

Transfer of Navy office to Island moves closer with opening of bidding

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WASHINGTON — Federal officials have finally started moving on the proposal to transfer the Navy Resale Office — a facility that employs 800 — from downtown Brooklyn to the Staten Island Developmental Center.

General Services Administration (GSA) officials confirmed yesterday that the agency opened bidding for the relocation late last month and have asked the state to submit a lease proposal for space at the sprawling Willowbrook institution for the retarded, which is being phased out under a federal court order.

The federal officials said the bidding period ends May 19 and that the agency will award a contract for the Resale Office's new headquarters later that month or early in June.

But the officials emphasized that although GSA looks favorably on the Willowbrook site, several other office buildings also are in the running for the lease. "This has got to be a competitive thing," explained one agency real estate planner.

The official said the agency had solicited bids from "several other interests" in the city but declined to name them to protect the secrecy of the site-selection process.

The Willowbrook site is being backed by Congressman John M. Murphy, State Sen. John J. Marchi and Navy officials, who announced their preference for the Staten Island complex last September after the congressman blocked their attempt to transfer the Resale Office to Fort Wadsworth, which the Army is scheduled to abandon in June.

The Willowbrook proposal, however, has encountered opposition within GSA because of the high cost of renovating the two buildings that would house the

Resale Office — the administration building and the main hospital. Officials estimate it would take \$10 million or more to bring the structures up to federal standards.

Under a preliminary arrangement worked out by Marchi, the state would provide the "up front" money for the construction and then be reimbursed by the Navy on an amortized basis. The Navy had been reluctant to allocate funds for the work from its annual operating budget.

GSA, however, is known to be leery of going along with a deal in which federal money would be used to rehabilitate rental space in state-owned buildings. Agency officials said yesterday they may not approve the Willowbrook site unless the state agrees to shoulder all financial responsibility for the work.

The officials said the selection of the Willowbrook buildings also will hinge on the lease amount the state requests in its proposal.

The Resale Office is considered a plum because it is a "clean, white-collar operation with a work force of almost 800, including about 80 Staten Islanders. It has an annual payroll of approximately \$15 million.

The office currently is located in a dilapidated downtown Brooklyn building that has been condemned by the city. Among other things, the office runs the Navy's Post Exchange (PX) system, a billion-dollar-a-year business.

Despite strong community support for the Fort Wadsworth site, Murphy scuttled the proposal to move the office there, arguing that the presence of a "commercial operation" at the installation would interfere with his plans to integrate it into the Gateway National Recreation Area.