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# PLAZA HOTEL ACQUISITION

GOVERNMENT

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## HEARING

BEFORE THE

SUBCOMMITTEE ON  
PUBLIC BUILDINGS AND GROUNDS  
OF THE  
COMMITTEE ON PUBLIC WORKS  
HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

SECOND SESSION

ON

### S. 3594

A BILL TO AUTHORIZE THE ACQUISITION OF CERTAIN  
PROPERTY IN SQUARE 724 OF THE DISTRICT OF COLUMBIA  
FOR THE PURPOSE OF EXTENSION OF THE SITE OF THE  
ADDITIONAL SENATE OFFICE BUILDING OR FOR THE  
PURPOSE OF ADDITION TO THE U.S. CAPITOL GROUNDS

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JULY 9, 1970

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Printed for the use of the Committee on Public Works



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1970

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HOUSTON HOTEL ACQUISITION

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HOUSTON HOTEL ACQUISITION

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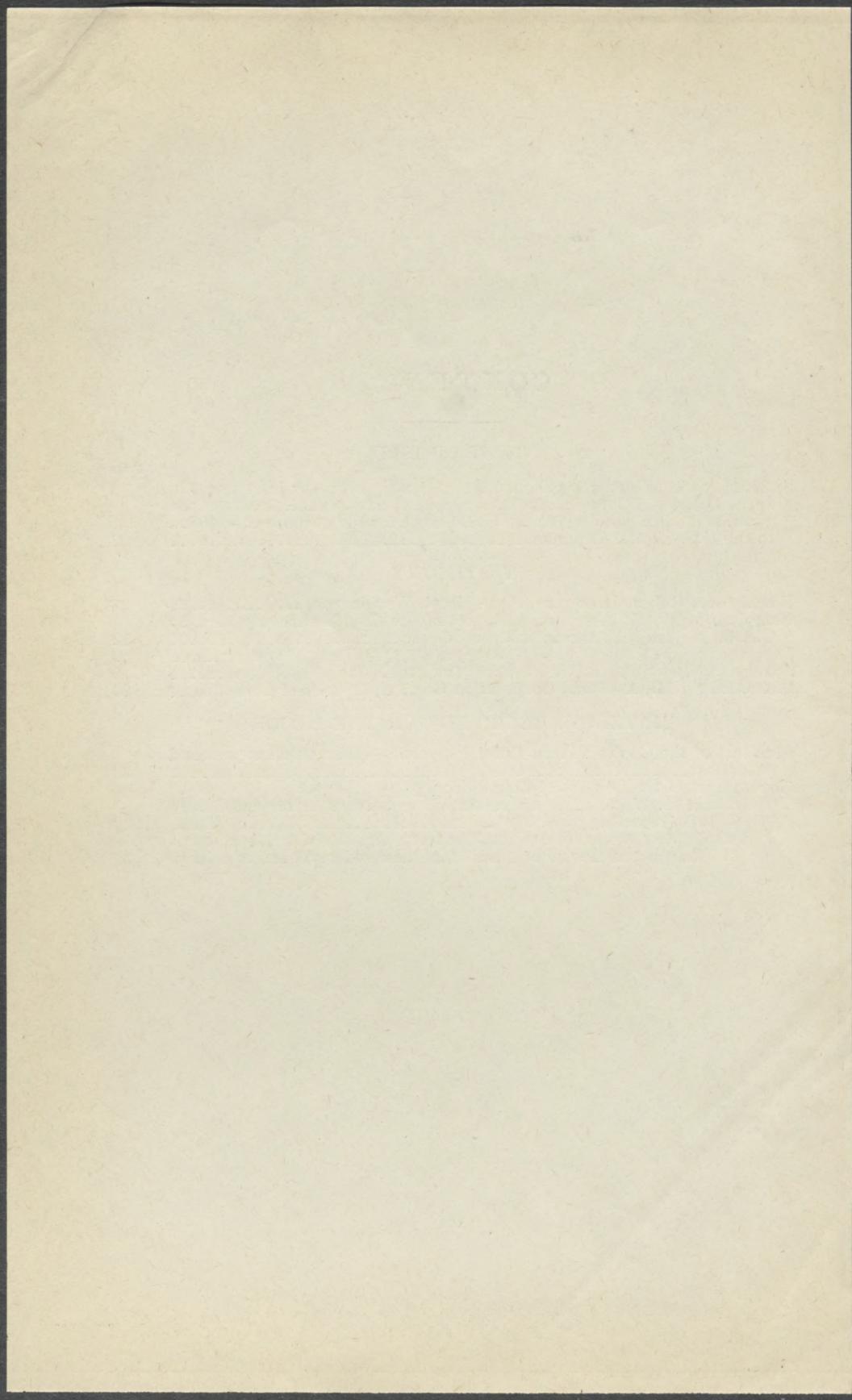
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## PLAZA HOTEL ACQUISITION

THURSDAY, JULY 9, 1970

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS  
OF THE COMMITTEE ON PUBLIC WORKS,  
*Washington, D.C.*

The subcommittee met at 10:09 a.m., in room 2167, Rayburn Building, the Honorable Kenneth J. Gray, subcommittee chairman, presiding.

Mr. GRAY. The Subcommittee on Public Buildings and Grounds will please come to order.

The purpose of the hearing this morning is to consider legislation introduced by our very distinguished friend and witness, the Honorable John J. Sparkman, U.S. Senator from the State of Alabama, Chairman of the Senate Office Building Commission.

We will hear testimony on S. 3594, which would authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the U.S. Senate for the purpose of addition to the U.S. Capitol grounds.

At this point, I will place in the record a copy of the bill, S. 3594.

(1)

**S. 3594**

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**IN THE SENATE OF THE UNITED STATES**

MARCH 13, 1970

Mr. SPARKMAN introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

MARCH 18, 1970

The Committee on Rules and Administration discharged, and referred to the Committee on Public Works

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**A BILL**

To authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate for the purpose of addition to the United States Capitol Grounds.

- 1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That in addition to the real property heretofore acquired  
4       under the provisions of the Second Deficiency Appropria-  
5       tion Act, 1948, approved June 25, 1948 (62 Stat. 1028),  
6       as a site for an additional office building for the United States  
7       Senate, and under Public Law 85-591, approved August 6,  
8       1958 (72 Stat. 495-496), and Public Law 85-429, ap-

1 proved May 29, 1958 (72 Stat. 148-149), for purposes of  
2 extension of such site or for additions to the United States  
3 Capitol Grounds, and authorized to be acquired for such  
4 purposes by Public Law 91-145, approved December 12,  
5 1969 (83 Stat. 352-353), the Architect of the Capitol, un-  
6 der the direction of the Senate Office Building Commission,  
7 is hereby authorized to acquire, on behalf of the United  
8 States, by purchase, condemnation, transfer, or otherwise,  
9 for purposes of further extension of such site or for addi-  
10 tions to the United States Capitol Grounds, all privately  
11 owned property contained in lots 845 and 832 in square  
12 724 in the District of Columbia, as such square appears on  
13 the records in the office of the surveyor of the District of  
14 Columbia as of the date of the approval of this Act.

15       SEC. 2. For the purposes of this Act, square 724 shall  
16 be deemed to extend to the outer face of the curbs sur-  
17 rounding such square.

18       SEC. 3. Any proceeding for condemnation brought under  
19 this Act shall be conducted in accordance with the Act of  
20 December 23, 1963 (16 D.C. Code, secs. 1351-1368).

21       SEC. 4. Notwithstanding any other provision of law, any  
22 parts of streets contained within the curblines surrounding  
23 square 724 shall, upon request of the Architect of the Capitol,  
24 made with the approval of the Senate Office Building Com-

1 mission, be transferred to the jurisdiction and control of the  
2 Architect of the Capitol.

3       SEC. 5. Upon acquisition of any real property pursuant  
4 to this Act, the Architect of the Capitol, when directed by  
5 the Senate Office Building Commission to so act, is author-  
6 ized to provide for the demolition and/or removal of any  
7 buildings or other structures on, or constituting a part of,  
8 such property and, pending demolition, to use the property  
9 for Government purposes or to lease any or all of such  
10 property for such periods and under such terms and condi-  
11 tions as he may deem most advantageous to the United States  
12 and to incur any necessary expenses in connection therewith.

13       SEC. 6. The jurisdiction of the Capitol Police shall ex-  
14 tend over any real property acquired under this Act and  
15 such property shall become a part of the United States  
16 Capitol Grounds.

17       SEC. 7. The Architect of the Capitol, under the direction  
18 of the Senate Office Building Commission, is authorized to  
19 enter into contracts and to make such expenditures, includ-  
20 ing expenditures for personal and other services, as may be  
21 necessary to carry out the purposes of this Act.

22       SEC. 8. The appropriation of such sums as may be  
23 necessary to carry out the provisions of this Act is hereby  
24 authorized.

Mr. GRAY. I want to welcome our very good friend and distinguished Senator from Alabama, Senator Sparkman. We are always delighted to see you, and particularly delighted that you would take time from your busy schedule to come over this morning, and you may proceed in your own fashion.

**STATEMENT OF HON. JOHN J. SPARKMAN, U.S. SENATOR FROM  
THE STATE OF ALABAMA**

Senator SPARKMAN. Thank you, Mr. Chairman. Gentlemen of the committee, I am glad to be here. I used to know my way around over here, but since adding this new building, I have difficulty getting about.

Mr. GRAY. Off the record.

(Discussion off the record.)

Senator SPARKMAN. Mr. Chairman, you have stated the situation. Does each member have a copy of this plat (indicating)?

Mr. GRAY. There is just one copy here, but I will pass it down and let everyone see it.

Senator SPARKMAN. What we are seeking to do, is to acquire lots 845 and 832, shown in blue on that map. Those portions of the square that are shown in red, we already have.

It is our hope that some day we may acquire that entire square, but only these two in blue are under consideration at this time. We have an opportunity to get these lots now, and we need them.

It is not anticipated that we will build on them immediately, but we want to get them while we can, and have them ready for use. Lot 845 is occupied at the present time by the Plaza Hotel. Now, at some time we will undoubtedly tear down the hotel; and if we do, we can then make use of both those blue areas for parking purposes.

