



United States Senate

WASHINGTON, DC 20510-0905

BILL NELSON
FLORIDA

April 25, 2008

The Honorable Michael T. Wynne
Secretary of the Air Force
1670 Air Force Pentagon
Washington, D.C. 20330-1670

Dear Mr. Secretary:

I am writing to express my serious concern about the Air Force's handling of a housing privatization deal that so far has resulted in the loss of at least \$13 million in ocean-front property that once belonged to the taxpayers of this country. I think it's a disservice not only to the taxpayers, but also to our men and women in uniform, because they aren't getting all the new housing they were promised at Patrick Air Force Base.

As you know, the Air Force agreed to give some 300 acres of a government-owned barrier island off Florida's Atlantic coast to Patrick Family Housing LLC, a partnership between the service and a private developer. In exchange, the developer was to build 552 new homes - available for rent by service members - on 200 of those acres. The developer sold off the remaining 100 acres of the property, valued in excess of \$13 million.

The developer now has defaulted and stopped all work, after building only 163 units.

Under the terms of the partnership, the Air Force has the right to seek damages, including getting back full interest in the remaining 200 acres. Instead, the Air Force has told me it intends to give up these rights.

Secretary Wynne, I met with you and Gen. Moseley last month at which time I voiced my concerns about the overall situation. I urge you to stop any plans to divest interest in the Patrick housing project, and to brief interested members of Congress on all options to salvage housing privatization efforts without further detriment to taxpayers. We are watching with concern.

Sincerely,

A handwritten signature in blue ink that reads "Bill Nelson". The signature is written in a cursive, flowing style.

cc: General T. Michael Moseley, Chief of Staff of the U.S. Air Force