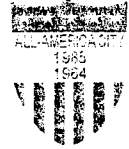




City of Alexandria, Virginia
301 King Street, Suite 2300
Alexandria, Virginia 22314



William D. Euille
Mayor

City Hall (703) 838-4500
Home (703) 836-2680
Fax (703) 838-6433
alexvamayor@aol.com


July 29, 2008

Mr. James S. Turkel, Chief
Belvoir Integration Office
6020 Goethals Road
Building 1812
Fort Belvoir, Virginia 22060-5500

Dear Mr. Turkel:

In response to Request for Proposal DACA31-R-08-0034 regarding the proposed relocation of the U. S. Department of Defense Washington Headquarters Service, the City of Alexandria strongly supports the proposal of Eisenhower Real Estate Holdings, LLC represented by Jones Lang LaSalle to relocate the Washington Headquarters Service to 5001 Eisenhower Avenue in Alexandria, Virginia. We look forward to working through the details of implementing this important project in a responsive and expeditious manner with the Department of the Army and the property owners.

Sincerely,


William D. Euille
Mayor

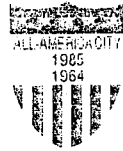
cc: James K. Hartmann, City Manager



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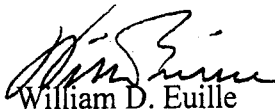
July 29, 2008

Mr. James S. Turkel, Chief
Belvoir Integration Office
6020 Goethals Road
Building 1812
Fort Belvoir, Virginia 22060-5500

Dear Mr. Turkel:

In response to Request for Proposal DACA31-R-08-0034 regarding the proposed relocation of the U. S. Department of Defense Washington Headquarters Service, the City of Alexandria strongly supports the proposal of the Duke Realty Corporation to relocate the Washington Headquarters Service to the Mark Center property in Alexandria, Virginia. We look forward to working through the details of implementing this important project in a responsive and expeditious manner with the Department of the Army and the property owners.

Sincerely,


William D. Euille
Mayor

cc: James K. Hartmann, City Manager



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November 2, 2007

Mr. Joseph B. Brennan
Senior Vice President
Government Investor Services
Jones Lang LaSalle
1801 K Street, N.W., Suite 1000
Washington, D.C. 20006

Dear Mr. Brennan:

On behalf of the Alexandria City Council, please consider this letter, contingent upon and subject to the conditions outlined below, the City of Alexandria's support of Eisenhower Real Estate Holdings, LLC ("EREH") submission of the Victory Center site (5001 Eisenhower Avenue, Alexandria, Virginia) in response to the U.S. Army Corps of Engineers Request for Site Availability (#DACA31-R-08-0034) for the planned relocation of the Department of Defense Washington Headquarters Services.

While we ordinarily would welcome with little hesitation the relocation of such an important federal agency to the City, the proposed federal government purchase of the Victory Center site causes the City some specific and significant concerns. As you are aware from your prior discussions with the City, one major consideration for the City in assessing new development proposals is the potential increase in property tax revenues. These revenues are the main source of funding under Virginia law for local government (and the essential services such as fire, police and public education that localities provide). If the federal government chooses to purchase the Victory Center property, then those taxes will be lost to the City – as much as \$4 million per year – since real property owned by the federal government would not be subject to local real property taxes.

Accordingly, the City's support of EREH submitting the Victory Center site as the possible site for the offices of the Washington Headquarters Services is contingent upon the City obtaining significant financial compensation to offset its multi-year loss of future real estate taxes. We know that payment-in-lieu-of taxes by the federal government is not something that is feasible, but it would seem that the sale transaction could be structured in such a way as to address the

"Home Town of George Washington and Robert E. Lee"

Mr. Joseph B. Brennan

November 2, 2007

Page 2

City's concerns regarding this considerable loss of revenue, both from the property as currently configured and as it might be redeveloped and owned on an ongoing basis by a private entity.

We hope that your submission fares well with the Department of Defense, and we look forward to working with you on the next phase of this site selection process.

Sincerely,



William D. Euille

Mayor

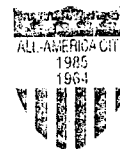
cc: The Honorable Members of City Council
James K. Hartmann, City Manager



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January 4, 2008

Mr. J. Howard Middleton, Jr.
Reed Smith Hazel & Thomas, LLP
3110 Fairview Park Drive, Suite 1400
Falls Church, Virginia 22042

Dear Howard:

In follow up to our meeting on December 21, 2007, I wanted to reiterate the City's position and put it in writing in regard to the Duke Realty Corporation's submission of a portion of the Mark Center site in Alexandria (parcels 1300 and 901) in response to the U.S. Army Corps of Engineers Request for Site Availability (#DACA31-R-08-0034) for the planned relocation of the Department of Defense Washington Headquarters Services.

While we ordinarily would welcome with little hesitation the relocation of such an important federal agency to the City, the proposed federal government purchase of a part of the Mark Center site causes the City some specific and significant concerns. As you are aware from our discussions last month, one major consideration for the City in assessing new development proposals is the potential increase in property tax revenues. These revenues are the main source of funding under Virginia law for local government (and the essential services such as fire, police and public education that localities provide). If the federal government chooses to purchase the Mark Center properties, then those taxes will be lost to the City – as much as \$4 million per year – since real property owned by the federal government would not be subject to local real property taxes.