Parking is quite a problem with us. We have parking even beyond D Street, and some of our girls that work in our Senate offices have to go three or four blocks in order to get parking space. I always have a rather bad feeling when I think of them having to go there after dark. So we can make advantageous use of it for parking, any time that we may demolish the building that is on lot 845.

The Senate Office Building Commission voted unanimously in favor of this acquisition. The legislation was submitted and was handled by the Senate Public Works Committee, and it has passed the Senate and is pending before your committee now. We ask your help in getting this legislation through in order that we may acquire this particular property.

We have experts here in the gentlemen from the Office of the Architect of the Capitol that I know can give you any further details, but I shall rest on this general statement.

I shall be glad to answer any questions, as best I can.

Mr. GRAY. Thank you very much, Senator. I have a couple of questions.

You mentioned that the Plaza Hotel is now located on one of these sites. What building, if any, is on the other proposed acquisition?

Senator SPARKMAN. Nothing. You mean the small one, Lot 832?

Mr. GRAY. Just a lot?

Senator SPARKMAN. That is blank. It is now used by the hotel as a parking lot. It is a small parking lot, but it would furnish 8 or 10 spaces for the Senate.

Mr. GRAY. Do you feel that it would be impractical to remodel this Plaza Hotel for any Government use? You envision tearing it down, do you not?

Senator SPARKMAN. We have no plans for immediate action. I suppose we will leave it up to the architects, to determine if, structurally, it could be used as a Government building, but all of that is a matter of future consideration.

Mr. JONES. How far in the future?

Senator SPARKMAN. How far in the future? That is something we can never tell. But we do feel that it is highly necessary for us to acquire this property as it becomes available, and it is now available at a reasonable price.

As a matter of fact, the owner of the hotel is here.

Mr. JONES. Mr. Chairman.

Mr. GRAY. The gentleman from Alabama.

Mr. JONES. But this is an unexpected pleasure to see Senator Sparkman and of course he has been my Senator all the way through. When I have difficulties, I have a simple solution—I always send them to him. It is a pleasure to see you, Senator, and have you here.

Senator SPARKMAN. I am very grateful for those remarks. What he mentioned there has a two-way street. He is my Congressman, so I always send my problems to my Congressman to take care of. Bob succeeded me when I went to the Senate. So I have had a long period of cooperation with him and in getting help from him, and I may say that I have already called on him for help in this case.

Mr. JONES. The reason my tenure is endured is the fact that I always follow the leadership of my predecessor.

Senator SPARKMAN. We work together quite well, I will say that.

Mr. JONES. I notice here, Senator Sparkman, that the distinguished Senator from South Dakota, Senator Mundt; Senator Allott from Colorado; Senator Muskie from Maine; Senator Young from Ohio; Senator Jordan from North Carolina, Senator Cannon from Nevada; Senator Bellmon from Oklahoma; and Senator Packwood from Oregon all serve on the Senate Office Building Commission and you say they recommended this unanimously?

Senator SPARKMAN. Yes, the Commission met; that is the way we started this matter. The Commission met and agreed unanimously to recommend to Congress the acquisition of this property, and then the bill was introduced and it was referred to the Public Works Committee of the Senate and approved by that committee and approved by the Senate.

Mr. GRAY. Is it your feeling that this additional property is going to be required for Senate business?

Senator SPARKMAN. Yes, I certainly believe so; in fact, we are certain as we can be that we shall need it.

Mr. GRAY. Recently we had legislation pending before the House that was defeated by a small vote, I think something like 13 votes, that would have acquired the land very near the residence of the ladies, our friend from Alabama was talking about, and are you familiar

with that recent request by the Senate to acquire some land not in the Hotel Plaza area, but near the Belmont House, I believe?

Would this obviate the necessity for taking that property if we take this, or is that going to be needed also? This area is very near—

Senator SPARKMAN. We are in the process of taking all remaining privately-owned property in that square, except the Belmont House, to which I think the chairman refers, and again the gentleman from the architect's office can give you the details of the status of that acquisition. But we have been working with them and directing their actions.

Now, there are two different parts of that property, and they can explain it to you. One is the Belmont House and the lot that it is on, which has been excepted from the authorizing legislation. The properties being acquired in square 725 are the Capitol Hill Apartment building, 13 houses in Schotts Alley, and 4 residential structures.

Mr. GRAY. The reason I ask the question, Senator, is it seems that with these cost estimates that the Senate may have scaled down the request, because the bill we had before was for somewhat over a million dollars, or in that neighborhood, and I understand this is estimated to cost between \$500 thousand and \$510 thousand.

Senator SPARKMAN. This is in a different square than the properties to which you refer. This is not connected with that square at all.

Mr. GRAY. This is not as great a proposal, dollarwise, as compared to the other.

Senator SPARKMAN. No. The gentlemen from the architect's office can give you the exact figures on all of this, if you want them, but they are entirely different and the situation is different.

Mr. GRAY. One thing would be different. These people do want to sell, and the other people did not. I think that is one big difference.

Senator SPARKMAN. That is true. I believe the way I understand it at the present time is that we are working with the ladies that own the Belmont House and the other properties, and that we have excepted certainly for the present the acquisition of the Belmont House.

Mr. GRAY. Are there any questions on my right for our very distinguished witness this morning?

The gentleman from Illinois, Mr. Kluczynski.

Mr. KLUCZYNSKI. Mr. Chairman, it is a pleasure for me to be seated here and hear that great man from Bob Jones' State, Alabama, Senator Sparkman. He spent so much time at the 1952 convention in Chicago. The Senate, in its wisdom, has sent Mr. Sparkman here knowing that he is one of the popular fellows with the Public Works Committee here in the House.

It is a pleasure for me to have Senator Sparkman before this committee because to me he is an outstanding Senator and doing a great job.

Senator SPARKMAN. I certainly appreciate the remarks of my friend from Illinois.

Mr. GRAY. Any other questions on my right?

Mr. JONES. Off the record.

(Discussion off the record.)

Mr. GRAY. Any other questions?

The gentleman from Tennessee.

Mr. DUNCAN. I would also like to welcome you, Senator, to this subcommittee. These questions maybe should be directed to the Architect.

Do you know who owns the hotel building?

Senator SPARKMAN. Yes, the gentleman is here, Mr. Blackistone.

Mr. DUNCAN. It is vacant at this time. I do not believe it is operating at this time?

Mr. BLACKISTONE. The hotel is not in operation. The restaurant is.

Mr. DUNCAN. Who appraised the property, Senator?

Senator SPARKMAN. For square 725, we have already engaged the services of private-practicing appraisers. For square 724, we have not. These gentlemen can tell you the whole situation as to how they are handling this matter.

Mr. DUNCAN. The only thing I question is the fact that the dangerous part is the fact that the Architect has authority to lease. A few years ago we bought the Congressional Hotel which is valued at about \$2,400,000 something today, but they went in—back home what we call a "sweetheart" lease, and they leased for \$22,000 a year with the Federal Government keeping up all the maintenance and the major repairs, and the last 2 years we spent \$41,000. We received in return \$42,000 for 2 years, and that—

Senator SPARKMAN. I am not prepared to discuss those matters.

Mr. DUNCAN. Do you know whether or not they contemplate leasing the building back to this gentleman?

Senator SPARKMAN. No. It is my understanding Mr. Blackistone has no intention of carrying on. In other words, it would be an outright purchase from him. What arrangements will be made with reference to leasing or remodeling or whatever it may be, I am not prepared to say. But we will work out the best plan we can. In any event, final control over leasing is vested by the bill in the Commission, not the Architect.

Mr. DUNCAN. We leased the Congressional Hotel to the Knott Hotel Corp. for less money than we were paying the District of Columbia in taxes.

Senator SPARKMAN. I would rather you call on these gentlemen for those questions and the representative of the District government is here also.

Mr. GRAY. Any other questions?

The gentleman from Ohio, Mr. Harsha.

Mr. HARSHA. As you know, in the Legislative Appropriation Bill Act of 1969, the Senate inserted the language in that act authorizing the purchase of the land from the woman's party over there, and now I understand the Senate Appropriations Committee yesterday put the acquisition of this particular property, the Plaza Hotel, in the legislative appropriation bill; is that correct?

Senator SPARKMAN. I do not know. I have not yet seen that bill. But under the rules of the Senate, they can do that, since the Senate has acted on S. 3594, the authorizing bill.

Mr. HARSHA. Even without it being authorized by the full Congress?

Senator SPARKMAN. Yes. In other words, it keeps the appropriation bill moving, and if the legislation should fail to go through, then of course the appropriation is not authorized.

Mr. HARSHA. If there is not authorization, then would this addition to the legislative appropriation bill be subject to a point of order when it comes to the House?

Senator SPARKMAN. I assume it would. But certainly the Congress would not carry it on if the legislation has not been authorized. But it is a regular rule of the Senate, and the House, I believe has a similar rule, that permits appropriation items to be added, permits items to be added in an appropriation bill provided one of the Houses has acted favorably on it. If I recall correctly, that same rule prevails in the House.

In fact, I know of at least one instance in which appropriations were made by the House committee under similar circumstances. Take, for instance, the foreign aid bill, I believe the House—certainly the House committee I believe has already acted on that, and it has not come to the Senate yet. I think you will find that is a rule in both Houses.

Mr. HARSHA. That is all I have.

Mr. GRAY. Any further questions of our very distinguished witness? If not, we thank you very much, Senator, for coming over this morning.

Senator SPARKMAN. Thank you, Mr. Chairman, and gentlemen of the committee. It is good to be with you.

Mr. GRAY. Next we will hear from the Honorable Robert Packwood, United States Senator from the State of Oregon.

#### STATEMENT OF HON. ROBERT PACKWOOD, U.S. SENATOR FROM THE STATE OF OREGON

Mr. Chairman, as a member of the Senate Office Building Commission, I would like to make a very brief and general statement regarding my support for S. 3594 which authorizes the acquisition of the Plaza Hotel, located one block north of the New Senate Office Building.

The basis of this bill, as introduced by Senator Sparkman, was the action of the Senate Office Building Commission which met and discussed the need for acquiring this property at this time.

Mr. Chairman, I think it is a well-known fact that the Senate is faced with a critical space problem and that in view of the pressing need for additional office space and parking facilities, it would be a sound decision to acquire this property when it is available at a reasonable cost to the Government. If we were to wait, the future price would undoubtedly escalate.

