereupon the pollution is even higher. What does that do to the downtown area of Washington, and

what consideration has been given to this proposal, as I think the law requires, to the effect on the environment. I haven't heard anybody discuss that. In other words, the impact on the environment from this particular proposal. My understanding is that any new proposal—and I should think that even if it isn't in your bill, that the Congress would certainly respect what you provide for any other project and a municipality must propose, what is the effect from increased pollution from so many automobiles congesting in that area.

I heard the Mayor say this morning in response to a question that the traffic could be handled. I'm just wondering about that. We all know that the traffic in Washington, D.C., is practically at a standstill during the rush hours, and I'm just wondering what streets would be widened in order to handle the amount of traffic that would be coming into such a parking facility.

Would it be I Street, the north and south sides of I Street; would it be New York Avenue, which is a major thoroughfare now; would it be H Street; would it be 10th Street? Where is the increased traffic-carrying capacity to come from?

Now, I see by the legislation, which was apparently very hastily put together, that the Mayor would have the authority to take whatever property was necessary. It isn't specified and nobody's rights are specified. I suppose that this would all fall in the area of eminent domain.

Therefore, it seems to me that this proposal involves the taking of considerably more property to implement or to facilitate getting in and out of this convention center than has been indicated in this bill here.

I would point out also that at some point, it seems to me, that besides getting the views of the business community that something like a referendum would be submitted to the city. I have heard many viewpoints, but it comes from a very, very narrow element of this community. Most of them who support it are not adversely affected by it.

I did hear a former witness indicate that perhaps one of the banks, the Riggs National Bank—which I suppose is reasonably affluent—that they would suffer somehow or other at one of their branches. It seems to me that this is certainly—that it would not be a calamity and that the Riggs National Bank could certainly afford to relocate from that particular location to another one without hardships. So I simply can't accept the fact that Riggs is going to suffer any financial reverses because they shift in locations.

The fact of the matter is that the black community in Washington, D.C., has not even been mentioned, and its feelings and its attitudes have not been mentioned.

Let me report to you how the black community feels. The black community feels that none of these projects which Mr. Evans has indicated are not planned for the citizens of Washington, D.C., and that means black people, essentially, since we are 75 percent of the population, that the blacks feel that none of these things really should be carried out in the interest of an increased tax base. We're just wondering what in Washington, D.C., which is essentially a colonial serfdom, would be the benefit to us if, indeed, there were an increased tax base. The taxes that we have now are utilized in such a way that

Seventh Street NW., 14th Street NW., and H Street NE., have lain fallow these past 4 years since the civil retribution of 1968.

There have been promises from the Federal Government to allow citizens to participate in the planning, and the District government and the Federal Government were true to that promise, surprisingly. The promise was that we could participate in the planning, in the development, in the construction, and in the ownership.

Now, that was very, very encouraging. During the year 1969 under the urban renewal process, a procedure was established to allow people in the various communities to form into something called community fellowships. I was a director of technical resources for the Reconstruction and Development Corporation, a semiofficial organization set up by the Mayor, to allow people to do their planning, along with the National Capital Planning Commission and Redevelopment Land Agency.

The planning was completed in 1969, offered to the City Council, and accepted by the City Council. It involved citizen participation, citizen referendums, citizen decisionmaking at every level beyond that.

Now, what has happened since then? It is 1972 and there has been no redevelopment along H Street; there has been no redevelopment along 14th Street; and on Seventh Street there has been no redevelopment that wasn't planned before the assassination of Martin Luther King in 1968.

Now, if this is the way in which this city responds to the needs of this community, using the tax funds that it has now, what reassurance do we have that a new convention center, which would increase the tax base, would benefit this community? We recognize it would benefit certain businesses. I suppose the Association of Restaurant Owners would be very, very happy with that, and we can understand that.

Now, we're not opposed to the idea of a convention center. I accept the fact that we've got a Washington Monument and a Kennedy Center and the Lincoln Memorial. These are appropriate things for the Nation's Capital. But are they appropriate to be located in the heart of the black community, where development is so badly neglected, where housing might be utilized for us, where we might begin to own and operate small businesses in conjunction with the Chinese businessmen and in conjunction with the Anglo-Saxon businessmen who are there now? This is our major concern.

There is another rather sinister aspect to this proposal. You know that the freeway planning in Washington, D.C., has been done in such an autocratic way, and in such a way as to deprive the community of knowledge about it, to say nothing of participation in that planning, that the courts have found such planning to be illegal and they've stopped it.

One of the most outrageous parts of the freeway plan was a north-central leg which would have gone right up through Brookland and taken hundreds of homes, of people who spent their lives building the capital and building the resources to build their own homes. I understand this is the American way; we all aspire to that kind of stability. The court's finding and the City Council's response to those of us who were able to bring some pressure upon it, was to eliminate the north-central leg.

The compromise for that was then to go for a New York Avenue industrial freeway. Where does that lead to? Right straight past the proposed convention center. Therefore, this convention center in that location—and somehow or other its supporters just feel it has to be there, it's the only place in the city for it to be successful. This convention center just planned for that location would give the rationale for the continuation of the New York Avenue industrial freeway, which cuts the city literally in half, and surprisingly enough, takes 90 percent—or 90 percent of it takes the homes and businesses owned by black people and black churches.

That disturbs us very much, and we see this as one of the sinister aspects of that.

Now, I think that the city deserves to have a convention center, but I think it deserves first to provide housing for the large numbers of black people who simply don't have it, or who are disadvantaged by having to live in very substandard housing and pay very, very high rents. It seems to me that is the first priority and if, indeed, this committee is concerned with the welfare of the city, which I have heard many times today, that it seems to me they would get behind the Housing and Urban Development Agency to force them to provide the moneys to allow the communities to develop the development corporations so that they can get on with the building of the devastated areas. After all, 14th Street, according to the Urban Renewal Plan, has substantial business and commercial parts to the plan, and this is true of Seventh Street and H Street. What is wrong with getting on with what is already planned? That means money, it means stable communities, it means happy communities, it means supported citizens, and it means an increased tax base.

Why is it we're talking about something brand new which would destroy the Chinese community and which would destroy the small business community which has been built up over the years, which would destroy the church facilities for some 2,000 families? Where are the priorities?

Now, I urge you if, indeed, you must consider now a convention center, to look for a site which would be less destructive of anybody's interests.

As much as I, as an architect and urban planner, desire to see the mall area from the Capitol all the way down to the Lincoln Memorial kept open and green and esthetic and inviting and lovely, before I would approve, or even not oppose the convention center in the heart of the city, with all the destruction that brings about, I would suggest that you consider it there.

