FILE NAME: WR Grace (WRG)

DATE: 1972

DOC#: WRG299

DOCUMENT DESCRIPTION: 1972 Request for Capital Appropriation for Vermiculite Ore Silos

ACD 130N
(Domestic)

REQUEST FOR CAPITAL APPROPRIATION

Division Construction Products Division RCA E72-125

Project Title Vermiculite Ore Silos - Trenton, New Jersey

Amount to be Authorized:		Time Schedule	
Per This Request	$48,000	Begin Spending	April, 1972
As Budgeted	42,000	Complete Spending	August, 1972
Under/(Over) Budget	($ 6,000)	Begin Operations	September, 1972

Authorization is requested to: Install four 200-ton vermiculite ore silos at Zonolite's Trenton, New Jersey expanding plant. This equipment will replace six open ore bins which are fully depreciated.

The present ore bins are located within the plant and are not covered. Any ore handling creates considerable airborne dust and the bins have been cited as a pollution hazard by the New Jersey Department of Environmental Protection. Failure to correct this deficiency will result in a shutdown of the Trenton facility. The proposed silos, located on concrete pads outside the plant, have been reviewed and approved by the pollution control authorities. In addition, they will provide needed space in the plant.

The Trenton plant services the metropolitan New York and Philadelphia area. In 1971, it contributed $392,000 in gross profit.

The requested authorization of $48,000 is $61,000 (14%) over budget. This overrun reflects higher design and material costs than orginally indicated.

AVERAGE CAPITAL EMPLOYED AND OPERATING RESULTS

ZONOLITE
(Based on 1973 Estimate)

	Avg. Grace Capital Empl.	Net Income	% Return GCE	Cash Excess/(Def) From Operations
With This Project	$23,797,500	$2,539,700	10.7%	$1,540,000
Without This Project	23,753,700	2,542,200	10.7	1,537,700
Difference Fav/(Unfav)	$ (43,800)	$ (2,500)	- % pts.	$ 2,300

APPROVALS

		Date
Financial V.P.	John F. Murphy	4-13-72
Manufacturing V.P.	T. E. Tyrell	4-13-72
Operations V.P.	[illegible]	4/14/72
President	[illegible]	4/14/72

SCHEDULE I - CAPITAL EMPLOYED

1. **Fixed Assets**

Four 200-ton Steel Silos @ $8,500 each (erected)	$34,000
Concrete Pad - 40 ft. x 40 ft.	10,000
Design and Engineering	4,000
	$48,000 (1)

2. **Assets to be Retired**

	Date Acquired	Purchase Price	Net Book Value A/O 6/31/72
Six Open Ore Bins	1951	$5,000	$-0-

SCHEDULE II - DEPRECIATION

	Cost	Annual Depreciation
Equipment (10 year straight line)	$48,000	$4,800

(1) This capital expenditure qualifies for 7% Investment Tax Credit of $3,400.