My own staff is working in what can only be described as an intolerable lack of space. Visitors to my office are absolutely astonished at the cramped working conditions provided employees of the Senate.

According to the formula used by the General Services Administration for utilization of Government owned and leased space, my staff is entitled to approximately 2,180 square feet of space. Instead, they presently occupy 1,040 square feet, less than half the space recommended by GSA.

As far as parking spaces are concerned, for the 21 staff members in my office, I am allowed only six assigned parking spaces.

Mr. Chairman, from discussions with other Senators and their staff members, I am certain that my office situation is not at all unique. It seems obvious that there is a widespread need for more office and

parking space for Senate employees. For this purpose, I strongly endorse taking action in acquiring the Plaza Hotel for the Government at what I believe is a most suitable time.

In further support of this bill, I would like to have placed in the record the statement by Senator Muskie before the Subcommittee on Public Buildings and Grounds of the Senate Committee on Public Works.

(The statement referred to follows:)

Members of the Senate Office Building Commission are:

John J. Sparkman, Alabama  
Karl E. Mundt, South Dakota  
Gordon Allott, Colorado  
Edmund S. Muskie, Maine  
Stephen M. Young, Ohio

B. Everett Jordan, North Carolina  
Howard W. Cannon, Nevada  
Henry L. Bellmon, Oklahoma  
Robert W. Packwood, Oregon.

Senator JORDAN. We have an endorsement from Senator Muskie of our full committee which we will include in the record at this point.

(Statement of Senator Muskie follows:)

STATEMENT BY SENATOR EDMUND S. MUSKIE, A U.S. SENATOR FROM THE STATE OF MAINE, AND MEMBER OF THE SENATE PUBLIC WORKS COMMITTEE

Mr. Chairman, I would like to indicate my support of S. 3594, a bill to authorize the acquisition of property in square 727 in the District of Columbia for the purpose of building an additional office building for the United State Senate, and for the purpose of extending the United States Capitol grounds.

The construction of a new building is an unavoidable necessity. The conditions under which Senate staffs are forced to work are not conducive to high productivity. In some cases working conditions in Senate offices are detrimental to the health and well being of the staffs.

In 1960 the total employment in the Senate was 3,645. In 1969, this figure had increased to 5,787, an almost 65 percent jump. My own office staff during the same period increased from 13 to 32, and this increase does not include the numerous interns and volunteers who are working for me and require the same space as my paid staff. There has been no increase in office space.

My own staff is cramped into four rooms—one of which is partially used as a reception room. No member of my staff, including my Administrative Assistant, has a private office or an area set aside which can be used to meet with persons coming to the office. My own office is frequently used as a conference room when I am not using it, and when I am in the office, staff members desiring to hold meetings must borrow space from committees in the area. In fact, there have been times when my staff has had to hold small informal meetings in the hallways outside our offices. This practice will, from necessity, probably continue.

To assist in determining the seriousness of such cramped working conditions I asked an engineer to measure the noise level in two of the most crowded work spaces in my suite. It was reported to me that in one room, the noise level was 76 decibels and in the second room the level went as high as 84 decibels.

The Walsh-Healy Public Contracts Act of 1969 limits on the job noise to 90 decibels.

The British Medical society, and the U.S. Air Force consider 85 decibels over prolonged periods as injurious to health. Noise at this level can create dizziness, fatigue, and mental disorientation.

Seventy decibels is considered the nuisance threshold level (this varies slightly with the individual). The autonomic nervous system begins to react, and heart-beat, temperature, blood pressure, digestion and respiration are affected.

In short, the noise level in my office suite can be compared to the noise level in an average factory.

The Executive Branch of the government has recognized the importance of adequate work space and the correlation of adequate space to work efficiency. The General Services Administration has prepared guides to be used by Federal Departments for utilization of Federally owned and leased space. Under the criteria spelled out in the guidelines I would be eligible for approximately 2800 square feet of space for my staff. At present my staff occupies 1490 square feet—or 1310 square feet less than the space recommended by GSA.

Mr. Chairman, I am completely in favor of securing more land so that an addition can be made to the present Senate Office Building. I would also like to recommend that immediate action be taken to improve the work conditions for employees in the Senate.

I see no reason why we should not take the necessary steps to renovate and remodel our present offices. In 1969, one million eight hundred thousand dollars was appropriated for work on the Senate Office Building, The New Senate Office Building, and the three House Office Buildings. This money does nothing more than provide for normal building maintenance. It is interesting to note that since 1965, we have appropriated over one hundred million dollars for the renovation of Executive Branch Buildings in Washington.

I would like to recommend that the Committee on Rules and Administration study ways to remodel our current facilities to provide improved occupancy standards. Such a study should include ways to protect Senate employees from undue noise and over crowding. I sincerely believe this is a necessary interim move to take care of this pressing problem between the time of passage of S. 3594 and actual completion of construction.

With the continued increasing work load of the Senate, which requires an ever increasing staff, we must take this action in the best interests of the people we serve, and in the best interests of our employees.

Senator JORDAN. We will place in the record at this point the letter received from Mr. Campioli, Assistant Architect of the Capitol, expressing the views of Mr. Stewart in regard to S. 3594.

We now welcome Mr. Campioli as a witness.

(The letter referred to follows:)

ARCHITECT OF THE CAPITOL,  
Washington, D.C., April 8, 1970.

HON. JENNINGS RANDOLPH,  
Chairman, Committee on Public Works,  
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: In response to your communication of March 23, 1970, I have the following report to make on S. 3594, now pending before your Committee:

S. 3594, entitled "A Bill to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds" provides for acquisition by the Architect of the Capitol, under the direction of the Senate Office Building Commission, of all privately-owned property contained in lots 845 and 832 in square 724 in the District of Columbia.

These two lots are located at the southeast corner of First and D Streets Northeast in the square directly north of the New Senate Office Building and contain a total of approximately 17,000 square feet. The Plaza Hotel is located on Lot 845 and Lot 832 is used as a parking lot in connection with operation of that hotel.

Square 724 contains a total of 52 lots. Thirty-seven of these lots are now owned by the government and used as parking lots by the United States Senate, having been acquired under authority of Public Law 85-429, 85th Congress, in 1959.

For the past 15 years, Mr. Stewart, the Architect of the Capitol, has advocated the acquisition of all properties in both Squares 724 and 725 in order that the Senate may have and hold in reserve adequate space in which future expansion needs of the Senate can be met.

Mr. Stewart has further advocated during the period that such acquisitions should be made before any extensive improvements are made to privately-owned properties in these two squares, since such improvements would materially increase their value and subsequent acquisition cost by the government.

The most recent instance of extensive improvements made to privately-owned properties in Square 724 is the Carroll Arms Hotel located at the northeast corner of First and C Streets Northeast, in this Square. There is little doubt that this property, had it been acquired by the government prior to such improvements, could have been acquired at a much lower figure than it can be acquired now or in the future.

Lots 845 and 832 in Square 724, containing the Plaza Hotel properties, can undoubtedly be acquired by the government at lower cost at this time than if the government waits until after extensive improvements are made to the Plaza Hotel properties such as have been made to the Carroll Arms property.

If past trends serve as a guideline, then it is only a matter of time before the Senate will require the remainder of the privately-owned properties in Square 724 to meet future expansion needs.

Based on these considerations and the long-standing policy of the Architect of the Capitol, acquisition of this property is recommended.

Yours very truly,

MARIO E. CAMPIOLI,  
*Acting Architect of the Capitol.*

Mr. GRAY. Our next witness this morning will be Mr. Mario E. Campioli, Assistant Architect of the Capitol, accompanied by Mr. Charles A. Henlock, Administrative Officer.

Gentlemen, will you please come forward. We are delighted to see you and we will be glad to hear from you.

**STATEMENT OF MARIO E. CAMPIOLI, ASSISTANT ARCHITECT OF THE CAPITOL; ACCOMPANIED BY CHARLES A. HENLOCK, ADMINISTRATIVE OFFICER**

Mr. CAMPIOLI. Mr. Chairman, I have a prepared statement. With your permission, I would like to read it.

Mr. GRAY. All right, you may.

Mr. CAMPIOLI. The bill before you, S. 3594, passed the Senate May 21, 1970. It authorizes the acquisition of lots 845 and 832 in square 724 in the District of Columbia.

Square 724 is situated immediately north of the New Senate Office Building. Lots 845 and 832 are the Plaza Hotel properties. The hotel is located on lot 845. Lot 832 is devoted to hotel parking. These lots are located at the southeast corner of First and D Streets, Northeast. The lots contain approximately 17,000 square feet.

These properties would be acquired by the Architect of the Capitol, under the direction of the Senate Office Building Commission, for the purpose of extension of the site of the additional office building for the Senate or for the purpose of addition to the U.S. Capitol grounds.

Square 724 contains a total of 52 lots. Thirty-seven of these lots are now owned by the United States and used as parking lots by the U.S. Senate, having been acquired by the Architect of the Capitol under authority of Public Law 85-429, 85th Congress, in 1959. In addition, one other lot (843) is also owned by the United States, having been acquired by the General Services Administration in 1960. The building on lot 843 is occupied by the National Immigration Bureau, under arrangements with General Services Administration. There remains in private ownership 14 lots, including lots 845 and 832 proposed to be acquired under S. 3594.

For the past 15 years, the Architect of the Capitol has advocated the acquisition of all properties in both squares 724 and 725 in order that the Senate may have and hold in reserve adequate space in which future expansion needs of the Senate can be met.

He has further advocated during this period that such acquisitions should be completed before extensive improvements are made to privately owned properties in these two squares, since such improvements would materially increase their value and subsequent acquisition cost by the Government.

The most recent instance of extensive improvements to privately owned properties in square 724 are those to the Carroll Arms Hotel located at the northeast corner of First and C Streets, Northeast. There is little doubt that this property, had it been acquired by the Government prior to such improvements, could have been acquired at a much lower figure than will be possible in the future.

Lots 845 and 832 in square 724, containing the Plaza Hotel properties, can undoubtedly be acquired by the Government at lower cost at this time than if the Government waits until after extensive improvements are made to the Plaza Hotel properties such as have been made to the Carroll Arms property.

