EXPLANATORY STATEMENT OF
PROPOSED NEGOTIATED LEASE DISPOSAL
OF SURPLUS REAL PROPERTY

Utica Drop Forge and Tool Company
Plancor 2386 (R-NY-97)

(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 492, 83rd Congress.)

Location: Utica, New York.

Declared surplus by: Reconstruction Finance Corporation.

Description:

The real property consists of 0.636 acre of land on which is a one-story forging mill with a floor area of 16,815 square feet and mezzanine floor of 2,300 square feet. The property is surrounded on three sides by buildings and property owned by the Utica Drop Forge and Tool Company.

Acquisition Cost: $622,138.00

The Plancor was declared surplus to War Assets Administration September 23, 1946. It has been under lease to the Utica Drop Forge and Tool Company for the past three years at an annual rental of $69,865.00, with the Lessee being responsible for payment of all taxes, insurance, and protection and maintenance costs.

The Regional Director has submitted, for Central Office approval, a proposal agreeable to the Lessee for a further term of lease of the property on the following terms and conditions.


2. Rent and Conditions of Occupancy: Occupancy shall be at the same rental as contained in the prior lease and on the same terms and conditions except as hereinafter stated.

3. Lessee shall pay to Lessor as additional rental, a sum equivalent to the amount of real estate taxes that would properly be levied, assessed, and collected against the property for and apportioned
to the period of the Lessee's occupancy of the plant under the new lease if the property was subject to such taxation. However, if the property becomes taxable for any reason whatsoever, whether by enactment of Federal legislation or otherwise, Lessee will assume the obligation of payment of taxes, and in such event, said additional rental shall be renegotiated so as to provide for a reduction in an amount (not to exceed the said additional rental) representing the actual amount of taxes due and payable.

Utica Drop Forge and Tool Company is presently engaged in considerable defense production under various contracts and subcontracts. It is believed that this defense production will continue to be a major part of the production of the plant for the period of the new lease. Therefore, this Division concurs in the recommendation of the Regional Director that the best interest of the Government will be served by the proposed new lease.

It is recommended that the Regional Director, New York, N. Y., be authorized to negotiate a new lease of Planeor 2336, Utica, N. Y., to the Utica Drop Forge and Tool Company as stated herein.

(Signed) John L. Nagle
John L. Nagle, Director
Real Estate Division
Public Buildings Service
General Services Administration
Date: JUL 19 1954
Washington, D. C.

APPROVED:
(Signed) Peter A. Strobel
Commissioner of Public Buildings
Date: JUL 22 1954
Washington, D. C.
Hon. Herbert H. Lehman
United States Senate
Washington, D. C.