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Study on the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the study on the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034 (A/68/734). During its consideration of the report, the Committee met with the Under-Secretary-General for Management and other representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 20 March 2014.

2. The report of the Secretary-General is submitted pursuant to General Assembly resolution 67/254, in which the Assembly requested the Secretary-General to submit to it a new report on United Nations Headquarters long-term accommodation needs with comprehensive information on all viable options, including additional options not adequately considered or developed in the report of the Secretary-General on an expanded feasibility study on the United Nations Headquarters accommodation needs 2014-2034 (A/67/720), ensuring that all options are treated equally, while seeking the most favourable terms for the Organization in all cases (resolution 67/254, sect. III, para. 6).

3. In his report on the study on the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034 (A/68/734), the Secretary-General considers six options that were in addition to the four options contained in his report on the expanded feasibility study (A/67/720). Of the 10 options, the Secretary-General considers that the following 3 options are viable and advantageous for the Organization (A/68/734, summary, and sects. III-IV below):

(a) Option 1: a new building on the North Lawn, to be funded through a special assessment;

(b) Option 3: a new DC-5 building, through a lease-to-own arrangement with the United Nations Development Corporation;

(c) Option 4: a continuation of the status quo scenario of leasing on the commercial real estate market, as necessary.

4. A summary of the background information concerning the development of various options for Headquarters long-term accommodation needs was provided in paragraphs 3 to 6 of the related report of the Advisory Committee (A/67/788). Previous options were presented in a number of reports of the Secretary-General, including: (a) the initial proposal for a DC-5 building, in the context of the consideration of the capital master plan (A/60/550); (b) the proposal for a new building on the North Lawn (A/66/349); and (c) the current proposal for the construction of a DC-5 building (A/67/720).

II. Key factors, assumptions and estimated space requirements

5. In section III, paragraph 7, of its resolution 67/254, the General Assembly stressed that the new report of the Secretary-General on Headquarters long-term accommodation needs shall also cover factors including, but not limited to, total population requirements with and without the staff of the participating funds and programmes and the financial consequences of the cost-sharing arrangements with them, the impact of the implementation of flexible work arrangements on the capacity of the buildings at the Headquarters compound, the sequencing of United Nations construction projects, the findings from the ongoing review of flexible workspace arrangements and strategies in the Secretariat, the potential impact on the architectural integrity of the United Nations compound, an analysis of the preferable ratio of owned versus leased space for the Organization and possible developments in the planning for the future of the Organization.

Population figures and scenarios

6. The Secretary-General indicates that the starting point for the study of the long-term accommodation needs for the period 2014-2034 was a review of the total population of the United Nations located in New York, which includes staff, consultants, interns, associate experts and contractors requiring long-term accommodation, from the Secretariat as well as participating funds, programmes, other offices and specialized agencies. Another key factor was determining whether that population was housed in currently owned or leased property and projecting future scenarios for owned and leased properties (A/68/734, paras. 2-3).

7. In table 1 of the study on the long-term accommodation needs at Headquarters for 2014-2034 (A/68/734), the Secretary-General provides information on the total population at Headquarters and a breakdown by entity, and compares that information with the estimates contained in table 1 of the expanded feasibility study (A/67/720). The Advisory Committee notes the following:

(a) There was a significant decrease in the population of the participating funds and programmes requiring long-term accommodation, from 2,320 in 2012 (four participating entities) to 850 in 2013 (United Nations Development Programme (UNDP) only) (see para. 8 below);

(b) While the overall level of the population of the Secretariat remains stable (8,521 in 2012 and 8,516 in 2013), the number of persons accommodated in United Nations-owned properties[1] has decreased by 234 (from 4,132 in 2012 to 3,898 in 2013). The Committee was informed, upon enquiry, that the total number of staff on the Headquarters campus was lower in 2013 than in 2012 because of the ongoing construction work linked to the capital master plan project in the General Assembly Building and the basements, as well as the impact of storm Sandy on those in the third basement, who were relocated to temporary locations off campus;

(c) The total population at Headquarters includes 227 staff from some 20 other offices,[2] which currently sublease from the Secretariat in rental spaces outside the Headquarters campus.

