EXPLANATORY STATEMENT OF
PROPOSED NEGOTIATED LEASE DISPOSAL
OF SURPLUS REAL PROPERTY

Columbia Aircraft Corporation, Valley Stream, Long Island, New York
Flancor 1266 (G-NY-405)

(Submitted pursuant to Section 203(e) of the Federal Property and Administrative Services Act of 1949, as amended by subsection (i) of Section 1, Public Law 522, 82nd Congress, and Public Law 245, 83rd Congress.)

Location: Valley Stream, Long Island, New York

Reported surplus by: General Services Administration

Description:

The real property consists of 18.15 acres of land on which are three principal buildings, manufacturing and storage, sub-assembly, and assembly, together with supplemental facilities such as sewage disposal plant, office, garage, incinerator, sheds, and pump houses. The total floor area is 179,078 square feet. The production equipment consists of welders, compressors, generators, machine tools, motors, pumps, and miscellaneous equipment for production of automotive and aircraft parts.

Acquisition Cost: $1,047,000.00

The property was acquired by condemnation by the Navy in 1943 at an approximate cost of $145,000. Subsequently the Government did extensive remodeling for the conversion of the buildings to factory space suitable for airplane and parts production, through the Defense Plants Corporation of Reconstruction Finance Corporation. It was declared surplus by Reconstruction Finance Corporation on March 12, 1943. After unsuccessful efforts to dispose of the facility subject to the National Security Clause, it was certified to the Munitions Board under the provisions of Section 5 of Public Law 883, 80th Congress. On October 25, 1949 the Munitions Board authorized its transfer to General Services Administration for retention in the National Industrial Reserve as provided for in Public Law 883, 80th Congress. The Reconstruction Finance Corporation on December 29, 1949, transferred the title to the United States of America.

Subsequently, the Munitions Board removed the National Security Clause, and on May 2, 1950, the property was again certified as surplus for disposal. After the outbreak of hostilities in Korea, in June 1950, all industrial facilities were re-screened for defense
Columbia Aircraft Corporation, Valley Stream, Long Island, New York

needs by the Department of Defense. On February 2, 1951 the Munitions Board informed the Administrator of General Services that the Air Force needed the production of this plant and requested consideration be given to leasing it to the Fairchild Engine and Airplane Corporation, subject to the restrictions of the National Security Clause. This request resulted in the consummation of the present lease to Fairchild for the three-year period beginning February 12, 1951 and ending February 12, 1954. The rental is $82,000 per year for the real property, plus a rental of 12% of the acquisition cost of all machinery and equipment used by Fairchild.

The Regional Director has advised this office that the lessee desires a one-year extension of the lease, which he recommends as being in the best interest of the Government because of the defense production in which the lessee is engaged under contracts with the Department of Defense. He states that while the lessee has intimated that some curtailment of this defense production is contemplated, it is believed certain that it will continue to be a major part of the production of the plant for the next year. The following terms and conditions, subject to Central Office approval, have been agreed upon:


2. Rent and Terms: Occupancy from February 12, 1954 shall be at the same rental as contained in the current lease and on the same terms and conditions except as hereinafter stated.

3. Taxes: Lessee to pay taxes and assessments lawfully levied against the property in the event of Federal legislation or otherwise, and the payment of said taxes, if any, shall not affect the amount of rental under the lease.

In view of the continued defense production contemplated at this facility the recommendation that the lease be extended for a period of one year is concurred in by this office. Therefore, it is my opinion that the public interest will be best served by giving authority to the Regional Director, New York, N. Y., to negotiate the extension of the lease to Fairchild 1266 (O-NY-105), to the Fairchild Engine and Airplane Corporation, under the terms and conditions stated herein.

(Signed) Thomas L. Peyton, Director
Surplus Real Property Division, PBS
General Services Administration

APPROVED:

(Signed) W. E. Reynolds
Commissioner of Public Buildings
JAN 15 1954
Date: Washington, D.C.

Thomas L. Peyton, Director
Surplus Real Property Division, PBS
General Services Administration
Date: 1/5/54
Washington, D.C.