I refer to the area occupied previously by the Munitions Building and the Navy Building, which are no longer there. There is a vast area owned by the Federal Government available with two major thoroughfares running parallel to it on the northern and southern borders, and with none of the problems that you would generate by moving people and businesses. Why not consider that?

Being a suspicious and cynical people, having been "messed over" as long as we black people have, we suspect that there is an element of land speculation in that particular area, and that is why we have fixed on it and that is why it just has to be at Mount Vernon Square. We rather suspect that those people who insist—we call them the "high-

way gang"—who insist that there must be freeways, and that there must be a freeway which runs north and south, and one that runs east and west, and one that even runs underneath the Lincoln Memorial, as I see in the paper this morning, and all along the Parkway and all the destruction and disruption that brings, we see the insistence on that particular location as something other than based on the interests and welfare of the city as a whole.

Now, I'm sorry there are so few people here who have testified against your proposal, because it seems to me that you should have a balanced view. I must assure you that if there had been more notice of this meeting, there would be quite a few people here who would express my views, and you would have that to consider.

As a member of the Board of Education, I sit before people and we listen to witnesses and we have to make judgments also. I am always concerned when any one of us, the City Council or any other body, seems to have made up its mind before listening to people. I would feel much better, even if the individual ones of you there have your own views, that you hold that in abeyance until such time as you have heard from us witnesses. That would give us the feeling that you were going to give serious consideration to what we say, that it's worth our time to do the research, and to try to be accurate, to try to be persuasive, to print these things and hand them up to you because you're really going to take them seriously, and what you thought about before may not be the determining matter. This is another reason.

Now, Congressman Schwengel indicated to the Mayor that he would like to see this city the same as another State. In other words, he has got a statehood bill similar to Congressman Ron Dellums. The only difference is that Dellums' bill separates the Federal and District interests by carving out that area where the Federal Government works now and making the Federal Government responsible for that, and that becomes the District of Columbia. The rest of it becomes a State.

If that were true, I would not now be sitting before people on whom I have no influence except the logic of my words, and I don't know how far that's going. You really don't have to listen to my logic. But I would be talking to my State legislature, and the State legislature and the Government—I would have an opportunity to select and to influence and to remove. That I don't have here. I have no other way of reaching you except to appeal, as some people have said, to your hearts and to your consciences as well as to the logic, and recognizing that there are forces—I'm sure the very astute and affluent people who have appeared before you have all kinds of influence that you pay attention to.

I don't have that. The black community doesn't have that. But I have heard people say to you before that—I don't know any of you gentlemen. I know Mr. Schwengel and a few others. I know Mr. Gravel. But they said they have great confidence in your sense of fairness and your objectivity. So I would hope the words I have said here will be given heavy weight, and that you will consider—of course, you know, you're not involved with urban renewal, so it is not likely you will put very much time on that. But I would hope that if you feel there must be a convention center, with all those benefits, that you would consider some other site.

Another thing that this does is to impinge, I think, on the Federal City College site, which is planned for, or one of the alternatives is to plan that for the area just north of that and how that affects that particular area. That means a considerable amount of taking of property, to, so that you're going to be taking property from the area below Mount Vernon Square and then also property above it for the Federal City College. There may be a conflict there that the people in that community may feel by the time you've gotten your convention center site, that they've had enough of property-taking, where the advantages to them are questionable.

I would say one more thing. I am very much concerned about this convention center becoming the rationale for the New York Avenue freeway. The freeway itself perhaps is one of the most controversial issues in the city, and regardless of—I know how Congressman Kluczynski about it. He wants the Mayor to go to the City Council and say, "Look, I've supported this thing so give me my freeways." But actually, Kluczynski's interests are not really affected as strongly as the people in Washington, D.C.

I have no vested interest, and I'm not going to make money or lose money on this thing, but I am going to be affected by my constituents; as the only elected group in this city, people bring all of their problems to us. They've not had too much success bringing them to the non-voting delegate. But we face them every day. We even have to deal with the same problem we are talking about here now at school board meetings, because this is the only place the citizens can talk, too.

The freeway is, we think, a dastardly thing. It takes so much of our property; it controls our subway. We are subject to the kind of blackmail that we had to put up with and that may be vested upon us any time in the future that Mr. Natcher becomes displeased with the progress of the freeways and so forth.

You have an opportunity not to aid and abet the hoped-for inevitability of the continuation of that freeway program by bringing into the city a massive convention center in an area which is not open, which is restricted on all four sides, where traffic just doesn't move during the rush hours, where in order to make that thing accessible you would probably have to devastate the entire area.

Do you know how much space it takes just for the approaches to something this size? You know how in downtown now, where you have parking lots in large office buildings, or where you have parking garages, you've got adequate capacity for the automobiles, but they simply can't get in and out. H Street, I Street, all of those are excellent examples of the parking capacity being there, but the streets don't move. Because every time you build a new office building, you bring in another 2,000 or 3,000 automobiles, and you have the same traffic that you had there before and nothing moves, and you simply can't think in terms of widening all of the streets and displacing further people and businesses all for one convention center that just has to be located in this very unlikely place.

My appeal to you is to give an opportunity for more people to testify on this.

I remind you of one more thing. The very nature of this colonial slave city is that—Mr. Miller's question to the Mayor and to NCPC

today, was, "Will the people have an opportunity to comment on it?" After a little shilly-shallying, they had to admit that no, the people will never even have an opportunity to say yes or no. They'll only have an opportunity to discuss the plans for something, that they may very well oppose.

You should provide that opportunity. So I hope that these hearings are going to be extended, and after you've heard from all of the big shots and the well-heeled people who feel that they represent the city's interests, that you will finally hear from the community of Washington, D.C., a lot of black people, and that you will take their feelings and their attitudes and statistics, and those of white people, also, who support our point of view, into very serious consideration.

I hope, sir, that you have a lot of questions to ask me, since there seems to be nobody else who strongly opposes this.

Mr. GRAY. Thank you, Mr. Cassell.

I was not here when you first came on so I could welcome you, but I will do that now.

I wonder if you realize, Mr. Cassell, that this is the fourth hearing we have had on this subject, and I wonder if you realize we have done something that is very seldom done before in the Congress—we went down to the area affected and held hearings. I chaired those hearings, which started at 5:30 in the afternoon and ran until approximately 11 p.m., without even a break for a cup of coffee? Most of the people that were heard were people that were not in business, but individuals, a number of Chinese people who lived in the area, and more that didn't even own property in the area.

In 1968 we had hearings on this same subject. We left the record open for 4 months for anyone who wished to submit a statment. And again, 1971, we had hearings on this same subject, left the hearings open for months for people who wanted to submit statements.