The Plaza Hotel properties are owned by Mr. Robert D. Blackistone. He has indicated his willingness to sell the property to the Government at a fair price because of his age, health, and his desire to retire.

The assessed value of the property is \$306,000 and is based on 65 percent of the estimated market value, according to testimony before the Senate Public Works Committee by the Assistant Corporation Counsel of the District of Columbia.

We believe the property can be purchased for approximately \$510,000, including cost of appraisals, title search, and other necessary expenses.

If past trends continue, it is only a matter of time before the Senate will require the remainder of the privately owned properties in square 724 to meet future expansion needs.

Based on these considerations, I strongly recommend that your committee act favorably upon the pending legislation, in order that this property can be acquired at a reasonable figure before major improvements are made which would greatly increase its cost to the Government.

Thank you, Mr. Chairman.

Mr. GRAY. Thank you, Mr. Campioli.

You testified that the Architect's Office believes that all the property in square 724 and square 725 should be acquired. If this bill should pass and become law and this property acquired, how much additional property would remain out of Government ownership in squares 724 and 725? Do you have any idea offhand?

Mr. HENLOCK. About 35 percent of square 724 would then remain in private ownership. Properties in that square now owned by the United States, including both those under our jurisdiction and those under GSA, plus lots 845 and 832, equal about two-thirds of the total area of the square which would then be Government owned.

Mr. GRAY. Do you have any idea or have you made any estimates as to what this other 35 percent would cost?

Mr. HENLOCK. No, sir. Six of the lots are occupied by apartment dwellings; one by the Carroll Arms; four by residential structures (one containing a restaurant); and one parking lot. We do know that the Carroll Arms Hotel underwent major renovations recently; so, undoubtedly, the price of that property is quite high at present.

Mr. GRAY. The Carroll Arms or the Capitol Hill, I think it has been renamed, is in what square, square 724?

Mr. CAMPIOLO. Square 725 contains the Capitol Hill Apartments.

Mr. HENLOCK. Square 724 contains the Carroll Arms Hotel, which I understand is now more properly identified as the Capitol Hill Hotel.

Mr. GRAY. What I am getting at is, I know if this bill is brought on the House floor we are going to be asked this question, how much is this setting us up for, for future acquisition costs? You do not have any idea now what the additional property would cost, and also I wanted to ask you whether you felt there would be any immediate plans to purchase any additional property.

Mr. HENLOCK. We have not been advised of any such plans by the Senate Office Building Commission or the Senate Rules Committee, one controlling space and the other, property acquisition.

Mr. GRAY. So, you are saying for the record, then, this is not a piecemeal approach to acquire all of this land at least in the immediate future? As far as you know, all you are asking for now is the Plaza property?

Mr. HENLOCK. That is correct, sir.

Mr. GRAY. Are there any questions on my right of Mr. Campioli? The gentleman from California, Mr. Anderson.

Mr. ANDERSON. Mr. Campioli, how did you arrive at the estimated market value? What did you set it at?

Mr. CAMPIOLI. The Assistant Corporation Counsel advised the Senate committee that the assessed valuation is \$306,000 and that that amount represents 65 percent of the fair market value.

Mr. ANDERSON. What is the fair market value?

Mr. CAMPIOLI. Based on 65 percent, that would amount to approximately \$470,000, to which we would add the cost of appraisal and other expenses which would have to be incurred in acquiring the property.

Mr. ANDERSON. That would run to about \$40,000?

Mr. CAMPIOLI. The difference would be approximately that amount.

Mr. ANDERSON. I was just curious as to how you arrived at this.

Why does the appraisal, the title search, and other items run that high?

Mr. CAMPIOLI. Generally speaking, we obtain the appraisal from more than one appraiser. And then we generally average out the appraisals in arriving at a fair figure. The question of surveys to be made, property surveys, and certain other costs in connection with the project, which might develop, would be paid out of the balance of the fund.

Mr. ANDERSON. The owner of the property then would probably not receive in excess of \$470,000?

Mr. CAMPIOLI. I have no idea what he will get at this stage, but if our figures are correct, and if it should develop that the District's assessed valuation and their fair market figure will come to the same figures that the appraisers may give in the future, then we might be able to buy it for slightly less than \$500,000. Again, it may cost the full \$500,000.

Mr. ANDERSON. Do you have appraisers very often exceed the fair market value?

Mr. CAMPIOLI. There is usually some range between the high and low appraisals, and appraisals do sometimes exceed the fair market value.

Mr. ANDERSON. Thank you.

Mr. GRAY. Would you have any objection, Mr. Campioli, to us putting in a maximum amount in the bill, a ceiling not to exceed a certain amount?

Mr. CAMPIOLI. The Architect's office would have no objection.

Mr. GRAY. And if you could buy it cheaper, then that would be that much better. You would not have any objection to a maximum purchase price?

Mr. CAMPIOLI. No, sir.

Mr. GRAY. Any other questions on my right?

The gentleman from Illinois.

Mr. KLUCZYNSKI. Mr. Campioli, you say that the Plaza Hotel properties are owned by Mr. Robert D. Blackistone. He has indicated his willingness to sell the property to the Government at a fair price because of his age, health, and his desire to retire.

Well, looking at Mr. Blackistone, he is very healthy looking to me, and as far as his age goes, he is a young man in my estimation, and I do not know if you want to retire at such a young age. Is it not true that this property could have been bought for at least 20 percent less 5 or 6 years ago?

Mr. CAMPIOLI. Actually, Mr. Blackistone did sell it back a few years ago, about 4 or 5 years ago, I understand for over \$800,000, but the new purchaser, I understand, defaulted and he had to take the property back; am I correct, Mr. Blackistone?

Mr. BLACKISTONE. Correct.

Mr. KLUCZYNSKI. This to me is like constructing the roads. If we do not construct the roads today, they will cost from 9 to 10 percent more next year, and we find that and the same thing in our building program with GSA, it is costing us over \$20 million more now because they put a stop on it. I believe this is fair market value, fair market price, and your recommendations are good enough for me.

Mr. CAMPIOLI. Thank you, sir.

Mr. KLUCZYNSKI. I want to thank you for the splendid work you have done on this and the good work as a good architect, and I wish you all the success in the future.

Mr. CAMPIOLI. Thank you.

Mr. GRAY. Thank you, my friend from Illinois.

Any other question on my right or left?

The gentleman from New York, Mr. Grover.

Mr. GROVER. Mr. Campioli, is there any present temporary utility of the building that the Government could avail itself of, or do you plan to raze it?

Mr. CAMPIOLI. We have no definite plans at present, since we have received no instructions from either the Senate Office Building Commission or the Senate Rules Committee in this respect. However, if the question should be asked, "Can we use any part of these structures for office purposes?" my recommendation, based on a tour of the building that I made with the owner, Mr. Blackistone, would be to recommend that only the seven-story portion of the structure be retained for such use, if such use is desired. That part of the structure, I understand from talking to the owner and the architect who worked on it, is a fireproof structure, built of reinforced concrete with brick exterior. It has approximately 60 rooms at the present time. It has two stairways that are enclosed and it has an elevator.

The other buildings are of varying degrees of fire-resistive construction, and I would hesitate to recommend the use of those for use as office space.

Mr. GROVER. You say that you would then recommend that they be retained, is that on a temporary or permanent basis?

Mr. CAMPIOLI. On a temporary basis.

Mr. GROVER. Now, we have had some criticism in the past and more recently when we had before us on the House floor the James Madison Library Annex, criticism over not being prepared to discuss on the floor the background and the basis of the study indicating that the approach to the Madison Library Annex was conforming and integrated into a master plan of the Capitol Hill area.

Can we have some assurance that your office is taking a long look in the event of the acquisition and construction on this property and the development of it and its conformity and integration with the historic master planning on Capitol Hill?

Mr. CAMPIOLI. Yes, sir. Actually, if I were asked for my recommendation as to what I would do with this property, if we purchase it, I would tear all the buildings down and convert the property into a parking area temporarily.

Mr. GROVER. What would be the net cost of razing the building, clearing the land, and preparing it for whatever purposes you would intend to prepare it?

Mr. CAMPIOLI. We have not prepared any figures on that item, Congressman. I would be guessing if I gave any figure.

Mr. GROVER. Are you in any position to give a rough estimate?

Mr. CAMPIOLI. I would hesitate to do so in the present fluctuating construction market. One thing that has happened recently in razing buildings is that contractors are disinclined to reuse salvaged material. Most of the material now is just going to waste. Contractors are wrecking buildings now and not dismantling them the way they used to when salvaged materials were then marketable.

Hence, in view of this situation and not knowing if the buildings are to be retained, we have not had any figures prepared for the razing of the buildings.

Mr. GROVER. I think it might be helpful for a complete record if you could supply the committee with some, I would say rough, estimates of the cost of razing and site preparation.

Mr. CAMPIOLI. We will be glad to do so.

Mr. GRAY. Mr. Campioli, in that connection, would this estimate of \$510,000 for the entire acquisition, including appraisals, title search, and other necessary expenses, include the furnishings in these buildings?

Mr. CAMPIOLI. My understanding is that we would buy the building, and not the furniture.

Mr. GRAY. What I was thinking is we might be able to sell some of the furniture and recoup some of the cost of razing. They did pretty well at the Willard Hotel sale.

Mr. CAMPIOLI. I do not think you would be able to, Mr. Chairman. I have walked through the building, and I think the owner would agree that if he were to start operating this building again, he would probably have to spend about \$100,000 to refurbish it, inasmuch as the person he sold it to, did not keep it up with the same degree of care that Mr. Blackstone did.

Mr. GRAY. What you are saying is the equipment and furnishings are in a very bad state of repair and would not be worth much anyway?

Mr. CAMPIOLI. I would say so.

Mr. GRAY. Any other questions?

The gentleman from New York.

Mr. GROVER. It seems to be indicated here by testimony that this is part of a long-range plan to acquire all of the private properties in this block 724.

Mr. CAMPIOLI. Yes, sir.

Mr. GROVER. Do you have any programing on the possible target calendar dates for further acquisition?

Mr. CAMPIOLI. No, sir. We have as a matter of office policy brought pertinent information to the attention of the appropriate committees whenever we have learned that any properties become available and for sale in this square, to acquaint them with the fact, to determine if they want to take advantage of purchasing them at that time, rather than taking them over after they have been improved.

