

25 JUL 1983

MEMORANDUM FOR: Director of Central Intelligence  
VIA: Deputy Director of Central Intelligence  
Executive Director  
FROM: Harry E. Fitzwater  
Deputy Director for Administration  
SUBJECT: Space

45-77

1. The upgrading of capabilities of the Agency through increased personnel growth and additional equipment does not come without a significant cost increase. Of particular significance is the need for space to house the additional personnel and equipment that are programmed in the FY-84 budget.

2. You will recall that in December 1982, we obtained reprogramming approval of \$6.0 million from Congress to fund the acquisition of office space totaling 150,000 sq. ft. that you had previously approved under your Section 8 authorities. This amount of space was to provide for Agency growth in FY-82 and FY-83. We have since acquired and occupied approximately 27,000 sq. ft. [redacted] and leased [redacted] with approximately 112,000 sq. ft. Both of these buildings are in the [redacted] It took five months to reconfigure [redacted] will take approximately 12 months from acquisition to occupancy. These delays are due to the time necessary to make necessary security and communications modifications.

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3. As is obvious, a great deal of time is consumed in locating, leasing, and adapting a building suitable to our needs. It will be near the end of the first quarter of FY-84 before we can adequately accommodate our FY-83 growth, which up until then will be housed in cramped, inadequate space.

4. Since we are anticipating a larger rate of growth in FY-84, I believe we must undertake action now to acquire the necessary additional space. The SSCI, in approving the \$6.0 million reprogramming, limited our space acquisition to 150,000 sq. ft. in FY-83. Nevertheless, I do not believe we would violate this caveat if we were to begin locating the necessary space for our FY-84 growth and securing it with an option(s) to lease after 30 September 1983. This action would permit us to occupy the space at a minimum of two months earlier. Further, the leasing market currently is soft in the Metropolitan Washington Area (MWA), providing a number of places to select and owners who are more receptive to our terms and conditions.

5. In anticipating our growth for FY-84 in the MWA, we have made certain assumptions on the numbers of additional positions Congress may authorize and the special space needs to accommodate additional machines and equipment. These

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assumptions have been discussed with the other Deputy Directors and I have their estimated space requirements based on possible growth coupled with current space shortages. The following factors were used in computing our estimated FY-84 space needs:

<u>Requested FY-84 Increases</u>	<u>Probable Congressional Reduction</u>	<u>New Total Adjusted Increase</u>
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6. In the case of the DDO and DDI, both have requested their space be made available in Headquarters. With the forthcoming move of the Office of Personnel, Office of Security, and Office of the General Counsel [redacted] and the Office of the Inspector General and Office of Legislative Liaison to Rosslyn, the only remaining occupants of the Headquarters building other than the Directorate of Operations and the Directorate of Intelligence, are the Communications Signal Center, the Data Processing Computer Center, the Medical reception area, and the offices of the DCI, DDCI, EXDIR, DDs and their immediate staffs. The cost of relocating the Signal or Computer Centers to leased space is prohibitive, and under no circumstances would I recommend such an action. While the Medical reception area could be relocated, it too would be at a substantial cost in terms of special modifications for laboratories, examining rooms, x-ray facilities, etc. When faced with these circumstances, the DDO agreed to relocate people who currently occupy approximately 15,000 sq. ft. to suitable leased space and to absorb their total expansion within their existing space.

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7. The DDI feels very strongly that having a DI production or support office outside of the Headquarters building imposes too high a cost on their substantive work. He has identified a small analytical group [redacted] who may be relocated, and is continuing to look at similar functions. However, this would represent only a negligible amount when compared to the 59,000 sq. ft. requested for expansion. The DI cannot continue to absorb growth within its existing holdings until the new Headquarters building is available for occupancy in 1987, and it is inevitable that an element of the DI must be identified and relocated. Although such relocation may not total 59,000 sq. ft., it will amount to a substantial portion of it.

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8. On the other hand, the DA and DS&T do not have a problem in locating in externally leased space. These two Directorates also have the largest growth in terms of personnel, and the DA represents the principal user of special or non-office space. The DS&T total needs are approximately 28,135 sq. ft. The DA requirements, after a substantial and arbitrary reduction, total approximately 33,000 sq. ft. of office space and 45,000 sq. ft. of special purpose or non-office space.

9. In summary, I believe the minimum amount of space that we must lease to accommodate our FY-84 growth is approximately 180,000 sq. ft., of which approximately 45,000 sq. ft. would be configured for machine use. I also foresee this as the last amount of space we should be leasing in the MWA pending completion of the new Headquarters building. It is generally not feasible to lease for less than five years and any shorter time is too costly in terms of the costs of special modifications we customarily make to leased property for security and communications. Accordingly, I propose to establish a moratorium on the acquisition of additional space in the MWA other than for unforeseen operational considerations.

10. In view of the above, and as mentioned in paragraph 4. above, approval is requested to conduct a survey of buildings currently, or soon to be, available for lease along the [redacted] and to execute options, if necessary, to lease approximately 180,000 sq. ft. after 1 October 1983. While the cost of such options are not known, it is expected that such will not exceed two months rent or \$300,000. If you agree with this proposal, we will negotiate to apply these costs to actual rent when the space is occupied.

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11. Further, approval is requested for the Director of Logistics to use the Agency's leasing authority under Section 8 to acquire such space directly, rather than use GSA as our agent. Our historical experience with GSA indicates that they cannot be responsive to our time requirements.

12. Upon your approval of the recommendations in paragraphs 10. and 11. above, we intend to inform the SSCI and HPSCI of our proposed plan and seek their concurrence.

Harry E. Fitzwater

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CONCUR:

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Executive Director\_\_\_\_\_  
Date

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CONCUR:

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Deputy Director of Central Intelligence

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Date

APPROVED:

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Director of Central Intelligence

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Date

ADDA [ ] (25 July 83)

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