This matter has been heard more and discussed more and more people have had an opportunity to testify than any subject matter that I know of that has ever been discussed in the Congress since I have been here for 18 years. So I'm a little bit at a loss as to why you say this is being "gagged," that the rules have been "gagged," that nobody has had a chance to testify, when we went down to Mount Vernon Square. And without showing any disrespect to the gentleman, I didn't see you there and didn't see any statement that you submitted.

So I feel this matter has been heard, that the people of Washington have been given a full opportunity to be heard, and to prove our good faith we have cut the size of this project down from the original 25 acres proposed by the city, to a 10-acre tract that we are now considering.

We've gone the last mile to try to protect the interests of the people. We have insisted that the relocation costs will all apply by putting it in the bill, so that those people who will be displaced will get the maximum allowable under the law.

We have done every single thing to try to protect the interests of the citizens of Mount Vernon Square and the city of Washington. So I'm a little bit at a loss to understand how the gentleman can accuse this committee of not hearing everybody, when we have had four hearings on this same subject.

Mr. CASSELL. I don't want you to be at a loss, and let me try to help you.

I was referring to H.R. 16199, and the date of this is August 2, 1972—

Mr. GRAY. This is the same subject matter. The only thing we have changed in the District of Columbia government is the sponsor, which should be more palatable to the people of the District. The bill is almost identical. In substance, it is identical. We clearly defined the boundaries by cutting it down, which should make it more palatable to the people of the District.

H.R. 16199 is merely a clean bill, trying to embody those compromises that we have made at the suggestion of the people of Mount Vernon Square. This is why over 80 percent of the property owners have said they do want to sell, that they do want to see the civic center go there. So could you enumerate the people you are speaking for that live in Mount Vernon Square, those most directly affected.

Mr. CASSELL. Let me say that, it seems to me, that each time you introduce a bill, even though the bill is similar, I wouldn't want to have to rely on somebody telling me that.

Mr. GRAY. We have been talking for 5 years about the convention center and sports arena. Now we have completely dropped the sports arena and are now talking about a convention center. It's the same subject matter. How you cross your "t's" or dot your "i's" is not really that important.

This is a much better bill for the people of that area than the original concept. I think the fact that almost everyone here today has testified in favor, is proof that this committee has gone the last mile. We reported out a much more stringent bill in February, and could have passed it, but the people down in Mount Vernon Square said, "No, wait, just a minute. We haven't been heard properly." So I stopped everything and went down there and sat for 7½ hours. I wanted to give everybody a chance to testify and to try to work out a compromise. This is why we have taken all these long months.

In the meantime we have lost the sports arena to nearby Largo, Md. And now the State of Maryland, not the District, is going to get the sales tax and revenues generated from that facility. It could have gone to the District, so you would have more money to build more housing and do the things that you enumerated here today.

So procrastination has cost the District residents dearly in taxes, so I don't think we should be criticized for not taking more time.

Mr. CASSELL. I didn't mean that in the form of criticism as much as I meant it in the form of a recommendation. You indicated the number of people who testified for this bill today, so I think that means you consider this hearing important, and the number of people who have been here today—

Mr. GRAY. We will consider your testimony and that of every other witness, both for and against. This is how we make a judgment, to listen to the people affected.

Mr. CASSELL. My point was you didn't refer to overwhelming support on the part of the people in all of those past hearings, although you use that as an indication that there have been extensive hearings. You focused on the number of people today.

I have claimed—and perhaps you weren't here—that they represent a very limited and narrow element of this community, essentially business people. Therefore, if what they say today is important, it seems to me you would want to hear from a larger portion of the community and a broader spectrum—

Mr. GRAY. Mr. Cassell, I will reiterate that we went to Mount Vernon Square. We did not foreclose any citizen, whether he lived there or outside of Mount Vernon Square. He could either testify or submit a statement. We had 60 people that braved the cold February night, with snow on the ground, to come out and be heard. I would say that more than half of them didn't even live in Mount Vernon Square. We still either heard them or gave them an opportunity to submit a statement for the record. So we foreclosed no one from being heard.

That was in February and this is August, so I don't see where we have taken any hasty action at all.

Mr. CASSELL. What you have done is indicate you believe in a full opportunity for as many people to be heard, especially those who are going to be affected—

Mr. GRAY. We encourage it.

Mr. CASSELL. Rather than to make a judgment, they have all been heard on previous bills. It seems the thing to do now, since it's a new bill, is to provide that same opportunity and be consistent.

I would hope—I heard, and I don't know whether this is true, that where it was originally going to be this one hearing; I would hope you consider having a series of hearings on this particular bill. Certainly we don't want to rush this through.

You talked about procrastination. Using our recommendation is not to procrastinate. Our recommendation is not to build at all. I have given a series of reasons from my standpoint and from those people that I talk to, those people who vote for me whenever I get before them, they say it should not be built.

I took the time to indicate that I hope that would be seriously considered. I lamented a bit the fact that some people who sit on that podium seem already to have made up their minds and are arguing with witnesses rather than taking their statements under advisement.

I recognize what your position is, and I've already heard you say it. I said it because I hope to have some influence on that. Perhaps—

Mr. GRAY. Mr. Cassell, I certainly will take your statement under advisement, but I think it is incumbent upon me to challenge statements that I feel are in error.

You were stating—and we can go back and read it if you like—that this matter had not been discussed and many people had been foreclosed from testifying. That is not so.

Mr. CASSELL. I did not make myself clear. I was referring to this bill, 16199, which is dated August 2. I don't think it is sufficient to say it's very similar to other bills. The people have a right to be exposed to each new bill, and if it's exactly the same they should have an opportunity to find that out before this committee, not to have it told to them as a matter of course, or in response to a challenge to the fact that a meeting was called in less than 24 hours.

I just happen to be here out of accident. I just happened to be listening to my radio. Most of the people I know don't know that I am here testifying. Most of them aren't going to know much other than

what the stations decide to print. I don't know how much of my testimony they're going to show.

But even this series of rejoinders here, which is an educational thing, the majority of the public are not going to know about because they haven't had an opportunity to come or send somebody. I don't know how much publicity is going to be given to this.

But extended hearings on something this important, I think it is——

Mr. GRAY. As I said, we had full and complete hearings on a convention center for Mount Vernon Square in February. We could have gone into executive session, taken those hearings and marked up the bill. That's what most people would have done.

But I said no, in case there were still those who were not heard down at Mount Vernon Square, let's have another hearing and bring the Mayor down. He was out of town and couldn't testify that day, but we would have been completely within our rights and fair to everyone to have taken the hearings—and they're as thick as a Sears, Roebuck catalog—to have taken those hearings and gone into executive session and marked up this bill, because this is the same subject matter we had hearings on for 7½ hours, plus two previous hearings before February of 1972.

Mr. CASSELL. I wouldn't want to engage in an extended debate on that. I hope your concentration on that one aspect, that miniscule section of my testimony, would not mean you have not paid close attention to quite a few of the other things I have said.