Mr. GROVER. Then this is pretty long range, and I do not know if we can call it planning at this point. But you just have an ultimate objective in time to acquire all of the land, but you have no timetable, or you have no predication of need on the basis of the growth of Senate employees and—

Mr. CAMPIOLI. No, sir.

Mr. GROVER. In other words, this is just a visual feeling that you are not going to need all of that lot, but there is no definite planning whatever?

Mr. CAMPIOLI. Yes, sir. In 1959-60 when the other properties were purchased, I understand there was then the feeling that we should buy all the property on squares 725 and 724; however we were only successful in obtaining legislation allowing us to buy part of the properties. Since then it has been approached on the basis of purchasing when the property becomes available or when the need has developed.

Mr. GROVER. Do you think setting a target date, an ultimate goal of near total acquisition—I should not ask you this, I think probably I should say as my opinion: that you probably will impede development and growth of the property by setting those sights in advance. Is that your objective in doing that?

Mr. CAMPIOLI. No, sir. However, it has not impeded development inasmuch as the Carroll Arms Hotel since 1959, I believe, has spent a million dollars improving their building, They did not hesitate, even though they know the Senate has it in mind to eventually acquire all of that property.

Mr. GRAY. The main thrust of your argument though now, Mr. Campioli, is the fact that this is available, can be bought for much less than it can be bought for after improvements would be made?

Mr. CAMPIOLI. That is correct.

Mr. GRAY. And No. 2, as you state, and Senator Sparkman did also, that the property is eventually going to be needed. There is no question about that?

Mr. CAMPIOLI. That is right.

Mr. GRAY. Any other questions?

The gentleman from Ohio, Mr. Harsha.

Mr. HARSHA. Mr. Campioli, when was the District of Columbia appraisal made for this property?

Mr. CAMPIOLI. What we gave you was their assessed valuation.

Mr. HARSHA. Pardon me?

Mr. CAMPIOLI. The District advises the assessed valuation, is \$306,000, and is based on 65 percent—

Mr. HARSHA. Was that based on 65 percent of the estimated market value?

Mr. CAMPIOLI. It was based on what the District established as the fair market value, I understand.

Mr. HARSHA. Well then the way I gather this estimate of fair market value would be somewhere around \$410,000, that is about two-thirds of it, roughly, or take—

Mr. HENLOCK. Mr. Harsha, other pertinent and vital figures have also been taken into consideration by ourselves and the Senate Office Building Commission. We made available what has had to be paid for other properties in the Capitol Hill area; also the fact that when GSA in 1960 bought the site now occupied by the Immigration Bureau, according to records furnished us, they paid over \$50 a square foot as far back as then. It was a large assemblage of land. We also know the Reserve Officers Association, when they bought the site on which their headquarters building is now located, at the corner opposite the New Senate Office Building, paid over \$45 a square foot, back in 1966.

When Congress appropriated the funds this past year for the properties in square 725 now pending acquisition, the appropriation was based on an overall average cost of between \$35 and \$40 a square foot.

Mr. HARSHA. But were those comparable properties?

Mr. CAMPIOLI. Actually the Plaza Hotel property on the corner is more valuable for two reasons, one, it is on the corner of the square, and, secondly, the greater part of the property on the corner is covered by buildings, whereas in the case of the Immigration site, less than half of the property was covered by building, and yet the price was quite a bit higher per square foot than the price per square foot on this property.

Mr. HARSHA. But as I understand it, the building itself was practically worthless for your purposes, for Government purposes.

Mr. CAMPIOLI. As an office building, I would question the value of its use inasmuch as based on my experience, it is not cheap to convert apartment buildings to office use. There is the problem of removing bathrooms, refinishing and refurnishing the space. You have the problem of limiting the live load, because the required live load on residential construction is only 40 pounds a square foot, whereas on office construction it is 60 pounds per square foot. It therefore can only be used as office space since controls must be placed on the amount of storage permitted in the building; in other words where the filing cabinets can be placed, whether they can be two-drawer or five-drawer cabinets, and such other considerations.

Mr. HARSHA. You would have the same problem here as you had with the Congressional Hotel?

Mr. CAMPIOLI. Yes, sir.

Mr. HARSHA. This figure amounts to about \$30 a square foot, is that what you are saying?

Mr. CAMPIOLI. I think that is correct, sir.

Mr. HARSHA. Now, if you are going to raze the building, should not the cost of razing and removal of debris be included in the acquisition cost?

Mr. CAMPIOLI. We are hopeful that the figure of \$510,000 will allow sufficient funds to raze the buildings.

Mr. HARSHA. To raze the buildings?

Mr. CAMPIOLI. Yes, sir; that is, the smaller structures.

Mr. HARSHA. What is the usable square footage of the hotel?

Mr. CAMPIOLI. I do not have the area by floors. The property that we intend to buy amounts to 17,000 square feet of land area, but I do not have the square footage of all the buildings, as they are of varying heights. They vary from one story to seven story, and there are about four or five buildings on the property.

Mr. HARSHA. That is all that I have, Mr. Chairman.

Mr. GRAY. The gentleman from Tennessee, Mr. Duncan.

Mr. DUNCAN. How many years do you contemplate until you would really need this property, or would use it?

Mr. CAMPIOLI. We have no knowledge of that, because the use of this property is going to be dependent upon the requirements made of us by the Senate Office Building Commission.

Mr. DUNCAN. I am sure you have some type of long-range planning, do you not?

Mr. CAMPIOLI. To my knowledge, there has been no long-range plan made of this property as far as further development of it is concerned.

Mr. DUNCAN. For further development on Capitol Hill you have some plans, I think, do you not?

Mr. CAMPIOLI. There is no master plan that has been developed or approved for the Capitol Hill area.

Mr. DUNCAN. Would you say it would be used 10 years from now, quite possibly 15—

Mr. CAMPIOLI. Quite possibly. It depends on what is done on square 725. That decision would have some affect on what would be done on this square. If the New Senate Office Building in the west half of square 725 is further extended into the east half in the near future, then the property in 724 might continue as a parking area for some years to come.

Mr. DUNCAN. How long has Mr. Blackistone owned the property?

Mr. CAMPIOLI. I do not believe I know that.

Mr. BLACKISTONE. In excess of 30 years.

Mr. DUNCAN. I am sure you have had some discussion with him, he must have an offering price, an asking price that he has on the property. What price did he discuss?

Mr. CAMPIOLI. He mentioned a price one time to me, but it was in excess of the figure that we are now asking for.

Mr. DUNCAN. The figure that you have is \$306,000. Is that the full value for assessment purposes, or is that what the assessment is?

Mr. CAMPIOLI. The District government advises that is the assessed valuation and that it represents 65 percent of the fair market value, and those figures I believe Mr. Weiss of the District of Columbia government who is here can testify to better than I.

Mr. GRAY. He will be coming up next.

Mr. DUNCAN. That is all.

Mr. GRAY. Any other questions?

Well, thank you very much, we appreciate your appearance here this morning.

Our next witness will be Mr. Edwin M. Weiss, Assistant Corporation Counsel, District of Columbia.

STATEMENT OF EDWIN M. WEISS, ASSISTANT CORPORATION  
COUNSEL, DISTRICT OF COLUMBIA

Mr. WEISS. Thank you, Mr. Chairman.

Mr. GRAY. Mr. Weiss, we are delighted to see you this morning, and we appreciate your coming very much.

Mr. WEISS. I wish to thank the committee for the opportunity to give the District's opinion on this matter.

I would request that the letter of July 7, 1970, which was sent to the Chairman of the Committee from Mr. Graham W. Watt, Assistant to the Commissioner, be made a part of the record.

Mr. GRAY. Yes, without objection, the entire letter will be printed at this point in the record.

(The letter referred to follows:)

GOVERNMENT OF THE DISTRICT OF COLUMBIA,  
EXECUTIVE OFFICE,  
Washington, D.C., July 7, 1970.

HON. GEORGE H. FALLON,  
*Chairman, Committee on Public Works,  
U.S. House of Representatives, Washington, D.C.*

DEAR MR. FALLON: The Commissioner of the District of Columbia desires to report on S. 3594, a bill "To authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate for the purpose of addition to the United States Capitol Grounds", passed by the Senate on May 21, 1970.

S. 3594 would authorize the Architect of the Capitol to acquire on behalf of the United States all privately owned property on lots 845 and 832 in square 724 in the District of Columbia. Such acquisition may take place by purchase, condemnation, transfer or otherwise. Any condemnations proceedings must be in accord with D.C. Code sections 16-1351 through 16-1368.

Lots 845 and 832 together yield annual to the District of Columbia Government \$9,711.18 in property tax revenues. Lot 845, on which is located the Plaza Hotel, has an assessed valuation of \$306,000 and yields \$9,486.62 in revenue. Lot 832 is vacant and yields \$224.56 in revenue. The Commissioner would urge the Congress in considering the plans for these two sites to weigh carefully the cost to the District of Columbia Government of removing these revenue-producing properties from the tax base. It would be far preferable, in the Commissioner's view, for the Architect of the Capitol to acquire a leasehold interest in the two properties. In this manner, the properties would remain on the District of Columbia tax rolls.

If S. 3594 were amended in this manner, the Commissioner would have no objection to its enactment.

Sincerely yours,

GRAHAM W. WATT,  
*Assistant to the Commissioner.*

(For Walter E. Washington, Commissioner).

Mr. WEISS. I have no prepared statement as such. I would like to highlight Mr. Watts' letter. He states that the bill under consideration continues the plan of land acquisition and in square 724 the two lots to be acquired now return to the District government \$9,711.18 annually.

The Commissioner requests that the Congress consider another alternative, to removing the revenue producing properties from the tax rolls. His suggestion in the letter before you urges the Congress to consider acquiring lease-hold interests.

This mechanism would keep the properties on the District tax rolls and allow it to benefit from the revenue producer.

I have no further statement, Mr. Chairman. I would be happy to answer any questions that you or the Committee might have.

Mr. GRAY. Thank you very much.

Are there any questions on my right or my left?

The gentleman from New York.

Mr. GROVER. Is there any precedent for this type of leasing arrangement on Capitol Hill in which we presently have structures which are under the control of the Architect of the Capitol?

