

CME

15 JUL 1988

MEMORANDUM FOR: Deputy Director for Administration

FROM: John M. Ray
Director of Logistics

SUBJECT: Classified Conferences at Non-Agency Facilities

REFERENCE: Memo for D/L fm DDA, dtd 31 Mar 88, Same Subject

1. This memorandum provides information and recommendations (paragraph 8) concerning alternatives to satisfy the subject requirement.

2. An Interdirectorate Working Group was convened to identify Agency requirements for off-site facilities in which to conduct classified conferences. The Working Group's principals were:

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DDA - [redacted] Chairman	DDI - [redacted]
OTE - [redacted]	DDO - [redacted]
OS - [redacted]	DDS&T - [redacted]
[redacted]	Advisors - [redacted]
DCI - [redacted]	

3. The Working Group developed the following requirements based on FY-1987 data:

- Number of Secret-level conferences at non-government facilities per year - 70 to 80
- Average conference size - 30
- Average conference duration - 2 days/1 night
- Meals and quarters for attendees
- Locations -- 50-to 80-miles driving distance from Washington
- Classification level - Secret
- Physical security - facility alarmed with 5-minute guard response

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All Portions SECRET



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25X1 Only a very few of the Agency conferences exceed the typical conditions with attendances of about 100, or a time span to 7 days. Because more than 90 percent of the conferences match the typical description, the search to supplement existing resources [redacted] was aimed only at finding facilities which could accommodate the typical conference.

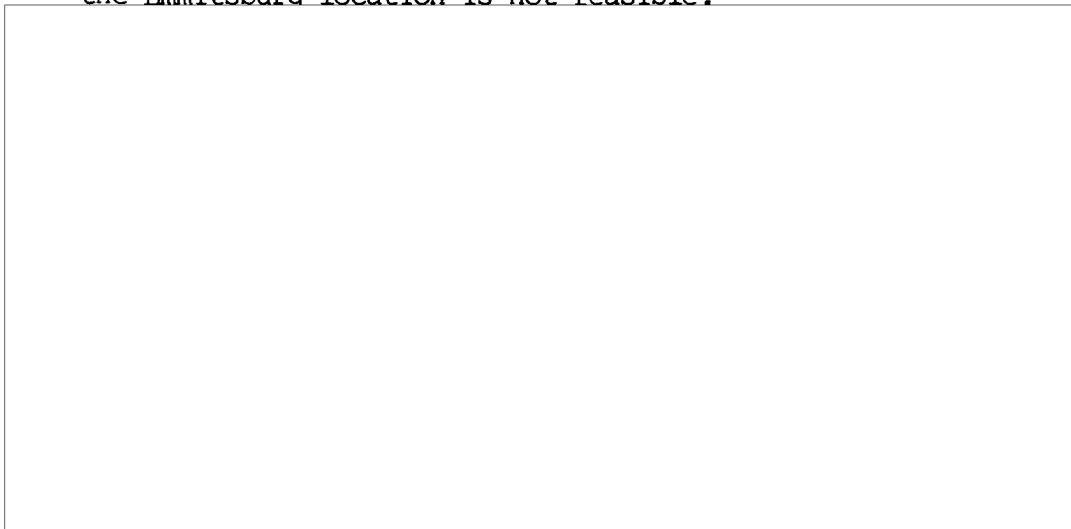
4. Short-term Possibilities

Six alternatives were investigated for their potential to provide adequate spaces by Autumn 1988.

a. Military Installations: The initial response from the Department of Defense was unfavorable. The closest available facility is a Department of Navy training site in Norfolk, Virginia. A second formal request was submitted to the Department of Defense requesting consideration in the 1989-1990 time frame.

b. Civilian agencies were also contacted (see to chart #1 for summary comparison).