Mr. GRAY. Oh, no. I'm very much interested in what you had to say. I sympathize with many of the things you had to say. You can check my record and see that I voted for increased Federal payments to the District, I voted for every HUD bill, I have voted for every single project, including home rule, and so has Mr. Kee here, to aid the District of Columbia. But you brought up matters that are beyond the purview of this committee. We are Public Buildings and Grounds and have nothing to do with highways, nothing to do with housing. I sympathize with those programs and I support them, and I admire you for being a champion of those causes.

But we are here today addressing ourselves to the need to revitalize the downtown area with a civic center.

I was happy to hear you say you were for a convention center but you did not believe it should be built at Mount Vernon Square. In that connection, I want to point out that this committee did not pick Mount Vernon Square, the city did; the National Capital Planning Commission, the RLA, all of the people that are charged with this responsibility told us they felt that was the best location.

I agree with you. I think the Constitution Avenue site at 18th Street would make a fine location for a convention center and sports arena. But the city felt otherwise.

Mr. CASSELL. In light of the demonstrated inability of the District of Columbia government to perform on its premises, to maintain a viable service, to provide a relocation for citizens in the areas where you're building just one little school, taking perhaps just one block, in light of the demonstrated inefficiency of this government, in light of their inability to respond to your question today in which you had to put words in the Mayor's mouth, such Mayor not being able to explain to

you how that \$14 million was to be used—I was rather surprised at that. You had more information on that than he, and presumably you're taking his advice.

The Mayor apparently doesn't know, or hasn't read this bill, he doesn't know that this city has committed itself fully to support—I can't understand why, you know, it was necessary for—or why he didn't realize that the bill says, "The full faith and credit of the government of the District of Columbia is hereby committed to guarantee, upon such terms and conditions as may be prescribed by the Commission, the fulfillment of the obligations imposed by the provision of this section."

Now, you knew that but the Mayor didn't. Nor did any of his other subordinates. They didn't answer that. You had to tell them that. That lets me perhaps doubt whether these people are capable, or whether they are sufficiently reliable to construct, to plan, to provide for the interest of people who are—

The question of schools. We have schools now waiting to be built and can't be built because the District of Columbia government has not fulfilled its promise to relocate seven families. I can go out and find a place for them myself.

There is one more section here I would like to read, the last section in the bill. It says: "There is authorized to be appropriated out of the revenues of the District of Columbia such sums as may be necessary to carry out the purposes of the act."

The Mayor pretended this isn't going to cost the city anything, that you'll just have a private entrepreneur who is going to bear the full cost. And if, per chance, there were any deficiencies, perhaps that \$14 million could be dipped into.

Mr. GRAY. I think he's talking about revenues, Mr. Cassell.

Mr. CASSELL. Those revenues are committed to support. In other words, I think they could have honestly said the city is going to build a convention center, and we're going to own it and operate it and be the landlord, right? The technique we're going to use is to let the entrepreneur provide the funds for construction. If he gets in trouble, we have to bail him out. That's how much confidence I have in the city government and the protection of their interests.

If you're relying on them, with their terrible record, as is demonstrated before Senator Inouye's committee, I think this is just, you know, not warranted.

Mr. GRAY. The gentleman from West Virginia.

Mr. KEE. Mr. Cassell, I would like to clarify in your mind, so you will understand, that your testimony will be printed and it will be read by every member of the committee. It's not a question of quantity, as to how many people who come in and testify, but what we make our judgment on is what is presented to the committee.

Second you have said, on three separate occasions, that you didn't know about this until late last night. You said you heard it on the news.

Now, we have had all these hearings. Our distinguished chairman has worked it out and has been real busy—you know, we had to keep going over to cast our votes. I understand the chairman has left no stone unturned. He did that for the simple reason we wanted to have

and needed to have the best possible information. It isn't restricted to amount.

As you know, when we recess in 2 weeks, that we have a lot of business to attend to. I admire the chairman for calling this meeting today. So any one who has not previously testified should have the opportunity, and we certainly thank you very much.

Mr. GRAY. Thank you, Mr. Cassell, I appreciate it very much.

Next, Mr. George Frane.

**STATEMENT OF GEORGE FRANE, CONSULTANT, MOUNT VERNON
FEDERATION OF RELIGIOUS, CIVIC, CHINESE, AND BUSINESS
ASSOCIATIONS**

Mr. FRANE. Mr. Chairman, I represent NDA here. I am a consultant to the Mount Vernon Federation of Religious, Civic, Chinese, and Business Associations.

Mr. GRAY. Mr. Frane, could you please state your name for the record?

Mr. FRANE. My name is George Frane.

I am a retired congressional aide. I was first secretary of the Democratic study group.

We believe that this project will place a very heavy tax burden on the city, and that the \$14 million is not enough as the Federal share.

Incidentally, I want to start out by saying I am representing—speaking for a number of the small businessmen in the affected area.

We have been assured that this project will be successful, unlike the Kennedy Stadium and the Armory.

But the cost as put at \$60 million, in a story that was in the Star yesterday, at 5 percent, then this project will cost the city \$3 million a year in interest alone. And knowing Federal projects, they generally start out at a stated figure and cost more in the end. The Kennedy Stadium is an example. It started out at \$7½ million and ended up costing \$19 million.

The Labor Building is another example of underestimation.

It is worse when it comes to a Federal structure than it is on a Lockheed project or some other project in the Defense Department. The overpayments are tremendous.

The city is already, as you know, paying \$500,000 for interest on the bonds for the Kennedy Stadium. These payments will continue.

So, the credit of the city will be plagued at \$3½ million a year for this project and the Kennedy Stadium together.

We believe if the Congress had to underwrite and pledge its credit instead of the credit of the District government, that many of the sponsors of H.R. 16199—and we understand there are 40 of them—would remove their names as sponsors. It is always easy to put the credit of the District government on these things.

The Kennedy Stadium was originally called the National Memorial Stadium, but the credit of the Federal Government was not put on it. The credit of the District government was put on it.

And this is a very interesting thing, because if you look at the Congressional Directory, you have three Senators and three Congress-

men who are still members of the National Memorial Stadium Commission.

So, we think that if the sponsors of this bill had to put the credit of the Federal Government instead of the District government on it, probably their constituents would insist that they remove some of their names.

Now, as a presidential memorial, we think it should be paid for by the Congress, just like all other presidential memorials are paid for. The Kennedy Center is an example. The Washington Monument is an example. The Jefferson Monument, the Lincoln Memorial.

If this is going to be a presidential memorial, then the Congress certainly ought to put more into it than it is.

This land and its improvement will cost probably a hundred dollars a foot, even more—it will cost even more when relocation costs are added. This project could cost \$30 million in acquisition and relocation costs alone.