Mr. WEISS. Not specifically on Capitol Hill, Mr. Grover. I understand from GSA that they have arrangements of this type, and that there is quite a history of this type of arrangement.

Mr. GROVER. I am aware that these things do take place, and for example, we have four regional IRS centers which are on a lease basis, construction lease basis. But as I say, the question is whether there had been any precedent with regard to properties directly under the jurisdiction of the Architect of the Capitol of such a leasing arrangement here on the Hill.

I presume the answer is you know of none.

Mr. WEISS. No, sir.

Mr. GRAY. Mr. Weiss, you state here, or at least Mr. Watt does in his letter of July 7, that the Hotel Plaza property yields \$9,700 in taxes and the vacant lot only yields \$224.56. Is it a fact that this hotel is not in operation, and it is probably only a matter of time until it will be torn down and therefore this \$9,486 in taxes probably will not prevail for too much longer anyway; is it not a fact that the assessed valuation has been made on this property based primarily on the lot and the improvements, mainly the hotel building; and in all probability, since it is not being operated, and testimony has been to the effect that it would cost a considerable amount of money to make it operational, that the tax that is now being received by the District of Columbia probably will not be received much longer anyway?

Mr. WEISS. Well, I understand, Mr. Chairman, that this building is one of the more substantial buildings in that area. It is made of reinforced concrete and completely fireproof, which is a novelty in a building that old.

Mr. GRAY. The gentleman knows that around town hotel buildings are not faring too well with all these new motor hotels. We have had a new \$4.5 million building built a couple of blocks from here, the new Quality Court, and it is my understanding that since that has opened, the other second and third-rate hotels are having much more difficulty financially, so I think it would be optimism personified to say this is going to be a flourishing hotel.

Mr. WEISS. We admit to being optimistic, Mr. Chairman.

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. When was this assessed value of the property made?

Mr. WEISS. The District government reappraises real property to determine "the market value for assessment purposes" every three years. The Plaza Hotel lots and improvements were last appraised in December, 1966. A reappraisal for assessment purposes is due during the last quarter of this year. I would be happy to provide additional detail for the record.

Mr. HARSHA. Would you do that. That is all I have.

(The information referred to follows:)

VALUE OF LOTS 845 AND 832 IN SQUARE 724 (THE PLAZA HOTEL)

	Assessed value (65 percent of market value)	Market value (appraised December 1966)
Lot 845:		
Land.....	\$133,020	\$204,646
Improvements.....	173,000	266,154
Total.....	306,020	470,800
Lot 832:		
Land.....	7,244	11,145
Improvements.....		
Total.....	7,244	11,145
Total, lots 845 and 832.....	313,264	481,945

Source: Real Estate Assessment Section, Property Tax Division, Department of Finance and Revenue, Government of the District of Columbia.

Mr. DUNCAN. What is the tax rate in the District?

Mr. WEISS. The current real property tax rate in the District is \$3.10 per \$100 assessed value of the property.

Mr. GRAY. Any other questions? If not, thank you very much for coming on behalf of the Commissioner.

Our next witness, and the final witness this morning on this bill is Mr. Robert D. Blackistone, owner of the Plaza Hotel.

Would you please come forward, Mr. Blackistone.

Although I never had the pleasure of staying in your hotel when it was open, we know lots of people that have, and we appreciate very much your courtesy in coming and being available to answer any questions that might be propounded by the members of the committee. Do you have any kind of statement at all, Mr. Blackistone?

**STATEMENT OF ROBERT D. BLACKISTONE, OWNER, PLAZA HOTEL,  
WASHINGTON, D.C.**

Mr. BLACKISTONE. If I may, I will read a statement which I have prepared.

First of all, may I say in the Architect's estimate, it is the assessed value on 845, and this is my understanding, and does not include 832, which is the parking lot. The \$306,000 assessment, I understand, is on 845.

Mr. GRAY. Just that one alone, and not on both properties?

Mr. BLACKISTONE. Not on both properties.

Mr. GRAY. You are willing to sell both properties and the \$510,000 estimate would include both properties, would it?

Mr. BLACKISTONE. Yes, sir.

Mr. GRAY. All right. You may proceed.

Mr. BLACKISTONE. This atatement is made before the Subcommittee on Public Buildings and Grounds, House of Representatives, July 9, 1970.

Mr. Chairman, my name is Robert D. Blackistone. My permanent residence is 1221 Brightwaters Boulevard, St. Petersburg, Fla. Until recently, I was a 40-year resident of Washington, D.C.

As I testified before the Senate Public Works Committee, I have an extremely personal interest in S. 3594 because I am the sole owner of the property described in that bill. In fact, it was I who suggested to Senators Jordan and Sparkman that the property was available and that this might be an opportune time for its purchase by the Government. It is located on the corner of First and D Streets, N.E., one block from the Senate Office Buildings, approximately 17,000 square feet of space, including small parking lot in the rear. It consists of a seven-story building with a total of 120 rooms.

Historically, the Senate has expressed interest in the acquisition of all the property in square 724 in which the Plaza Hotel is located. I think I heard a comment that maybe it was in 725, but it is in 724.

Mr. GRAY. 724?

Mr. BLACKSTONE. Yes, sir. In stating the need for this property, Senator Hayden referred to the number of employees of the Senate as being 575 in 1909, 1,092 in 1949, 1,948 in 1954, and over 2,200 at the time he made his remarks in 1956. Presently, there are over 3,500 Senate employees.

The reports of the House and Senate Public Works Committee for the 85th Congress bear out the intent of Congress to acquire additional space. Since the need has long been established there is no need to add any additional information at this time, except to point out that the situation is more acute than ever. This situation was further amplified in the testimony and statements made in the hearings of April 9, 1970, and I am sure that this has been made available to your committee and can be made a part of the record.

I should also state Mr. Chairman, that were it not for my age and my health, I would not have taken the initiative in this matter, as the property made a good living for me in many years. I want to thank the gentleman who said I looked young and so forth. I am glad my wife got me in good shape this morning.

If I were younger and stronger, I would renovate the Plaza and again operate it as a hotel, hopefully as profitably as before. If I do not sell the property to the Government or to some other party at a fair price, I shall have no choice but to so operate it again.

However, I would hope that this would not be necessary because I would prefer to return to my family in Florida.

Five years ago, I sold the Plaza properties to a corporation for \$825,000. Unfortunately, the corporation's operation of the properties was unsuccessful and, in October 1969, I again took over the Plaza.

It would seem reasonable to me, and the hearing on April 9 bore this out, that at some juncture the Senate will acquire the Plaza properties for one of several possible uses:

- (1) Part of a site for a third Senate Office Building.
- (2) Parking space.
- (3) Use of the present buildings for supplemental office space.

Whatever the need or needs, I do not believe that the properties can ever be purchased for a sum less than at present. This would be particularly true if either I or someone to whom I might sell it spend large sums in renovation.

I have some difficulty in putting an exact price on the property; certainly its value varies with its use. With the Visitors Center going into Union Station, its value as a hotel certainly increases with time.

In arriving at a fair price, as I know you will want to do, I will be more than happy to reveal all relevant figures to you or those designated by the Senate to negotiate the matter of price. As I said earlier, the property sold for \$825,000 in 1965, and over \$100,000 in improvements have been put into the building since then. I certainly do not expect to get anywhere near this figure if the property can be sold to the Senate in the immediate or near future.

Unfortunately, my health is not good and I wish to return to Florida to join my family there permanently. I believe that an appraisal of the property will show it to be worth between \$550,000 and \$600,000.

Again, let me express the thought that it is in the Senate's interest as well as mine that this property be acquired by the Government at this time. It seems impossible that the Senate will not want the property at some date, and I cannot help but think that the property will increase greatly in value as time passes.

Mr. Chairman, I will be happy to try to answer any questions that you or members of the subcommittee may have.

Mr. GRAY. Thank you, Mr. Blackistone. That is a very frank and forthright statement. I do not think there is any question but what we all understand what the situation is of your being forced, because of your health, to give up the actual operation of the hotel.

What date was it that you sold the hotel for \$825,000?

Mr. BLACKISTONE. I sold it November 16, 1965.

Mr. GRAY. I assume because the owners, that is the new purchasers could not make a profit, they therefore defaulted, is that what happened, and you repossessed the property?

Mr. BLACKISTONE. Mr. Chairman, they made a very excellent profit for a period of years, because when I would come to Washington, I would go there and have dinner, and then the owner and his wife would both come over to the table and tell me how happy they were, and so on. He told me that the uproar of 1968 is what threw him completely out of business, that he suffered such great loss right at the springtime when normally all hotels are filled in Washington.

I know from my 40 years in the business that the springtime you make a lot of money, and sometimes in the winter you lose a good portion of it back.

Mr. GRAY. You are referring to the riots of 1968?

Mr. BLACKISTONE. That is what he said. And I am sure from conversations with other hotel people that it did have a great effect on their business.

Now, the owners continued to pay me through 1968 and through the beginning of 1969. The restaurant is open. I opened the restaurant when I—or reopened it when I took the property back, and that is the only part that is in operation at the present time. I have heard many staff members from the Senate offices say that they just did not have enough space to move around in and that they could certainly use some of those rooms in the main building, the seven-story building to which the Architect of the Capitol's Office referred.

I think there are 67 rooms in that building which is reinforced concrete and steel.

Mr. GRAY. Are there any questions on my right of Mr. Blackistone?

Yes, the gentleman from Texas, Mr. Roberts.

Mr. ROBERTS. Thank you, Mr. Chairman. I have no question. I only want to express my appreciation to the gentleman. Usually when

we have someone that we want to acquire property from the first statement is we dislocated his life and tore everything up, and we ought to pay at least 10 times what it probably is worth. I want to express my appreciation to the gentleman for having a frank and open statement.

Mr. GRAY. I concur in the gentleman's feelings.

The gentleman from New York, Mr. Grover.

Mr. GROVER. Mr. Blackistone, could you tell us the date of the \$306,000 assessment? Would you recall when it was last assessed or reassessed?

Mr. BLACKISTONE. Mr. Grover, that is based on the tax bill, and it was my understanding that the District's assessment is usually 50 percent of the real value of the property. Now, I heard, and I am sure that it is correct, that presumably they considered this \$306,000, which was on lot 845, I think—

Mr. GROVER. I think you may have misunderstood my question. I think it was testified before by Mr. Campioli that it is based on 65 percent of true value. But I was wondering what is the date of this last assessment. Does that go back 10 years or 5 years, 2 years?