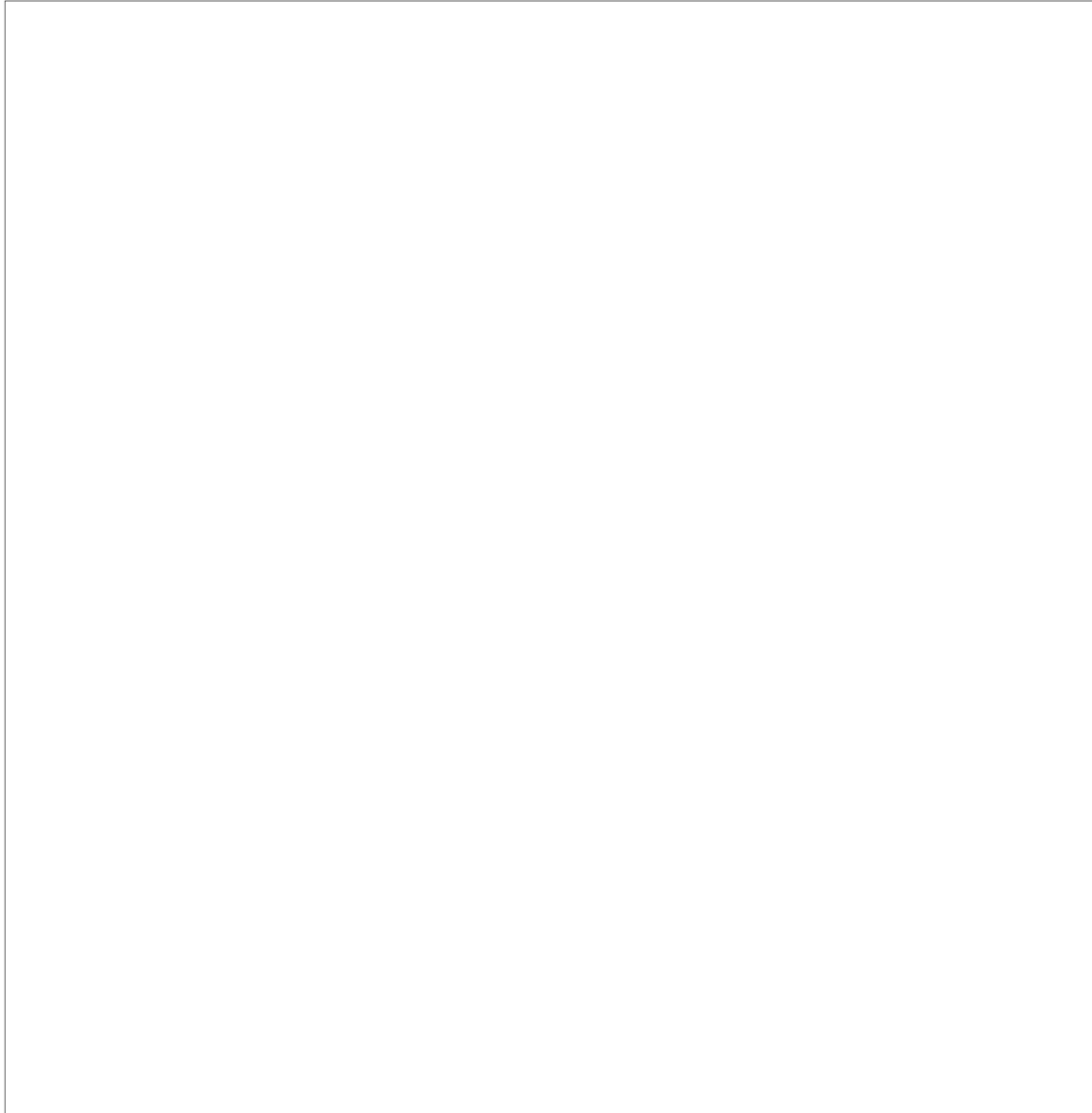
1) Federal Emergency Management Agency (FEMA) at Emmitsburg
This facility is intensively used by FEMA, and FEMA management is unable to dedicate a particular building for the Agency's use. The Office of Security strongly disfavors using this facility because of its open-campus environment unless a building is properly alarmed and protected from unauthorized entry. Thus, regular use of the Emmitsburg location is not feasible.



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- c. Cleared Agency Contractor Facilities: Several cleared contractors, e.g., Westinghouse, Ford, Aerospace, and Northrop will, out of goodwill, allow occasional use of their secure conference rooms at various locations in the Baltimore-Annapolis area. Regular use though is not possible due to the disruption caused to the contractors' activities. Total costs for a 2-day conference for 30 people, including mileage, meals and quarters allowances, is estimated at \$3,500.

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d. Commercial or Institutional Conference Centers:

- 1) The only organization agreeable to leasing a dedicated conference facility to the Agency was Xerox, Inc., at its Lessburg Conference Center. Xerox would lease a dedicated, fully-equipped conference room, sufficient for 38 attendees, and it would permit security modifications to the room. The Office of Security disfavors this alternative because a dedicated guard force would be required to ensure the physical security integrity of the conference room at all times. Xerox would require that the Agency guarantee some minimum use of the facility. Xerox proposed to provide 2,000 days of hotel space, i.e., room and board and the conference room for \$150,000. This would equate to approximately 66, 2-day/1-night conferences of 30 persons each. The estimated cost per conference, including POV mileage is \$2,900. This does not include the cost of security modifications or a dedicated guard force.
 - 2) Other institutional or commercial facilities, such as Arlie House, Donaldson-Brown Center or hotels and resorts would not agree to leasing facilities for exclusive use by the Agency. Intermittent use of such facilities for unclassified meetings continues to be possible. A list of recommended non-secure facilities is provided in Attachment D.
- e. Private Estates for Conversion to Conferencing: Private estates along the Tidewater, the Piedmont and the Shenandoah Valley were investigated relative to the possibility of leasing one for a period of 2 to 5 years to no avail. Rural estates with adequate facilities in usable condition are not for lease; they are offered only for sale, in the range of \$2M to \$5M. In most cases, additional investment for security measures, communications and supplemental sleeping quarters or the conference room itself would be required. At this time, immediate short-term use of a manor house does not appear feasible; even if adequate purchase funds were available, a development period of 10 to 14 months is necessary to negotiate the sale, get permits and install the necessary supplemental trailer-type facilities and sanitation

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systems required to support 3,000 conference attendees per year. Additional information about some of the properties which were investigated is contained in Attachment C.

- f. Small Commercial Building as a Conference Center: The possibility of renting a small commercial building for quick conversion to a conference center was also investigated. This concept relies on hotels within a 10-to 15-minute drive to provide sleeping quarters and meals. The lease and operation of the conference building would be accomplished by a cleared contractor to avoid identity of the building with the Agency. To date, no acceptable building has been located.
- g. The Scattergood-Thorne House: This house is being restored for use as as a "daytime only" secure conference center for small groups. The largest room will accommodate 27 people. The Office of Security has determined that overnight storage of classified material in the house is not approved. Food and snack service could be provided by caterers, if needed. The house will be ready for use in January 1989.

5. Long-Term Possibilities

The long-term solution to providing secure conference facilities would be to design and build structures specifically to accommodate the full range of conference requirements by providing meeting rooms of several sizes, fully protected for any level of classification. The meeting rooms, of course, must have ancillary facilities for food service, sleeping quarters, housekeeping, administration, and guard support. Recreational facilities are desired.

The need for comprehensive support and adequate security safeguards, immediately directs attention to existing Agency or other federal compounds as the best locations as they have existing infrastructures, and thus avoid construction of fully self-sufficient facilities needed to feed, house, and protect more than 3,000 people per year.

At this time, six alternatives associated with federal compounds are attractive as long-term solutions. A preliminary evaluation (see chart No. 2) ranks sites at [redacted], as the best for further consideration. [redacted] is a strong candidate, and would be a top contender, if the requirement for distance from Washington were reduced. Sites adjacent [redacted] have the disadvantage of land purchase costs. Sites at military installations in the region would be attractive,

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but none are available at this time. The Scattergood-Thorne land at Headquarters was not evaluated with the other candidates for two reasons. First, by definition, it does not fit the criteria for conference facilities away from Headquarters. Secondly, the capacity of the restored house, being limited to small groups, is best suited for meetings having characteristics that differ from the typical conference requirements defined by the Working Group. [REDACTED]

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Preliminary estimates to design and build new conference facilities to meet these requirements envision the use of pre-engineered structures with customized exteriors and interior finishes that would enclose approximately 40,000 square feet and provide a facility complete with sleeping rooms, meeting rooms, lounges and the necessary administrative and housekeeping spaces. A rough order of magnitude cost to design and build the facility is \$6,500,000 (1988 dollars). This includes allowances for extension of basic utilities to the site and for architectural and engineering and construction management services. Furniture and equipment are estimated at \$500,000. Land costs are not included, nor are costs for secure communication links to Headquarters.

If we are serious regarding a long-term solution to the secure conferencing requirement, a detailed technical comparative evaluation of specific sites [REDACTED] should be conducted to weigh the differences in the shape of the land; utilities connections for sewer, water, and power; storm drainage conditions; site constructability and relative cost estimates assuming similar buildings at each location. Simultaneously, a more detailed comparison of the political, administrative, and logistical advantages or disadvantages at each site should be made.

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6. Focal Point Needed to Schedule Conference Facilities

Predictably, there will be conflicting user requests for the short-term facilities; to avoid inflicting the resultant confusion and complications on the host facility, a focal point within the Facilities Group of Logistics should be established to receive requests from Agency customers and schedule the conferences. The same focal point would also administer the use of Scattergood-Thorne and the Headquarters Auditorium. A proposed HN detailing this process is contained in Attachment E.