Now, what we would like to suggest as a possible site—and, incidentally, Mayor Washington, at a big dinner at the Mayflower Hotel about a week ago, and where I was cited for my work on behalf of the Spanish community—Mayor Washington spent about 20 minutes talking to me about this convention center. And he said the site—that is, its parameters, its location, was not settled, and that if we had any ideas, he would appreciate our putting them in.

Now, what I think we would like—you have said, both of you, Mr. Kee and chairman—the chairman—that you wanted to listen to the community.

Now, this afternoon, the Chinese told you something. They are very upset about this, because many of them live in this area. Deacon Simpkins, who is the leading Deacon of the Greater New Hope Baptist Church, told you something else.

He expressed, I think, complete unconfidence, a complete lack of confidence. He said that he wanted this thing looked at by the NCPD and the City Council.

Now, you have said yourselves that the City Council and the NCPD and the RLA picked this site. But, let me tell you, Mr. Gray and Mr. Kee, not a single hearing has been held by those agencies in relation to this project in which people, like Charles Cassell and Deacon Simpson and others, could testify.

The only hearings have been the hearings you held. In other words, you stepped into a role for a project presumably for the District government in which the District government has been shortcut in its relation to its own citizens.

Mr. Cassell—let me tell you something about Mr. Cassell. Mr. Cassell is trying to tell you something, and it ought to be listened to. He speaks, not as the Board of Trade does, which is mostly white—I think they have one black member—and most of them live in the suburbs, but Mr. Cassell and the emergency committee he speaks for are speaking for the citizens of this city. And this city was far more stable when it had a large percentage of Negro ownership of land.

Today, the Negroes do not have any land. The only land that they have in downtown Washington are these two church sites. And there are a few—and there are a few, and I would hope with the support

of your committee that there would be more black citizens in there, black citizens.

But, in the case of the FBI Building, President Kennedy assured that the businessmen who would be displaced would be located on the first floor, on the ground floor.

President Johnson came along and reneged on that promise.

Now, if you could write into the thing that the first—that the ground floor of these 10 acres would be for small businesses, I think you would make a tremendous, a tremendous contribution to this city.

I would also like to suggest something else, and that is that your bill, the new bill, was just introduced, runs between Eighth and 10th Streets.

Now, at the February 17 hearing—and I have the original right here. I would be glad to give you a copy but I am not going to give up the original because I want to testify on it before the Senate, if it is possible—King David, Attorney King David introduced this thing. This is signed by the Reverend S. Edward Giles and Charles Hamilton, by a great many Chinese, by blacks, by big people from the business community, by furniture row. And what they suggested, and you may recall, what they suggested was a site between Seventh and Ninth, north of I.

Now, if you can just move the thing one block to the east—it is Eighth to 10th now—if you would move it one block to the east and one block to the north, you would have a tentative site, and you would be in—you would not have the opposition of the churches, of the church; you would not have the opposition of the Chinese community, and you would make an enormous contribution.

Mr. GRAY. Would you mind pointing it out on the map here, Mr. Frane, if you know where this is?

The other area is from Eighth to 10th Streets, the four-block area.

The green line on your right at the bottom is the New Hope Baptist Church, so you can get your bearings there.

Mr. FRANE. I have been there many times.

The area we speak of, these two areas [indicating].

This is a petition to the Congress to support a church people community plan.

We, the undersigned, urge Congress and the House and Senate Public Works Committees to adopt the following church people community related plan to save the area's historic Chinatown, the Greater New Hope Baptist Church, Turner Memorial Church, the homes, the businesses. What we suggest is a location of the convention center south of Mount Vernon Square—

Mr. GRAY. To do all that, Mr. Frane, you take all of furniture row.

Mr. FRANE. No, sir; this will not take furniture row.

Mr. GRAY. You are pointing to Seventh Street now—

Mr. FRANE. The point is, Mr. Chairman, the people in this area, these two areas, these two blocks—this a larger and better site than these two blocks.

Mr. GRAY. We cannot get that big a facility on two blocks.

Mr. FRANE. You have 10 acres here, Mr. Congressman.

The point is, this is 80 percent parking lot. The small businesses along the west side of Seventh are willing to go, they told us so. Many of them support this plan.

In other words, what we are trying to suggest to you—because, I think, Mr. Chairman, I agree with you—I have not always agreed with

you—but I think—we supported the arena at Union Station. We came in, all of us—I have got the original right here.

If you really want to listen to the people, the Chinese were trying to tell you something. The church was. That poor Mr. Simpkins—I mean, how in heaven's name can he contest, a man as brilliant as himself—

Mr. GRAY. I have not been back to that church since February.

Mr. FRANE. Mr. Gray, if you went back to the church in support of a project where the church and the Chinese and everybody else—and I have got their names—were agreed on, this is the area. It is two areas—

Mr. GRAY. Would you support the convention center on that site?

Mr. FRANE. Yes, sir. Not only I, but the two churches, the business people.

Mr. GRAY. Unless I am badly wrong, you figure on Mr. Hahn's store, and he is here—

Mr. FRANE. No. I know his store. It is south of I Street.

I am suggesting—Harry Hahn has signed this, Mike Bernstein and all have signed this thing. They have suggested—

Mr. GRAY. I will suggest the city take a look at it.

Mr. FRANE. You see, I Street—this is I Street, this is Seventh and this is Ninth, and this is New York Avenue, whatever.

The point is this is 10 acres when you combine the sidewalk and the street. You would have a fair 10 acres.

You are saying between Eighth and 10th. Now, what the church is saying, and you said this afternoon—

Mr. GRAY. Which is Seventh and Ninth between I and Massachusetts.

Mr. FRANE. That is right.

Then you face directly on this and you would not conflict with the Federal City College, which goes from Seventh to Ninth, north of Mount Vernon Square.

I think it would balance this thing—

Mr. GRAY. I will suggest it to the city, and they can take a look at it.

Mr. FRANE. It seems to me, Mr. Gray, it would take the heat out of this issue.

When you started out with 25 acres and you reduced that, as you have, I think this is an enormous plus on your side, but if you could—I will give you the original, sir.

Mr. GRAY. I will certainly pass it on to the city and ask them to consider it.

Mr. FRANE. It seems to me if you did that—you have got the signed document there, that is the original—in other words, between Seventh and Ninth instead of between Eighth and 10th, you would save the church, you would save the Chinese residences, because none of them are in this area.

It seems to me that you relocation cost would be minimum—minimal.

As far as the benefit to the community, to the Nation, President Eisenhower would just as soon have his facility between Seventh and Ninth as between Eighth and 10th.

