

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Chairman, Projects Review Committee  
 THRU: Exec. for A & M  
 FROM : Chief, Services Branch, A & M  
 SUBJECT: Garage Facilities

DATE: 22 November 1948

1. In accordance with Administrative Instruction No. [REDACTED] dated 25X1A  
 23 March 1948, subject: "Projects", it is the desire of the Chief,  
 Services Branch to submit for consideration a proposal that CIA  
 lease new garage facilities at an annual rental of \$15,000.

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2. The present garage facilities located at [REDACTED]  
 [REDACTED], consisting of a repair shop and  
 office quarters, totaling approximately 7000 square feet, are covered  
 under CIA Lease No. XG-93 for the period 1 September 1947 to 30 June  
 1948 at an annual rental of \$4500. The lessor under this lease is  
 [REDACTED] and the lease is subject to cancellation upon  
 thirty days written notice being given in writing to the lessor.

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3. At the present time, garage facilities are required for the  
 maintenance, repair, and storage of a total of 84 vehicles (passenger  
 cars and trucks) and 4 trailer trucks in use in the Washington area.  
 The present garage facilities described in paragraph 2 above accommodate  
 a maximum of 34 vehicles of the 84 in use. All other vehicles not being  
 accommodated in this garage are stored either on the [REDACTED]  
 property or in the vicinity of CIA buildings at 2430 E Street in outside  
 storage. These vehicles are subject to theft, all types of weather  
 conditions, and in certain instances, vehicles have not been properly  
 maintained due to the lack of cooperation of certain CIA activities  
 or personnel who do not return the vehicles to the garage when requested  
 for maintenance and repair work to be performed when it is needed.

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4. [REDACTED] is constructing a building located one-half block  
 from the present garage facilities at the southeast corner of [REDACTED]  
 [REDACTED]. This building will contain  
 17,500 square feet of space and is being constructed, so I am told,  
 by [REDACTED] at a cost in excess of \$140,000. [REDACTED] has offered  
 to lease this building to CIA at a monthly rental of \$1250, including  
 utilities, or an annual cost of \$15,000. My original tentative offer  
 to [REDACTED] was in the amount of \$1000. per month and following that,  
 in our negotiations, I tentatively offered a compromise of \$1125. To  
 this moment, [REDACTED] has rejected both offers and has stated that  
 he cannot lease the building for less than \$1250. per month or \$15,000  
 per annum, due to present day high costs of construction. The building  
 will be completed on or about 1 January 1949. The cost of this space  
 will be at the rate of 77¢ per square foot which is reasonable and in  
 line with present day costs of similar space in this area. This figure

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compares with the space now under lease in the amount of 7000 square feet, which is leased at a rate of 64¢ per square foot. However, the difference in cost is accounted for by the fact that the present building was constructed in 1943 and the proposed building now under construction is being erected when construction costs are inflated.

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5. As indicated in my memorandum of 16 July 1949 commenting on memorandum of 17 February 1948 from [REDACTED], Inspector, Inspection and Security, it was intended to lease property now under lease by [REDACTED], referred to as the [REDACTED], adjacent to the [REDACTED] property. In [REDACTED] report he indicated, as we have been aware, the inconvenient location of the gas pump to the garage. The building which we propose to lease would accommodate gas pump facilities and would solve many problems in connection with the operation of the Motor Pool Garage, would improve security, and eliminate congestion at the [REDACTED] house. This property was to be leased to CIA upon being vacated by the present tenants at a cost of \$400. per month or an annual rental of \$4800, including appurtenant land. This facility would be used for repair and storage but it was realized that it would be inadequate to accommodate additional vehicles not accommodated by the present facilities. It appears, however, that this property will not be available for probably an additional eighteen months and possibly at that time would not be the ideal answer to our requirement. The total cost under this arrangement would have been \$9300 per annum.

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6. It is therefore recommended that the Projects Review Committee approve the cancellation of present Lease No. XG-93, effective 31 December 1948 and authorize the Chief, Services Branch to enter into a new lease for the proposed facility effective 1 January 1949 at a cost not in excess of \$15,000.

[REDACTED]