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## Press Conference

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### **PRESS CONFERENCE BY EXECUTIVE DIRECTOR OF UN CAPITAL MASTER PLAN**

United Nations officials are now backing a “phased approach” to carrying out the Capital Master Plan on renovation of United Nations Headquarters that would cost nearly \$1.59 billion and be financed through a multi-year assessment among Member States.

At a Headquarters press conference today, Louis Frederick Reuter IV, Assistant Secretary-General and Executive Director of the Capital Master Plan, unveiled results of a 60-day study that looked at four different strategies for renovating the ageing infrastructure of the historic facility. Built between 1948 and 1950, according to 1938 New York City building code standards, the building had not kept up with a range of safety, fire and other building standards, Mr. Reuter said.

“It is in fact quite a dated building, and for reasons of safety and maintenance and deterioration, energy efficiency, sustainability, and accessibility, the entire complex needs to be renovated”, he told correspondents. “So the scope of the Capital Master Plan is not to add a great many new facilities or give everybody a bigger office with more fancy furniture. But rather, it’s a fundamental renovation of all the building systems, including the exterior skins, the mechanical, the electrical and fire safety systems in the entire building.”

He said the latest study was begun in September, after a previous strategy to use a newly constructed building as “swing space” during the renovation period was discarded for a variety of reasons. That building, to be called UNDC-5, would have been developed by the United Nations Development Corporation on property south of the United Nations Headquarters. That plan was “put to bed” in August, he said, and United Nations officials once again studied the options for implementing the Capital Master Plan that was first initiated a decade ago.

After studying four different options, United Nations officials are backing Strategy IV, phased approach, which calls for the renovation of the Secretariat building in four phases. Ten floors of the building would be vacated during each phase and the renovation would begin with the top 10 floors, he added. The entire General Assembly building would be renovated, followed by the conference building, which would be renovated in two phases. To house the displaced workers, the United Nations would lease about 150,000 to 200,000 square feet of office space in the commercial real estate market.

And a large temporary facility -- what Mr. Reuter called a “big box” -- would be constructed on the North Lawn. This temporary structure would house the General Assembly during its renovation phase and then serve as a site for conferences as the conference building was renovated in two phases.

“This option would maintain the functional units of the United Nations at home. The conference facilities, the Secretariat would be here and we would sit in the ring of Missions on the Upper East Side”, he added. “It makes a whole lot of sense and is the most attractive option.”

If approval was gained from the General Assembly this fall, Mr. Reuter said construction would begin during the latter half of 2007.

The second part of the study looked at the financing of the massive project and determined that financing through the multi-year assessment of Member States was the most viable option. The Member States could be assessed \$300 million a year for five years and this financing option would be supported by letters of credit secured from international financial institutions. He added that it would be difficult for the United Nations to secure loans from the private sector, since the institution did not have a borrowing history.

The study was presented to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) Thursday morning and would be presented shortly to the General Assembly. The Secretariat would seek approval this fall.

In response to a reporter's question on where employees would move as each block of 10 floors was vacated, Mr. Reuter said he did not have any exact location at this time. But if the necessary approvals were secured this fall, he hoped to commit to leases by April of 2006. He added that the Secretary-General and the key functions of his office would not leave the Headquarters site and would move to a lower floor.

Responding to a reporter's question of whether it was responsible to ask Member States to finance the plan, Mr. Reuter said previous Capital Master Plan studies did not offer financing strategies, because the project was not far enough along.

"It is more cost-effective to pay as you go", he said, adding that interest payments could sharply increase the cost of a project. And he told correspondents that there was no United States loan on the table at this time. A previous proposal for financing the Capital Master Plan had been an offer of a \$1.2 billion loan from the host country. The General Assembly had not acted on the loan offer, which expired on 30 September.

And he told reporters that he would not present this plan to the General Assembly if he did not believe Member States were interested in it. He said he had met with representatives from more than 60 Member States to present the plan.

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