It seems to me the relocation costs would be minimum. The contribution to the community would be just as great if you made it one block north and one block to the east, I think—and I speak simply

for the groups, the churches, the Chinese, and the business people, and you have the original document—

Mr. GRAY. We will certainly call it to the attention of the city. Thank you very much.

We have one concluding witness, Mr. Robert Lerner. Mr. Lerner, we want to apologize for being so long in reaching you.

Mr. Lerner is with the D.C. Liquor Store, Ninth and H Streets NW.

I understand you do own your business in the Mount Vernon Square.

Mr. LERNER. That is right.

Mr. GRAY. We are very happy to have you here.

STATEMENT OF ROBERT LERNER, OWNER, D.C. LIQUOR MART

Mr. LERNER. I am very glad to be here.

My name is Robert Lerner, and I do own the D.C. Liquor Mart which is located right on the corner of Ninth and H Streets NW.

I have heard a lot of people testify how wonderful that area is for businesses and residential. I do not believe there is more than one or two streets where people are actually living there. That is, I believe, on I Street between Ninth and 10th.

Like I said, I have been there for—this is my 12th year, and I have seen my business go down approximately 20 percent in the last 3 years.

Most of the decent businesses have moved away. There are quite a few stores that are empty. And I do not think there are too many people anxious to relocate in this particular area.

I think Ninth Street and Seventh Street, from Seventh and New York Avenue is now—I think most people classify it as Skid Row, because that is probably the only type of people you see walking the streets.

Mr. GRAY. Would you tell us where you are located here on this map, Mr. Lerner?

On the right lower hand corner in green is the New Hope Baptist Church, if you can get your bearings from there. What I am trying to get at, you are south of I Street?

Mr. LERNER. Yes. One block south.

Mr. GRAY. I wanted to ask you to comment on Mr. Frane's suggestion that those two blocks north of I Street, running from the back of Seventh over to Ninth, would be a desirable location.

Mr. LERNER. I think the area that was proposed from Sixth to 10th and H to Mount Vernon Square is much better.

Mr. GRAY. You are willing to sell?

Mr. LERNER. I certainly am.

Mr. GRAY. Have you talked to other businessmen in the Mount Vernon Square area?

Mr. LERNER. I have spoken to most of the businessmen that are on the block I am on, say, from Ninth and H up to I Street.

Mr. GRAY. What is their feeling?

Mr. LERNER. They definitely want to sell.

Mr. GRAY. They do feel that it would be a burden to relocate somewhere else?

Mr. LERNER. Definitely not.

One business has closed up last week, a barbershop. He was retired. But he did not want to stay there any more.

Mr. GRAY. What street was he on?

Mr. LERNER. He was on H Street. Actually, he was part of the building I'm in. He retired and closed up. Then there are two or three other empty buildings on the block that—

Mr. GRAY. I wanted to ask you, how long have you been in this neighborhood?

Mr. LERNER. Twelve years.

Mr. GRAY. So you are familiar with the area of Mount Vernon Square?

Mr. LERNER. Yes.

Mr. GRAY. Do you feel there are existing buildings available, Inga's Beauty Shop and others, who would be able to relocate in the immediate area where the customers can still walk within a couple of blocks and still trade there?

Mr. LERNER. I would say for her type business, yes, but not for mine.

Mr. GRAY. What about between Sixth and Seventh Streets, in that area? Are there any existing vacancies, either on I or H?

Mr. LERNER. The whole immediate area, there are quite a few empty buildings. I mean whether it would be suitable for her, that would be up to her.

Mr. GRAY. What do you think of the idea of maybe designing this civic center with some shops and giving those people that reside in the area the preference of locating their shops in the facility?

Mr. LERNER. I would be the first to say please sign me up. I personally feel most of them should seek you out for that. Really, it's not a healthy atmosphere there. After 5:30 or 6 o'clock, that area is like no man's land. There is hardly any walking traffic. We could really close a lot earlier than we do, which is 9 o'clock. But we have to stay until 9 to meet all our bills.

Mr. GRAY. We heard testimony earlier today that this would cause a problem of congestion. Do you know how good a business these private parking lots are enjoying at the present time?

Mr. LERNER. Most of them are full at all times.

Mr. GRAY. During the daytime?

Mr. LERNER. Yes.

Mr. GRAY. So it's your opinion that we should consider building parking on the premises?

Mr. LERNER. Definitely, as much as you can allow for, because those lots are full. Every time they knock a building down, it becomes another parking lot. That soon fills up.

Mr. GRAY. Of course, we all hope the subway system will alleviate some of that. But having been in business there 12 years, it is your opinion we should have some onsite parking?

Mr. LERNER. Definitely.

Mr. GRAY. Thank you very much, Mr. Lerner. We appreciate your coming, and we appreciate your contribution to these hearings.

Mr. LERNER. Thank you, I appreciate your hearing me.

Mr. GRAY. I want to thank everyone for their attendance, particularly our colleagues on the committee. It has been a very busy day, with several committees meeting simultaneously.

We will leave the record open for anyone that would like to submit a statement. If any person present should talk to anyone who was not able to be here and would like to submit a statement, either pro or con, we would be delighted to receive it.

There being no further witnesses, the Joint Subcommittee of the Senate and House Public Buildings and Grounds now stands adjourned.

(Whereupon, at 4:30 p.m., the subcommittee was adjourned.)

(The following were received for the record:)

STATEMENT OF HON. WALTER E. FAUNTROY, DISTRICT OF COLUMBIA DELEGATE TO THE U.S. HOUSE OF REPRESENTATIVES

Mr. Chairman, I am most pleased to have this opportunity to offer my statement to this committee composed of my most distinguished colleagues. I am especially pleased to have the opportunity to support H.R. 16199, a bill to provide for the construction of a civic center here in the District of Columbia.

Let me preface my comments by expressing, first, however, my very deep thanks and my deep appreciation for the work of your fine chairman, Ken Gray, a man from Illinois, has worked singularly hard to give us the mechanism of growth for renewal that will revitalize the downtown section of the nation's capital city. This city is visited by millions of people every year. I understand that next to the federal government, the tourists represent the largest single industry that we possess. As the Delegate to Congress from this city, I am cognizant of the importance of our visitors to the lifeblood of the city, and quite interested in a measure that will attract them to this city.

The passage of this bill will do that. For more than 5 years, this measure has been studied and restudied. It has been debated. I think the time for positive action is now. As we approach the Bi-centennial celebration of our nation's birth, we will be the host to more than 40 million visitors each year. We will need facilities to service them whether they come merely as sight-seeing tourists or as conventioners. There are programs under way to assist the tourists, but today, except for this bill, there is no program designed to attract more conventions here. For example, last year, more than 15,000 people gathered in New York for the Annual Meeting of the American Bar Association. This year, they will meet in San Francisco, next year they will come here, but already many have expressed concern about the facilities of this city to house their plenary sessions and the many sessions of their several dozen associated divisions and groups.