Mr. BLACKISTONE. I do not know, sir.

Mr. GROVER. You were not aware of any recent reassessment of the property?

Mr. BLACKISTONE. No, sir.

Mr. GRAY. If the gentleman would yield, we might ask the assistant corporation counsel.

Mr. BLACKISTONE. It would have been before 1965, because I sold in 1965. So I do not have any knowledge—

Mr. GRAY. How often do they reassess property in the District of Columbia?

Mr. WEISS. With your indulgence, Mr. Chairman, I prefer to let this go until I can check precisely what the figures are.

Mr. GRAY. But you would not know offhand as to whether every year or every 5 years they reassess property?

Mr. WEISS. No, sir, I do not; particularly with regard to commercial property of this type.

Mr. BLACKISTONE. They reassessed my house when I lived here about 1964 because the taxes went up at that time.

Mr. GRAY. The gentleman from New York.

Mr. GROVER. I would gather that you have not retained an appraiser to make an effort to get a fair market value of the property for your own purposes?

Mr. BLACKISTONE. No, sir. When I had to take the property back, I went to the National Bank of Washington, and the then president said I should hang on to it because I could get a million dollars for it in a short period of time. I asked them for \$200,000 mortgage on the property so that I could carry on and pay what was necessary to be paid. The other people had not paid previous year's real-estate taxes, for instance. They sent someone from the Thomas Owen Co., who are appraisers and so forth, here in the District, and young Mr. Owen came over and stood out front with me and he said, "\$200,000 is nothing to think about insofar as this property is concerned, so I do not even need to really go in and inspect the property." The National Bank of Washington made me a loan of \$200,000.

Mr. GROVER. In fact, you've had no professional appraisal made?

Mr. BLACKSTONE. No, sir.

Mr. GROVER. Could I direct a question to Mr. Campioli.

Mr. Campioli, have you had any appraisals made over in the Architect's office?

Mr. CAMPIOLI. No, sir.

Mr. GROVER. Would it be possible for your office to have an appraisal made to give this committee working papers for its judgment on this bill.

Mr. CAMPIOLI. We generally have appraisals made after funds for acquisition are appropriated so that we can have use of part of those funds to engage the services of private appraisers.

Mr. GROVER. Well, I think we should have some basis for predicated the authorization here, other than an estimate based on assessment which possibly is 20 years old. We have no testimony here whatever of the date of that assessment, whether it is a valid assessment as of today, knowing the tax rolls as I have seen them in other areas. It is very conceivable that the assessment is either too high or too low, and you base the fair market value on a—predicated on that assessment. I think it would be good if your office could supply the subcommittee with information on the date of that assessment and also get some sort of appraisal basis for requesting this authorization.

Mr. CAMPIOLI. We generally do not have authority to employ appraisers, Mr. Grover, until the funds for acquisition are appropriated, at which time we then have moneys to use for the purpose. Appraisals must be paid for, and I do not know what it would cost on this job, perhaps \$4,000 or \$5,000 if more than one appraiser is engaged.

Mr. GRAY. Mr. Campioli, let me ask this question: do you have any qualified appraisers on you staff.

Mr. CAMPIOLI. No, sir.

Mr. GRAY. That can give us at least an unofficial, off-the-record appraisal of the property? What about GSA? Could you not ask them to give you, not an official appraisal by an appraisal company, but at least an estimate of costs of the property or the cost of improvements minus depreciation?

Mr. CAMPIOLI. I am not personally aware of the fact that they have appraisers on their staff, either.

Mr. GRAY. I think they do.

Would you cooperate with GSA if we could get someone to take a look at it?

Mr. CAMPIOLI. Yes, sir.

Mr. GROVER. I have a further question.

Has your office not entered into a contract for appraisal on the other lot?

Mr. CAMPIOLI. Yes, sir.

Mr. GROVER. What was the cost of that?

Mr. CAMPIOLI. Mr. Henlock can give you those figures.

Mr. HENLOCK. We have engaged two appraisers; one of them at a cost of \$4,300 and the other one at a cost of \$4,750. Those appraisals, which cover properties in Square 725, have been completed and the

appraisal reports are now being completed; but they have not been submitted in final form, so we do not have the final figures available at this point detailing the appraised values.

Going back to Mr. Campioli's statement, Mr. Grover, the only appropriation we might possibly use for anything of this nature other than site acquisition appropriations is a small annual \$50,000 contingency expense appropriation, but it is restricted to activities that are actually under our care at the time, by Congress. That is why appraisals have generally been made subsequent to acquisition appropriations. But we do base our estimates on the experience we have had in acquiring other properties over a long period of years in the Capitol Hill area. We have as you know, acquired seven or eight squares south of Independence Avenue on the House side, between 1955 and 1965 which contained various types of buildings and structures and we also acquired properties on the Senate side in 1959 and 1960 in both squares 724 and 725. Back in 1949, we acquired the New Senate Office Building site. Based on these experiences and recent studies made on square 725 and the fact that the appraisers have given us in their reports from time to time, current prices affecting other property values in this area, we do have knowledge of changing values in the Capitol Hill area and we know that this is a very modest figure.

Mr. GROVER. Let me suggest to you, sir, that when we had the legislation for the James Madison Library annex before the House of Representatives, in an effort to obtain the funds for preliminary engineering, I believe about \$3 million, we had a great deal of difficulty with some of the members of the House who were not ready to permit the authorization to go from, what, \$75 million to \$90 million, because we had no appraisals on which to base it. There was almost a move to not permit engineering funds until we got the appraisal.

I think we are going to run—perhaps on the machinery here, the procedure we operate under with the Architect of the Capitol is wrong in that you may come in with very valid requests, but that you do not give us the tools to go to the House floor, to those who are going to throw roadblocks, so we can clear those roadblocks. I think something more than an educated guess may be asked for.

Mr. HENLOCK. The Land Acquisition Division of the Department of Justice have appraisers who sometimes help us. Normally we work with them in acquiring property, because the law provides for condemnation proceedings, and they enter the picture at that point. The appraisals we receive on square 725 will be submitted to them and they will give us the benefit of their evaluation of the appraisals and also have them available for use in case of condemnation proceedings. So if you wish, we will ask them if they can suggest any help in this instance.

Mr. GRAY. I would appreciate that very much if you would do that, forthwith.

The gentleman from Ohio, Mr. Harsha.

Mr. HARSHA. Mr. Blackistone, why did the previous owner not sell the property or dispose of it to liquidate his obligation to you, rather than turn it over to you?

Mr. BLACKISTONE. That I do not know, sir. I had a sale for it last summer for \$650,000 to the Association for Separation of Church and

State. I was not the owner of record. I flew in from St. Petersburg to have a conference with these people. They asked me if I would accept \$300,000 cash and take back the first trust for \$350,000, and I said I would be glad to, but I am not the owner of the property. I only hold a note for \$700,000.

The owner of record at that time, which was the Senate Plaza Corp., Mr. Babarskas, was the president of the company, and he had told me that he would be available for this meeting. My attorney tried to get him on the phone to have him come over and see if this was agreeable to him because it would have paid me off.

He said that he owed some \$70,000 to \$80,000 to trade creditors. He also said that most of that was to his own restaurant, the Black Steer Restaurant on 17th Street, but he wanted to get that much more so that he could clear up the properties in their entirety, or clear up his indebtedness in its entirety.

He was not willing under the circumstances to accept this offer. There was another individual who offered a price in excess of \$600,000 for it to take over his obligations and carry on, and this he was not agreeable to. He did have some one of interest in the District of Columbia to whom he wished to rent the property for rehabilitation purposes, and he came to me on that and I told him that if he paid me the obligations that he was in arrears on, that I would have nothing to do with it, but before I would agree to his leasing it to the District or anyone else, he would have to fulfill his obligations to me.

These things did not work out, and in the interim I have had other people who have seemingly been interested. But I have felt that rather than get back into something unpleasant such as has happened before, I would be better off taking what I consider a beating, and I think knowledgeable people in the field feel it is a beating, to take a lesser sum and get out.

Mr. HARSHA. When did you in fact take it over so that you became the owner—

Mr. BLACKISTONE. Beg your pardon?

Mr. HARSHA. When in fact did you redeem the property so that you became the owner of record?

Mr. BLACKISTONE. Last October. I was advised at my home in Florida that the insurance was canceled on the property. So I immediately came to Washington and had the insurance reinstated and proceeded then with action to foreclose and the property was sold at public auction on the 30th of October.

Mr. HARSHA. You bought it back?

Mr. BLACKISTONE. I bought it back.

Mr. HARSHA. What did you pay for it then?

Mr. BLACKISTONE. \$300,000. I was the only bidder on the property. My attorneys and the bank suggested that I start—they were sold as two separate properties. One was when I owned the property, I bought the Plaza Hotel originally, and then about 1951 I bought what used to be the Senate Hotel and the little parking lot across the alley, which is right behind the Monocle Restaurant.

We had the two separate properties. May I ask your question again?

Mr. HARSHA. I have forgotten it myself now.

Mr. GRAY. The question was when did you redeem the property. You answered in October, 1969.

Mr. HARSHA. When you became the title owner.

Mr. BLACKISTONE. It had to be sold as two separate properties, and because I had operated as two separate properties.

You see, the new owners, there were about 10 lots there, and the new owners changed that and put the Senate—what used to be the Senate Hotel and Plaza Hotel which I combined through a passageway and so forth, that took all of that property and put it in square 845, leaving the parking lot as 832. Therefore the complete record, as far as my previous records were concerned were changed.

In other words, it was about 10 lots.

Mr. HARSHA. Did you buy back both 845 and 832 at \$300,000?

Mr. BLACKISTONE. That is correct.

Mr. HARSHA. Now, are there any mortgages or loans of record outstanding on this property?

Mr. BLACKISTONE. Only the \$200,000 that I owe the National Bank of Washington.

Mr. HARSHA. Is that to be paid off with the purchase of this by the Government?

Mr. BLACKISTONE. Well, I would be quite certain that the bank would require that they be paid off before I would—

Mr. HARSHA. What I am trying to get at is, is that mortgage going to be paid in addition to this purchase price, whatever it may be?

