

Renovating costs may nix plans for Navy office

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WASHINGTON — Federal officials are becoming increasingly leery about the proposed move of the Navy Resale Office to the Staten Island Developmental Center at Willowbrook amid revelations that the transfer will cost substantially more than originally estimated.

Sources in the General Services Administration said yesterday that a nearly completed engineering survey indicates that the price tag for renovating two buildings for the office on the grounds of the state institution will be at least several million dollars higher than the \$9.6 million projected by the Pentagon.

"They (Navy officials) badly underestimated the scope of the job," said a GSA source. "We are really taking a hard look at this thing now."

The Navy has proposed relocating the Resale Office, now housed in dilapidated quarters in downtown Brooklyn, to Willowbrook's administration building and the structure now being used as the main medical center at the institution for the retarded.

According to GSA sources, the Navy estimate did not consider such expensive factors as bringing the two buildings into compliance with federal fire safety standards and replacing ceilings and lighting systems in the structures. The sources said the fate of the proposal may now hinge on the Navy's willingness to spend a lot more on the job than it originally intended.

The Navy asked GSA to negotiate a lease with the state for the Willowbrook buildings last month after a series of talks with local elected officials, including U.S. Rep. John M. Murphy and State Sen. John M. Marchi, both of whom lobbied for the Staten Island site. Under a preliminary agreement worked out by Marchi, the state offered to supply the "up front" money for renovation.

Navy officials then agreed to reimburse the state for the work on an amortized basis. The main stumbling block for the deal had been the Navy's reluctance to allocate the money in a lump sum from its annual budget.

But the increased cost projections have raised new doubts about the Willowbrook proposal within GSA because the agency would have had to bend its own rules to sign such a lease, even if the initial estimate were accepted.

According to the GSA sources, the agency had offered the Navy space for the resale office in the federal building at 80 Varrick St. in Manhattan, and even let a modernization contract for the rooms before GSA officials learned of the Willowbrook proposal.

Federal regulations require GSA to first fill space in all federally owned buildings before entering into costly leases for other offices.

"It (the Willowbrook announcement) really hit us from left field," said a GSA official. "We didn't even know about it until we read about it in the Advance."

In theory, GSA has a veto power over lease proposals that circumvent federal guidelines. In practice, however, the agency often has to defer to the wishes of elected officials, who seek federal facilities to boost economies of their areas.

The Resale Office employs 80 people, many of them Staten Islanders, and has an annual payroll of about \$15 million.

The office does more than \$1 billion a year in business, mostly transactions for the Navy's giant Post Exchange (PX) system.

The Navy's first choice for the Resale Office's new home was Fort Wadsworth, which is scheduled to be absorbed into the Gateway National Recreation Area when the Army abandons the base late this year or in early 1980. Murphy blocked the proposal, insisting that the presence of the Navy would prevent the park system from having complete control over the 220-acre installation.

Willowbrook, sprawling complex that once housed 6,000 mentally retarded, is being phased down to a 250-bed facility under a federal court order handed down in 1975.