8. As for the population of the participating funds and programmes that require long-term accommodation, it is indicated in the report that UNDP has confirmed that it is willing in principle to co-locate with the Secretariat if doing so reduces the long-term accommodation costs of UNDP and provides offices that are suitable, efficient and of a high standard, while also being sustainable, and that it is planning to redeploy staff currently located in New York to other locations, with a target of approximately 850 remaining by 2017 (A/68/734, paras. 2 and 13, and para. 54 below). It is further indicated in the report that other funds and programmes currently located in New York, including the United Nations Population Fund, the United Nations Office for Project Services and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), have either just recently entered into or will soon enter into long-term commercial leases, and are not considered candidates for participation in the long-term accommodation strategy of the Secretariat (see A/68/734, para. 2).

9. In line with the report of the Secretary-General on the expanded feasibility study (A/67/720), Headquarters office space requirements between 2014 and 2034 are projected on the basis of three population scenarios: (a) an average annual growth rate of 1.1 per cent, reflecting the overall historical trend since 1992, taking into account both increases and a 16 per cent decrease in staff from 5,967 in 1994 to 5,008 in 1998; (b) a no-growth rate; and (c) an average annual decline rate of

[1] Properties currently owned and operated by the United Nations include the Headquarters complex, located at 405 East 42nd Street, and the United Nations Institute for Training and Research Building, located at 801 United Nations Plaza.

[2] Upon request, the Advisory Committee was informed that the 227 staff were from the following offices: Association of Former International Civil Servants, Food and Agriculture Organization of the United Nations, International Atomic Energy Agency, Association of Permanent Representatives to the United Nations, International Civil Service Commission, International Fund for Agricultural Development, International Criminal Police Organization, International Telecommunication Union, International Seabed Authority, Non-governmental Liaison Service, United Nations Convention to Combat Desertification, United Nations Conference on Trade and Development, United Nations Office on Drugs and Crime, United Nations Educational, Scientific and Cultural Organization, United Nations Environment Programme, United Nations Human Settlements Programme, United Nations Industrial Development Organization, United Nations Institute for Training and Research, United Nations University, World Association of Former United Nations Interns and Fellows, World Federation of United Nations Associations, Women's International Forum, World Intellectual Property Organization and the Women's Guild.

0.5 per cent. Applying the baseline figure of a population of 3,908 staff in 2013 (for the Secretariat and other offices only) requiring seating outside United Nations-owned properties, the projected seating requirement in 2034 would increase to 5,294 under the first scenario (average annual growth rate of 1.1 per cent), whereas under the third scenario (average annual decline rate of 0.5 per cent) it would decrease to 2,498. If the population of UNDP is taken into consideration, the corresponding figures would be 6,364 under the first scenario and 3,263 under the third scenario (see A/68/734, paras. 14 and 18 and table 3).

10. The Advisory Committee recalls that the Secretariat did not provide the Board of Auditors with the information required to conduct a proper verification of the occupancy of the Headquarters campus before and after the capital master plan (see A/68/551, para. 20). Upon enquiry, the Committee was informed that, at the time of the audit by the Board of Auditors, the Secretariat Building had not yet been fully occupied, as capital master plan swing spaces were being vacated. However, the moves had since been completed and the configuration of the owned and leased space at Headquarters had been recorded in the newly implemented computer-aided facility management system. The Secretariat relied on multiple sources of information to feed into and update the system, including, inter alia: (a) annual review through submissions by executive offices; (b) changes in staff location derived from multiple databases, such as the telephone directory and the enterprise identity management system; and (c) biannual full physical verification of owned and leased space. **The Committee will follow up on the issue in the context of its consideration of the twelfth annual progress report of the Secretary-General on the implementation of the capital master plan and the related report of the Board of Auditors.**

Space allowance and flexible workplace strategies

11. The Secretary-General indicates that, as set out in his report on the implementation of a flexible workplace at United Nations Headquarters (A/68/387), he intends to implement flexible workplace strategies that will have an impact on the overall office accommodation requirements of the Organization (A/68/734, para. 4). In this connection, the Advisory Committee notes that the General Assembly has decided to defer, until the first part of its resumed sixty-eighth session, consideration of the report of the Secretary-General and the related report of the Committee (A/68/583) (A/68/691, para. 3).

