

NF-02-2

JCS
file

Diamond Alkali Company

INTERNAL CORRESPONDENCE

March 24, 1960

Mr. L. P. Scoville
Chlorinated Products - Cleveland

FROM Mr. R. C. Sutter
Central Engineering - Cleveland

Newark Rehabilitation

We are transmitting herewith a preliminary estimate of costs for rebuilding the Newark Plant. Note we have included a warehouse; office, laboratory and change house; and process structure in addition to the necessary process facilities for Chloral, MCA, HCB, Miticide and 2-4-5 TCP. We have also included the expenditure necessary for the purchase of property for a parking lot.

This estimate is very preliminary but should be adequate for the economic study to determine the justification for rebuilding Newark.

We have also included order-of-magnitude estimates for the relocation of the Newark facilities. In this case, we have assumed an additional expenditure of \$600,000 for the D and T operation plus \$300,000 for additional utilities and on-site improvements.

The buildings have been estimated on the basis of cost per square foot for similar construction, and the process equipment has been ratioed up from original cost of the old facilities; to this we have added an additional 25 percent contingency for improvements and unlisted items.

For appropriation request purposes we would probably add 20 percent for restricted reserve to the total \$1,500,000, making a grand total of approximately \$1,800,000 as an outside figure.

These estimates, of course, will be revised as additional information is developed.

R. C. Sutter *[Signature]*

RCS:lje

- cc: Mr. J. A. Borrer
- Mr. E. E. Byers
- Dr. W. J. Lightfoot
- Mr. G. M. Petty
- Mr. J. R. Siemoneit
- Mr. H. S. Weiner

DS 00028344

NEWARK REHABILITATION

ORDER OF MAGNITUDE INVESTMENT

March 24, 1960

BUILDINGS

1. Warehouse	20,000 sq. ft. @ \$10./sq. ft. =	\$200,000	
2. Office, laboratory and change house			
	5,000 sq. ft. @ \$30./sq. ft. =	150,000	
	2,500 sq. ft. @ \$20./sq. ft. =	50,000	
3. Process structure 130 x 40 =	5,200 sq. ft. @ \$20./sq. ft. =	<u>104,000</u>	

Buildings Total \$504,000 504,000
Boiler 75,000

PROCESS

1. Chloral Unit - 17 tons/day	168,000 x 1.25	= \$210,000	
Refrigeration	.35 x 54,000 x 1.25	= 23,600	
Chlorine Recovery	.70 x 65,000 x 1.25	= 57,000	
HCl Absorber	.70 x 32,000 x 1.25	= <u>28,000</u>	

Chloral Subtotal \$318,600

2. MCA	98,000 x 1.25	= \$123,000	
Refrigeration	.20 x 75,000 x 1.25	= 19,000	
Chlorine Recovery	.30 x 65,000 x 1.25	= 24,000	
HCl Absorber	.30 x 32,000 x 1.25	= <u>12,000</u>	

MCA Subtotal = \$178,000 243,000

3. HCB	32,000 x 1.25	= \$40,000	63,000
--------	---------------	------------	--------

4. Miticide	133,000 x 1.25	= \$230,000	
Refrigeration	.45 x 54,000 x 1.25	= <u>30,000</u>	

Miticide Subtotal = ~~\$260,000~~

5. 2-4-5 TCP	75,000 x 1.25	= \$94,000	224,000
--------------	---------------	------------	---------

Process Plants Total \$890,600 570,000

HCl + Cl₂ Recomp.

D AND T FACE-LIFTING AND CLEAN-UP = \$50,000

MISCELLANEOUS

<i>Yard Paving, Roads, Fills, Water, Drains, Electrical Dist. Sub Station, Wash. Tank</i>			146,000
Property - Parking Lot		= \$50,000	
Railroad		= <u>10,000</u>	

Miscellaneous Total \$60,000 60,000

INVESTMENT FOR NEWARK REHABILITATION \$1,504,600

A 927,000 1,365,000

927,000

Diff. 438,000

DS 00028345

Newark Rehabilitation
Order of Magnitude Investment

-2-

March 24, 1960

For relocation of the Newark plant facilities the investment would be increased by \$600,000 for a new D and T operation. Onsite facilities including property, railroads, etc., would be increased by \$300,000. There would be a credit for sale of Newark land of \$150,000, a credit against the present rehabilitation figure of \$50,000 for property and the parking lot, and a yearly credit of \$5,000 per year lease on the Triplex property tank.

The \$5,000 per year lease on the Triplex oil tank is not shown in the above estimate but should be included in the economics.

WJL:nk

DS 00028346

MAXUS1233148