Mr. BLACKISTONE. Oh, no.

Mr. GRAY. It will be taken out of it.

Mr. BLACKISTONE. It would not have any thing to do with it, I do not believe.

Mr. HARSHA. The Government is not going to buy the property for, let us say, \$500,000 from you and assume the mortgage?

Mr. BLACKISTONE. Oh, no.

Mr. HARSHA. Have you ever listed this property for sale with a real estate agent of any kind?

Mr. BLACKISTONE. I have not listed it as such. I have not solicited real estate agents as such. But there have been two or three of them, I would say, four or five, that have come to me on it.

Mr. HARSHA. Recently?

Mr. BLACKISTONE. Recently.

Mr. HARSHA. How recent?

Mr. BLACKISTONE. Well, within the last couple of months.

Mr. HARSHA. Have they offered you a price for it?

Mr. BLACKISTONE. No, sir.

Mr. HARSHA. Have they indicated any price at all that they would—

Mr. BLACKISTONE. Well, I understood that from Mr. Babarskas that the Capitol Hill realtor had the property sold for \$800,000 about this time a year ago. That did not work out. He wanted to sell it for that, so that he could pay me off and get straightened out himself. There are people who are at present talking about it.

There have been three or four of them that have in the last 6 weeks, I have dealt through Arthur Nichols, who is my attorney, that they should be apprised of the fact that the Senate has an interest in acquiring the property, his feeling being that if anything did happen and some one else bought it, and you all condemned it, that there might be a suit against me, and he felt that I should advise anyone who was interested in buying it of the possible interest.

Mr. HARSHA. What is your actual purchase price you are asking the Government for your property?

Mr. BLACKISTONE. I went to see Senator Jordan in December and told him that if the property could be acquired at that time, or in the immediate future, that I would sell it for \$500,000.

Mr. HARSHA. \$500,000?

Mr. BLACKISTONE. Yes, sir.

Mr. HARSHA. Is that both tracts, 845 and——

Mr. BLACKISTONE. Yes, they are all one.

Mr. HARSHA. That leaves \$10,000 for appraisals and title search and any other expenses, including razing. I understood from Mr. Campioli that he figured that the cost of razing the building could be included in the total purchase price. You can get it razed, get the title search, get appraisals for \$10,000——

Mr. CAMPIOLI. We are hopeful that we would be able to raze the smaller structures within the \$510,000.

Mr. HARSHA. How much do you have to pay for title search?

Mr. CAMPIOLI. As Mr. Henlock testified, perhaps \$4,000, I think that would be consistent with the prices that have been charged in the past.

Mr. HARSHA. That is appraisal, is it not?

Mr. HENLOCK. That is appraisal. In this case, it would be for a hotel building. In the case of Square 725, the higher appraisals covered a large apartment building, two residential properties adjacent to the Women's Party Building and two other residential buildings, 13 modernized Schott Alley properties, so there was more property to appraise. I doubt very much if there would be more than possibly \$2,000 or \$3,000 for appraisals and title search, if that.

On the other hand, as Mr. Campioli indicated, our experience with demolition has varied widely. At some periods since I have been with the office, we have been paid money by the contractor to tear down and salvage the buildings, and other times it has been a matter of appreciable cost to us.

Mr. HARSHA. Then you feel you could do an appraisal, a title search and razing within \$10,000.

Mr. HENLOCK. We know we can have the appraisals and title search done within our estimate.

Mr. HARSHA. That is all I have.

Mr. GRAY. The gentleman from Tennessee.

Mr. DUNCAN. When did you cease operating the Plaza as a hotel, Mr. Blackistone?

Mr. BLACKISTONE. I?

Mr. DUNCAN. Yes, sir.

Mr. BLACKISTONE. I sold it in 1965.

Mr. DUNCAN. You did not operate it after that?

Mr. BLACKISTONE. I did not actually operate it after 1965. It ceased to operate as a hotel in May of last year when Mr. Babarskas and their corporation decided they could no longer——

Mr. DUNCAN. If you reopen it as a hotel, would you have to do a lot of improvements on it, safety regulations, and so forth?

Mr. BLACKISTONE. Yes, sir. Unfortunately the furnishing were not kept up. The beds, the dressers, and things of that nature were just as—the same equipment was there that I left there in 1965.

Mr. DUNCAN. The building is in pretty bad condition today, is it not?

Mr. BLACKISTONE. No, it is not. The structure itself is in excellent condition.

Mr. DUNCAN. You mean the four walls, is that what you are referring to, but not inside?

Mr. BLACKISTONE. But not the carpets and dressers and things of that nature.

I might say for what it is worth, that it was my understanding that the people who owned the Continental Hotel, and I got this direct from Mr. Pardo, and the Pardo family owned the Continental Hotel, that when they went into agreement with Quality Courts, which is behind them, and I am sure that they are tied together, he told me that they paid about \$65 a square foot for that property behind them where the Quality Court is.

I am offering my property for \$30 a square foot, and I do not think there is anybody here that could possibly think that the corner of First and D, Northeast is not better than New Jersey Avenue, locationwise.

Mr. DUNCAN. That is all.

Mr. GRAY. The gentleman from New Jersey, Mr. Roe.

Mr. ROE. I think, if I may, through you, I would like to help clarify the record in this direction so that it is not misconstrued.

I believe Mr. Campioli stated that there has been an ongoing program for acquisition in block 724, and I think it would be helpful for the record to indicate that over a period of years the Federal Government has been acquiring substantial land in block 724, and therein already has, I would think, a substantial investment in block 724.

I think it would be helpful to know what "X" amount of land has already been acquired in block 724 at an investment of Y dollars. I think that would be very helpful for the record.

Mr. HENLOCK. We acquired the land we now own in square 724—acquired in 1960—at a cost of \$927,300, covering 78,500 square feet.

Mr. ROE. Is that the total amount acquired in block 724?

Mr. HENLOCK. Yes, sir; of the property acquired by the Architect of the Capitol. In addition, as we pointed out, the General Services Administration, according to records they furnished us in 1960, bought the site at that time which the Immigration and Naturalization Service now occupies under a rental arrangement, containing 28,934 square feet, for \$1,650,000, or over \$50 a square foot, 10 years ago. It is a large assembled site, part of which is now used for parking.

Mr. ROE. Ten years ago. I think that is highly important. I think another point that should be added to the record, and if I may, Mr. Chairman, through you, to Mr. Campioli, is that it appears to me that in looking at the configuration of the land presently under the ownership of the Federal Government, which is contiguous to the property in question, that the utilitarian value of the land that the Federal Government already owns there would be subsequently enhanced if the contiguous property beneath the Plaza property could be acquired, as far as utilitarian for land coverage.

In other words, I think we enhance the land that the Federal Government already owns by buying property from Mr. Blackistone. I think this is a fair comment.

Mr. CAMPIONI. I do not think there is any question about that. Mr. Gray. Thank you.

Any other questions? If not, we thank you very much, Mr. Blackstone, for appearing this morning, and we will take this matter under consideration in executive session.

That concludes our list of witnesses.

We will now go into executive session on this and other matters. (Whereupon, at 11:37 a.m., the subcommittee went into executive session.)

(Information requested to be supplied by the Architect of the Capitol, for the record, follows:)

ARCHITECT OF THE CAPITOL

JULY 16, 1970.

DEMOLITION—REPORT AND ESTIMATES

Since the hearing, in accord with the request of the Committee, we have developed estimated costs of razing the Plaza Hotel Properties.

From the studies leading to these estimates, it is apparent that the five structures on Lot 845 could not be raised within the \$510,000 estimate.

This should result in no problem as we have verified that the Senate does not intend razing the hotel properties in the foreseeable future.

The detail razing cost studies follow:

COST ESTIMATES

As a result of an examination made this week of the interior and exterior of the hotel buildings and of consultation with others experienced in current market conditions with respect to razing costs, it is now estimated that the cost of razing the Plaza Hotel buildings would be as follows:

Estimated cost to raze all buildings (1 seven-story structure and 4 small structures)-----	\$76,000
Estimated cost to raze the 4 small structures and leave the 7-story structure stand-----	37,000

A study of current conditions, this week, reveals a significant increase in cost for similar work done in the early and middle 1960's, when we last demolished buildings. Primary conditions contributing to this increase, as well as other factors affecting the Plaza Hotel properties, include the following:

1. Unskilled labor rates in the Washington, D.C. area have increased approximately 48% from 1965 to the present time. The major portion of the labor engaged in work of the type concerned is performed by unskilled labor.

2. Hauling distances for dumping of debris now approximate 60 miles for a round trip which is about a five-fold increase over the 1960-1965 period. We estimate that there are at least 1,000 truckloads of debris to be hauled and dumped.

3. Heretofore certain items, such as brick salvaged from razed buildings, had good market value; however, with the rapid rise in labor rates and an almost negligible rise in the cost of new brick, the profit for reclaiming and selling used brick has about disappeared and does not warrant significant consideration in "wrecking" company quotations.

Other items normally considered as having salvage value would include radiators of a modern type, copper products, and air conditioners and heating plants in good, operable condition. In the existing buildings, there is virtually no copper, and the window unit air conditioners are in very poor shape with little if any marketable value.

## COMPARATIVE DEMOLITION COSTS—1956 TO 1966

Properties on House Side, south of Independence Avenue, razed during period 1956 to 1958:

Six squares cleared of structures in 1956-1958, including buildings of various types and construction and Kanns' large warehouse, at a total cost of ----- \$128,094

Two squares, identified as Square 732 north and south, cleared of structures in 1962, including a wide range of commercial and residential properties, at a total cost of ----- \$23,002

One square cleared of structures in 1966, including a warehouse, at a total cost of ----- \$39,230

Properties on Senate Side, north of Constitution Avenue, razed during period 1960-1961:

29 Lots in the East Half of Square 725 were cleared of structures in 1961, at a total cost of ----- \$42,856

37 Lots in Square 724 were cleared of structures in 1961, at a total cost of ----- \$34,462



1891  
The following is a list of the names of the persons who were members of the Board of Directors of the Bank of the City of New York, from the year 1891 to the present time. The names are arranged in alphabetical order, and the dates of their appointment are given in parentheses.

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