12. With respect to the office space allowance per person/workspace, the Advisory Committee recalls that estimates and actual sizes have changed over time (A/67/788, paras. 11 and 14, and A/68/583, paras. 9-10):

(a) An allowance of 250 square feet per person was applied in the original feasibility study (A/66/349);

(b) An average of 220 square feet per workspace reflects the benchmark achieved in the renovated Secretariat Building;

(c) An average of 200 gross square feet per person formed the basis for the calculation of office space requirements in the expanded feasibility study (A/67/720), after applying a 10 per cent reduction to the benchmark of 220 square feet per workspace in anticipation of the projected saving in space from the implementation of alternative workspace strategies;

(d) A revised calculation of 176 gross square feet per person was applied following a 20 per cent reduction to the average of 220 gross square feet per workspace in the report on the implementation of a flexible workplace at United Nations Headquarters (A/68/387).

13. The Secretary-General indicates that flexible workplace arrangements will be implemented across the whole population in New York, in both the owned and leased spaces. Across the whole office space portfolio, a savings of 20 per cent will be achieved (see para. 12 (d) above), driving a significant reduction in requirements for leased space (A/68/734, para. 8). For planning purposes, it is assumed by the Secretary-General that the implementation of flexible workplace strategies will be conducted in a phased manner (ibid., paras. 9-11):

(a) By 2018, it is projected that the population accommodated on the typical office floors of the Secretariat Building (floors 8-38) will increase by approximately 630 staff. Accordingly, the Organization would expect to terminate or not renew current leases for the equivalent number of staff;

(b) By 2023, it is assumed that flexible workplace strategies will be applied to leased spaces, increasing the utilization of those spaces by a further 630 staff. The target date for realizing space savings in leased spaces is set later than on campus because it is assumed that swing space will be required to make required capital improvements to existing leased spaces. In addition, it may be most advantageous to make modifications at the beginning of new lease terms and/or in newly leased spaces.

14. The Secretary-General further indicates that a follow-up report on the implementation of flexible workplace strategies, including a detailed business case, will be submitted to the General Assembly at its sixty-ninth session. According to the Secretary-General, however, it is not expected that the outcome of the business case will have a significant impact on the planning assumptions set out in his new report (A/68/734, para. 7).

15. The Advisory Committee was informed, upon enquiry, that the Secretariat considered the revised planning figure of 20 per cent reduction in office space requirements after the implementation of flexible workplace arrangements to be a prudent planning figure, and that it deemed it achievable, based on the following factors:

(a) The revised planning figure of 20 per cent reduction in office space requirements was based on three independent assessments (benchmarking studies, a small-scale space utilization study at Headquarters and a limited survey of staff attitudes on and readiness to adopt flexible workplace strategies);

(b) The implementation of such strategies would require action to be taken to address a number of issues and challenges related to human resources, information and communications technology and facilities management;

(c) The actual figure on achievable space savings would be based on a detailed assessment of the operational needs of different staff populations and organizational entities and on the extent to which flexible working arrangements, in particular teleworking, could be applied.

16. **The Advisory Committee is of the view that the implementation of a flexible workplace strategy, if approved by the General Assembly, would have**

an impact on the existing and future office space requirements. The Committee considers, however, that the assumption of a 20 per cent reduction in office space requirements as the result of implementation of a flexible workplace strategy is indicative at best at this early stage. The Committee recommends that the Assembly request the Secretary-General to pursue further analysis of the impact of the potential implementation of a flexible workplace strategy, including the business case to be submitted by the Secretary-General, subject to a decision by the Assembly.

Projected space requirements

17. The Advisory Committee notes that the projected space requirements have been reduced, owing to the planned implementation of flexible workplace strategies (176 gross square feet instead of 220 gross square feet per person/workspace) and to the lower number of staff from participating funds and programmes (850 instead of 2,320 staff) (see A/68/734, para. 22, and paras. 7 (a) and 12 (d) above).