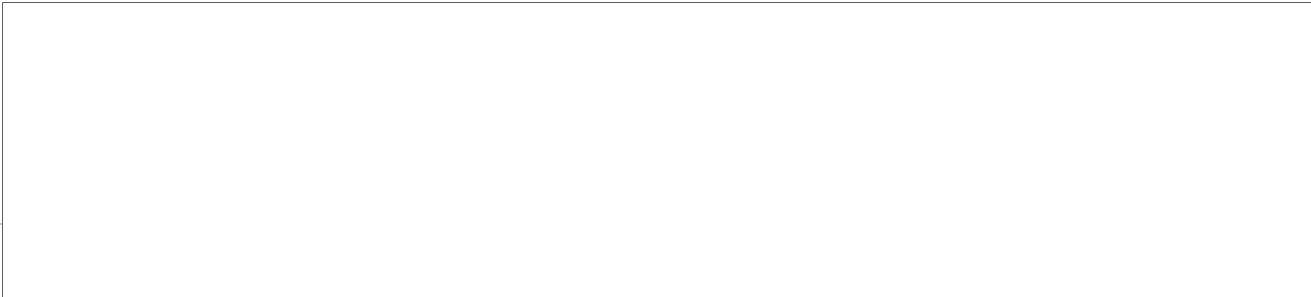
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7. Staff Position

This paper was not formally coordinated with or approved by the Interdirectorate Working Group.

8. Recommendations



b. Long-term alternatives: It is recommended that the detailed technical studies, mentioned previously in the discussion, be carried out during 1989 to select the best facility site and prepare a recommended budget and master schedule for building permanent facilities.

9. After you have had an opportunity to review this report, we will arrange a meeting with you to discuss it, in detail, and decide where we go from here.



John M. Ray

Attachments: As Stated

cc: D/OS

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OL/RECD/REB [redacted] pl rewritten [redacted] 14 Jul 88

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CHART # 1

CHART NO. 1

SUMMARY COMPARISON OF SHORT-TERM POSSIBILITIES FOR CONFERENCES

FACILITY COMPLIANCE WITH REQUIREMENTS

	<u>SECRET LEVEL SECURITY</u>	<u>CAPACITY FOR 40 PEOPLE</u>	<u>CONF. ROOM AVAILABILITY</u>	<u>BED & MEALS AVAILABILITY</u>	<u>50 MILES DISTANT</u>	<u>MANAGEMENT AGREEABLE</u>	<u>FEASIBLE SHORT-TERM USE</u>
FEMA Emmitsburg	No Add Alarms	No 36 Max.	No	No	Yes 60 Miles	No	No
Cleared Contractors	Yes SCIF	Yes	Yes Availability uncertain	No Use hotels	Yes	No	Yes (Qualified)
Xerox Conference Leesburg, VA	OK if add alarms and guard.	Yes	Yes, 100% Rent	Yes Rent	No 30 Miles	Yes	No

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CHART #2

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ATT. C

C-O-N-F-I-D-E-N-T-I-A-L

MEMORANDUM FOR: Procurement Executive, OL

25X1 FROM: [REDACTED]

SUBJECT: Market Survey for Potential
Conference/Meeting Sites

I. BACKGROUND:

25X1 A. In accordance with your verbal request, [REDACTED]
25X1 [REDACTED] has performed a survey of the market place for a large manor house property within one to two hours driving time from the Headquarters Building in McLean, Virginia. The following criteria were used to evaluate potential property sites:

1. Distance: 50-100 miles from Headquarters.
2. Size: 50 or more acres of land (for isolation purposes).
3. Occupancy Space: Capable of handling groups of 10-30 persons in size; having sleeping facilities for all personnel.
4. Status of Buildings/Grounds: Consider only those properties in good condition and readily available for occupancy.
5. Costs (present and future): Review all properties in light of their acquisition costs and try to project future costs associated with each property.
6. Availability for Occupancy: How soon can space be fully utilized?

25X1 [REDACTED]

C-O-N-F-I-D-E-N-T-I-A-L

SUBJECT: Market Survey for Potential
Conference/Meeting Sites

B. In all, 10 properties were seriously evaluated and, as a result, five properties were found to have features which held them out of the competitive zone; therefore, only the five best properties are considered in this report.

C. The following publications and sources were used in performing the initial search of the market place:

1. Sotheby's International Real Estate Magazine.
2. Unique Homes (Luxury Real Estate).
3. The Washingtonian Magazine.
4. Baltimore Magazine
5. Virginia and Maryland Multiple Listing Services.
6. Calls to Realtors in - Talbot County, Leesburg, Middleburg, Charlottesville, and Easton.
7. Local newspapers.

25X1 D. After the initial searches were performed, a contract Realtor was sent to see only the most promising real estate and, where possible, he obtained brochures on the property. A member of has reviewed the brochures with the contract Realtor and as a result the properties have been ranked according to the criteria.

E. In no case was any property offered for rent or lease. There is apparently no interest in leasing property of this size and value.

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ATT. E

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