

Congress of the United States  
House of Representatives  
Washington, DC 20515-0926

April 5, 2013

The Honorable Ray Mabus  
Secretary of the Navy  
2000 Navy Pentagon  
Washington, D.C. 20350-2000

Dear Mr. Secretary,

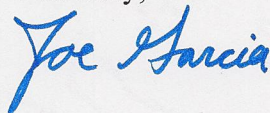
I am writing to bring to your attention concerns raised by a number of my constituents regarding the Navy's Housing Privatization Initiative at the Key West Naval Air Station in Monroe County, Florida.

As you may be aware, in 2007, the Navy transferred ownership of 890 military housing units in Key West to the for-profit Southeast Housing LLC, a part of the British-owned Balfour Beatty Communities. It is my understanding that at the time the Navy made clear to Balfour that full property taxes would be applicable on all privatized housing, including those occupied by military personnel and local civilians. In recent weeks, however, Southeast Housing LLC has disputed whether it should be required to pay the same local property taxes to Monroe County that other for-profit companies do—even litigating this in the courts and lobbying the Florida State Legislature for a tax exemption.

I am extremely concerned by these recent developments. What's fair is fair – a single for-profit company should not be exempt from local property taxes yet still benefit from the community's investments in law enforcement, infrastructure, and other services while companies just down the road pay their fair share. This ongoing dispute is not good for the Key West Naval Air Station, not good for Monroe County, and not good for the Defense Department. I believe, as I'm sure you do, that the Defense Department can best meet its critical mission when military installations and the private sector companies that they work with maintain good, working relationships with local communities.

In order to help resolve this ongoing disagreement, I ask that you clarify and confirm the Navy's understanding that Balfour is subject to the same local property taxes as other private sector companies.

Sincerely,



Joe Garcia  
Member of Congress

cc: Governor Rick Scott  
Florida House Speaker Will Weatherford  
Florida Senate President Don Gaetz