Accordingly, any City support of the Mark Center site (*or any other site in the City*) as the possible site for the offices of the Washington Headquarters Services is contingent upon the City obtaining significant financial compensation to offset its multi-year loss of future real estate taxes. We know that payment-in-lieu-of taxes by the federal government is not something that is feasible, but it would seem that the sale transaction could be structured in such a way as to address the City's concerns regarding this considerable loss of tax revenue. In order to put the compensation for lost tax revenue in perspective, we have calculated that if the federal government chose your site the net present value of foregone real estate taxes over a 20-year period to the City would be about \$60 million.

"Home Town of George Washington and Robert E. Lee"

Mr. J. Howard Middleton, Jr.
January 4, 2008
Page 2

We look forward to discussing this further with you so that we can work to structure this as a win-win situation for the City and Duke Realty.

Sincerely,



William D. Euille
Mayor

cc: The Honorable Members of City Council
James K. Hartmann, City Manager



City of Alexandria, Virginia

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May 5, 2008

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alexrvamayor@aol.com

The Honorable Jim Webb
140 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Webb: *JIM*

As you are aware the Department of Defense (DoD) is currently conducting an office space solicitation to relocate the DoD Washington Headquarters Service (WHS) and its 6,200 employees as part of the BRAC implementation process. The three finalist sites include two sites in the City of Alexandria, (the "Victory Center" and the "Mark Center"), as well as the GSA warehouse site in the Springfield area. We are writing you to solicit your support in having the two potential WHS sites in Alexandria be given equal consideration to the GSA warehouse site in this competitive selection process. We are not asking you to choose one site as your preference over the other two sites, but *we are asking you to communicate to the DoD that all three finalist sites have your support, are viable, and deserve full and fair consideration.*

The City of Alexandria strongly supports the location of the WHS in Alexandria. Although we would lose a major office site from our tax rolls in the process if one or our sites is selected, we believe that the private sector seller of the facility to DoD will be able to structure the business sale transaction to adequately compensate the City.

As a result of BRAC, Alexandria expects to lose approximately 7,200 direct jobs and 1.5 million square feet of leased commercial office space. In addition, indirect negative impacts on contractors could lead to the loss of 10,000 or more jobs, and result in twenty percent of the City's lease space becoming vacant. This will result in a significant economic loss on the City, residents, and businesses.

The WHS location in Alexandria would be a significant offset to the devastating economic impacts of the BRAC process. Alexandria is one of the most negatively BRAC-impacted communities in the United States. With a level playing field for the DoD competitive selection process, we have a chance to mitigate the damage the BRAC recommendations will cause.

The two sites in Alexandria merit serious consideration for a number of reasons. These include:

1. The City of Alexandria has already given land use approvals for both the Victory Center and the Mark Winkler sites. This will allow the permitted square footage that WHS is seeking. As a result the sites can be ready for occupancy by the legislatively

"Home Town of George Washington and Robert E. Lee"

The Honorable Jim Webb

May 5, 2008

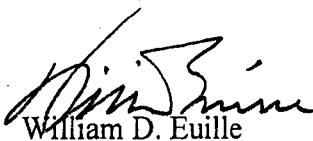
Page 2

mandated 2011 BRAC implementation deadline. We think that the GSA warehouse site could not meet the 2011 BRAC deadline.

2. The transportation and other public infrastructure for both sites are either fully in place (Victory Center), or require only minor construction and could quickly be put in place (Mark Center). No major roads need to be constructed to serve the WHS in Alexandria as those major roads are already in place.
3. Both Alexandria sites are immediately adjacent to the interstate highway system and have good Metrorail access. The Victory Center is within walking distance of the Van Dorn Metrorail station, and the Winkler site can provide easy shuttle access to the Metrorail station at Pentagon City, or to the Pentagon.
4. The Alexandria sites are closer to the Pentagon than the GSA warehouse site. This fact will mean less DoD employee time lost during the work day as WHS employees travel to and from the Pentagon, or to and from other DoD sites inside the Beltway.
5. The Alexandria sites can easily meet the stringent DoD anti-terrorism and security standards.
6. We believe the two Alexandria sites will represent the "best value" to the federal government and be less costly than putting the WHS at the GSA warehouse site (which involves spending significant federal funds to move existing federal warehouse uses to other sites).

If you or your staff need any additional information, or would like to meet with us to discuss this issue, please contact our City Manager Jim Hartmann (703.838.4300). I appreciate your consideration of our request in this important matter.

Sincerely,



William D. Euille

Mayor

cc: James K. Hartmann, City Manager
Mark Jinks, Deputy City Manager
Bernard Caton, Legislative Director
Stuart Litvin, President and CEO, AEDP



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alexwamayor@aol.com

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225 Russell Senate Office Building
Washington, D.C. 20510

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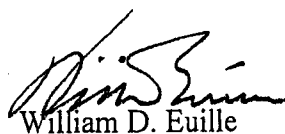
The Honorable John Warner
May 5, 2008
Page 2

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Sincerely,



William D. Euille

Mayor

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Mark Jinks, Deputy City Manager
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