The construction of a convention center will make our tasks in attracting conventions infinitely easier. It will improve the tax base because tourists and conventioners spend enormous sums of money. With this center, we can expect a dollar flow in excess of \$100 million per year. This kind of money is essential to our city if we are to become even partially capable of meeting our own expenses without the need to return annually to this Congress in search of more dollars.

In the past 10 to 15 years, the growth of Washington has been centered in an area west of 15th Street. The growth in that direction began when some men decided to build an important office building at Connecticut Avenue and L Streets NW. Since then, we have seen the destruction of many fine historic homes for many new and necessary office facilities. There is no question but that this building activity has revitalized that section of the city, but the secondary effects of new buildings have not penetrated below that 15th Street boundary.

A new convention center can be the catalyst that will give us renewal, growth, jobs, and make the center of our city more attractive for those who wish to work and live in town. Eighty percent of those who are now in the affected area favor the building of the center. Only 8 percent are opposed. There is never unanimity on any project and I would urge this committee to remember that. In addition to the 80 percent are business and community leaders who feel the need for this center. Some of them have made major commitments to this city both in spirit and in dollars. They have believed that we will support them in their quest to keep Washington a unique and beautiful city. I think that we in Congress owe them this support. We owe it to ourselves too, because with

them we will assure a viable city. Mayor Washington has called this city a place that is on the move. It is the center of the fastest growing metropolitan area. With the coming of METRO, the high speed rail connections between major cities on the East coast, the closeness to intercity bus transportation and major highways, the civic center will make Washington not just a place of government. It will become more than ever before possible, a place of commerce, culture and international communications.

I urge this committee to report this bill with the most favorable comments and I pledge my efforts as the District of Columbia Delegate to secure its passage.

STATEMENT OF MR. PHILIP A. HOLLYWOOD, VICE PRESIDENT AND GENERAL MANAGER, THE SHOREHAM HOTEL—REPRESENTING THE HOTEL ASSOCIATION OF WASHINGTON, D.C.

Mr. Chairmen and members of the subcommittees on public buildings and grounds:

My name is Philip A. Hollywood. I am a director and chairman of the legislative committee of the Hotel Association of Washington, D.C., and my appearance here is on behalf of the association and its 42 member hotels.

Our association is pleased and delighted with the provisions of H.R. 16199 which would provide for the construction of the "Dwight D. Eisenhower Memorial Bicentennial Civic Center" in the downtown area of the Nation's Capital.

I am vice president and general manager of the Shoreham Hotel which is one of the largest convention hotels in Washington, D.C. So I am particularly aware of the conventions which this city cannot house because of inadequate exhibit and exposition space.

Experience in other cities where the larger chain hotels are located has proven to us that great benefits can come to a city which can attract and properly accommodate large conventions and expositions. While it is true that Washington does enjoy a large number of conventions, we are still not able to solicit or secure those which have requirements for multi-thousand meeting room capacities and those which require very large exposition space.

We are losing annually millions of dollars for our hotels and merchants—to say nothing of the direct District tax loss—to other cities which can cater to this type of activity. It is the hope of all concerned that such a facility would result in a revitalization and new growth for our city and give our business community the economic boost it so strongly needs.

When such a facility is in being other hotels and motels will be built to help house and serve the convention delegates this city will get. Therefore we know that much more revenue will come to Washington, there will be many more job opportunities, all commercial enterprises will reap more profits, and the District will acquire much needed additional taxes.

We fully subscribe to the remarks made here today by Mr. John Stadler, president of the Metropolitan Washington Board of Trade.

In closing, the Hotel Association of Washington, D.C. has long supported the need for a convention center for the District of Columbia and we urge each committee member to support H.R. 16199.

Thank you for giving me the opportunity of presenting the views of our members on this important subject.

STATEMENT OF W. REID THOMPSON, CHAIRMAN OF THE BOARD AND PRESIDENT, POTOMAC ELECTRIC POWER CO.

Mr. Chairman and distinguished members of the Committees, as the chief executive officer of a major public utility serving the metropolitan Washington area as well as an Officer, Director and member of the Executive Committee of the Metropolitan Washington Board of Trade, I endorse the strong statements of support from others who have preceded me today in urging prompt approval and construction of the Eisenhower Civic Center. This much-discussed and debated public project is clearly a right idea that has been awaiting its moment and seeking its proper place. We at PEPCO are convinced that the time and place are now at hand. We pledge our commitment to a cooperative community and governmental construction effort should Congress agree that the time and place are at hand.

We applaud the efforts of Congressman Gray's Subcommittee to bring about a conciliation of divergent community views by personally taking the case for the civic center to the community, to City Hall, and to the White House. By holding public hearings late last spring, the Subcommittee clearly demonstrated its desire to keep to a bare minimum the burdens that might be imposed on local citizens. Such efforts to protect the local citizens have set a tone which is perhaps unprecedented in Federal Public Works projects of this magnitude.

We at PEPCO have concluded, however, that we would be negligent in our responsibility to these same local citizens if we failed to bring to this Subcommittee's attention a not-so-obvious financial burden which is certain to be imposed upon our customers in the Washington area, should the proposal before you be adopted in its present form. The matter which we are about to discuss hereto was reviewed thoroughly by the Mayor and his staff over the last few weeks. As a result of that review, it was decided that since PEPCO has raised what is essentially a legislative issue, the proper forum for considering a resolution of this somewhat critical problem would be your Subcommittees. Although highly technical, I will try to explain in briefest terms the magnitude of the problem.

The National Capital Planning Commission, in a Staff Report dated July, 1971, presented three design possibilities applicable to the Mt. Vernon Square location. It is our understanding that the concept being most seriously considered is Alternative "C" which produces the lowest development density and integrates the basic building into a complex more in keeping with the present scale of the surrounding area.

Following this design alternative, the civic center is most likely to be situated in the area bordered by H Street to the south, New York Avenue to the north, 10th Street to the west and 9th Street to the east. Presently located on that site is PEPCO's "Sinclair" electric substation at 922 Eye Street, N.W. In order to construct the civic center, this substation, as well as the critical power lines leading therefrom, will be condemned, removed or abandoned. Unless immediate steps are taken, the removal of this substation will effectively reduce or cut off power to customers in the affected service area, which includes the D.C. Library and customers in the general area bounded by 8th, E, 13th, and L Streets, N.W., as well as the White House and other government buildings in the area generally bounded by Pennsylvania Avenue, 17th, Eye, and 15th Streets, N.W.

