

PUBLIC HEARING ON

**Bill 17-0731 “Bolling Air Force Base Military Housing Real Property
Tax Exemption and Equitable Tax Relief Act of 2008”**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia
Councilmember Jack Evans, Chairman**

**July 2, 2008
10:00 AM
John A. Wilson Building, Room 120**



**Testimony of
John Ross
Senior Advisor to the Chief Financial Officer
For Economic Development Finance**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Good morning Chairman Evans and members of the Committee on Finance and Revenue. I am John Ross, Senior Advisor to the Chief Financial Officer for Economic Development Finance. I am pleased to testify today on behalf of the CFO on Bill 17-0731, the “Bolling Air Force Base Military Housing Real Property Tax Exemption and Equitable Tax Relief Act of 2008”.

The proposed legislation would exempt Square 6072, located completely within Bolling Air Force Base, and all current and future improvements from all taxation as long as the property is used for housing military personnel or their families. Square 6072 is 41,965 square feet, contains no improvements and is owned by the U.S. government. The 2009 assessed value for the property is \$1,258,950. However, the site is currently tax exempt.

In 2007, Bolling Air Force Base leased approximately 145 acres of land on the base to a joint venture between Hunt ELP, Ltd. of El Paso, Texas and Pinnacle AMS Development of Irvine, California to build, own and manage family housing for service members. Under this arrangement, Bolling and the U.S. government continue to own the ground while the developers own the improvements.

The legislation has no fiscal impact; however, it will result in foregone revenue that otherwise would have gone to the General Fund if the property were taxable. No justification has been provided in the bill for exempting the land and improvements from taxation.

At this time, we do not have sufficient information about future plans for Square 6072 to provide a fiscal impact statement. We will continue to gather information about the project in the next few weeks.

Thank you for the opportunity to testify. I would be pleased to answer any questions you may have.