PEPCO engineers commenced studying this situation shortly after the aforementioned real estate came under serious consideration as the site for the Eisenhower Center. After much deliberation, we have formulated a plan whereunder, through a process of power shifting and immediate construction of new alternative facilities, the present power demands for the area now serviced—as well as the added power demands of the revitalized area—can be met. In its most simplistic terms, the plan initially calls for a supply shift from the existing 34 KV Sinclair Substation to the nearby 138 KV "O Street" Substation, located at 1100 O Street, N.W. Such a shift, however, can only be sustained until 1975, when the estimated demands upon the O Street Station will escalate beyond its capacity to handle the dual load. Thus by 1975, PEPCO must erect a 138 KV Substation in the Mt. Vernon Square area in order to handle the present load of the Sinclair Station as well as the additional load placed upon the area by the civic center. In order to accomplish this, however, a critical timetable must be met and construction commenced in late November or early December of 1972. The schedule is undeniably tight and will require the full cooperation and expeditious management of City and Federal agencies.

Obviously such a crash program bears a price tag. The issue that we ask be resolved legislatively is whether the relocation expense should be underwritten by PEPCO's customers or whether such expense—occasioned solely by the construction of the civic center complex—should be included as part of the project cost. The latter approach is clearly the more equitable and consistent with modern Congressional financing trends.

In recent years, the Congress has consciously averted the imposition of utility pass-through costs upon customers in local areas by inserting into public works legislation appropriate language indemnifying the utilities against the type of loss anticipated at Mt. Vernon Square. The precedent was established in the Metro Construction Bill, Section 68, Public Law 98-774 (1966). It was again followed by Chairman McMillan in a House-passed District of Columbia bill [H.R. 13533] calling for amendment of the D.C. Redevelopment Act of 1945 to

provide for the reimbursement of public utilities for costs resulting from Federal aid system programs. We are attaching hereto for your consideration language substantially similar to that utilized in the aforementioned legislation.

PEPCO is indeed grateful for this opportunity to reiterate its solid support for the Eisenhower Center at the Mt. Vernon Square site. We feel that Downtown Washington is ready to entertain a new image, a renaissance of sorts. The proposed complex is certain to inspire and stimulate such progressive change. We are convinced, however, that it would be inequitable for our customers to underwrite the added expense of relocation resulting from the center's construction. Ample precedent for the more equitable approach has been provided by the Metro Bill and Chairman McMillan's amendment to the Redevelopment Act now before the Senate. We fully trust that the House and Senate Subcommittees will approach this problem with the same full force of creative thought and fair play that has marked its interest in the Eisenhower Civic Center to date. We thank you for your attention.

SUGGESTED LANGUAGE TO COVER FACILITY'S RELOCATION COST INCURRED BY PUBLIC UTILITIES

"Any public utility company which will have any of its facilities relocated, adjusted, replaced, removed or abandoned as a result of the construction and maintenance of the civic center be reimbursed for the costs of relocation, adjustment, replacement, removal, or abandonment. The reimbursable costs shall be paid to the utility as part of the cost of the civic center project.

"The cost of relocation, adjustment, replacement, removal or abandonment shall mean the entire amount paid by such utility attributable to such relocation, adjustment, replacement, removal or abandonment as the case may be, less any increase in value on account of any increase in capacity of the new utility facilities over the old utility facilities, and less any salvage value derived from the old utility facilities.

"The cost of relocation, adjustment, replacement, removal or abandonment of any electrical substation involved shall include the carrying charges required by the construction of a substitute electric substation for the years 1975 through 1978 due to the expedient construction of the electric substation in 1975 rather than the normal projected construction date of 1978.

"The term 'public utility company' means any gas plant, gas corporation, electric plant, electrical corporation, telephone corporation, telephone line, telegraph corporation, telegraph line and pipeline company, whether publicly or privately owned as those terms are defined in paragraph 1 of Section 8 of the Act of March 4, 1913 (relating to appropriation for expenses for the Government of the District of Columbia) (D.C. Code, Sections 43-112-43-121).

"The term 'facilities' means all real and personal property, buildings, and equipment owned or held by a utility in connection with the conduct of its lawful business."

VOICE,
VOICE OF INFORMED COMMUNITY EXPRESSION,
Washington, D.C., August 12, 1972.

TWENTY-ONE MAJOR COMMUNITY ORGANIZATIONS JOIN VOICE IN SUPPORTING
CONSTRUCTION OF EISENHOWER BICENTENNIAL CIVIC CENTER

The organizations listed below support H.R. 16199, the bill to authorize construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center. This support is based on the conviction that this much needed facility would produce substantial and on-going benefits to the District of Columbia, its residents and visitors. Among these benefits are:

Additional jobs for persons at all skill levels.

New tax resources.

Improved image for the central area.

Inducement to private redevelopment efforts consistent with the public objective of total downtown revitalization.

Improved and expanded facilities for visitors, strengthening the city's economic base.

An improved environment, conducive to more nearly round-the-clock use of downtown.

The location of the proposed Eisenhower Civic Center in the area between 8th and 10th Streets, south of Mt. Vernon Square and north of H Street, N.W., is highly accessible. It is served by public transportation and major arterials and it will be served by METRO and the Center Leg freeway. It involves a minimum amount of displacement and disruption of existing residential and business uses. Also, in the vicinity of this site are a substantial number of available parking spaces and other facilities important to the success of the Civic Center. Furthermore, this site is a prominent location, suitable for a national memorial to former President Eisenhower, a world leader, and should help establish this part of downtown as a center of international as well as national and local importance.

The provisions of H.R. 16199 give the Mayor-Commissioner of the District of Columbia necessary and appropriate authority to carry out the intent of this legislation in a way which should assure that both local and national objectives are achieved with the greatest possible sensitivity to all those affected.

We join in support for H.R. 16199, the bill to authorize construction of the Eisenhower Memorial Bicentennial Civic Center in Downtown Washington:

African Methodist Episcopal Ministers of Washington and Vicinity.
 CADOLANCA (Committee for Aid and Development of Latin-Americans in the Nation's Capital).
 Calvary Baptist Church.
 Committee of 100 (ministers).
 Council of Churches of Greater Washington.
 D.C. Bicentennial Commission.
 D.C. Chamber of Commerce.
 D.C. Federation of Civic Associations.
 Downtown Jaycees.
 Downtown Progress.
 Federal City Council.
 Friendship House.
 Greater Washington Central Labor Council, AFL-CIO.
 Greater Washington Chapter, A. Philip Randolph Institute.
 Hotel Association of Washington, D.C.
 Metropolitan Washington Board of Trade.
 National Capital Area, National Conference of Christians and Jews.
 New Hope Baptist Church.
 VOICE (Voice of Informed Community Expression).
 Washington Area Contractors Association.
 Washington Board of Realtors.
 Washington Convention and Visitors Bureau.