18. The Secretary-General provides information on the projected off-campus office and common space requirements in 2018 under the three population scenarios (A/68/734, table 4). The Advisory Committee notes that the projections for common space needs are the same (352,317 gross square feet) under all scenarios, while the office space requirements for the Secretariat vary significantly between scenarios (1,037,148 gross square feet under the 1.1 per cent growth scenario and 436,903 gross square feet under the 0.5 per cent decrease scenario). The Secretary-General also provides a projection of common space needs showing that common and building support space would occupy a total of 14 floors instead of 17 floors in a new North Lawn building or 18 floors in a DC-5 building (ibid., annex I).

19. According to the Secretary-General, the common areas planned would include conference rooms, a library, a cafeteria and building support, mechanical and other displaced programme functions of the Dag Hammarskjöld Library and South Annex Building (ibid., para. 21). Upon enquiry as to why the common space was projected at the same level for all population scenarios, the Advisory Committee was informed that, given that much of the common space requirement would not be dependent upon the Secretariat population, and in order not to have too many variables for the financing model, it was assumed that the common space requirement would be the same for all options. With respect to cost estimates for the functions of the Library and the South Annex Building, the Committee was informed, upon enquiry, that although a breakdown of costs was not explicitly included in the construction cost estimates, it was possible to apportion the percentage of construction costs based on the percentage of the floor area allocated for the functions. The overall percentage of those functions is roughly 20 per cent of the overall building area and their estimated cost would be as follows: $236 million for option 1 (a building on the North Lawn) and $199 million for option 3 (a DC-5 building).

Ratio of owned to leased office space

20. The current ratio of owned to leased space in the real estate portfolio of the Secretariat is 52 per cent to 48 per cent (ibid., para. 20). Under the three population scenarios assumed to test the overall office space requirements, the ratio of owned to leased office space would be 64:36 (1.1 per cent growth scenario), 80:20 (no growth scenario) and 89:11 (0.5 per cent decrease scenario), if a new building is to

be constructed (option 1 or 3), and 42:58 (1.1 per cent growth scenario), 52:48 (no growth scenario) and 58:42 (0.5 per cent decrease scenario), if the status quo approach is taken (option 4) (ibid., table 6).

21. In response to a request by the General Assembly, the Secretary-General has stated that the ideal own-to-lease ratio for the Organization, when considering new construction options, is around 80 per cent owned and 20 per cent leased. The Advisory Committee recalls earlier presentations by the Secretary-General in this regard (A/67/788, paras. 19-20):

(a) In the original feasibility study (A/66/349), it was suggested that, taking into account historical and projected needs, and in accordance with industry best practice, the Organization should aim to own 80 per cent of its office requirements and lease the remaining 20 per cent. The Committee requested further justification in support of the 80:20 ratio;

(b) In the expanded feasibility study (A/67/720), it was indicated that, according to real estate experts, there did not appear to be generalized standards with respect to the ratio of owned versus leased office space. Rather, decisions were based on the need for flexibility against long-term core needs; if long-term core needs existed, owning was more cost-effective over time. The Advisory Committee expressed the view that further analysis was needed to determine an appropriate ratio of owned versus leased office space for the Organization, which should be linked to the planning for the future of the Organization.

22. **The Advisory Committee is of the view that the rationale for the ratios of owned to leased office space proposed by the Secretary-General in his three reports appears inconsistent and lacks substantive analysis. The Committee is, therefore, not convinced that the 80:20 ratio represents the optimum ratio for the Organization in planning for its long-term accommodation needs. The Committee recommends that the General Assembly request the Secretary-General to further substantiate and provide better justification in his future analysis of optimum ratios for owned to leased office space, taking into account the long-term core needs and flexibility required for the Organization.**

Planning for the future of the United Nations

23. The Advisory Committee notes that the Secretary-General has not included in his new report information on any possible developments in the planning for the future of the Organization, as requested by the General Assembly in its resolution 67/254, such as on the potential impact of a global service delivery model (A/67/788, paras. 16-17, and paras. 24-25 below). Upon enquiry, the Committee was informed that the 0.5 per cent population decrease scenario accounts for possible future reductions but does not explicitly account for the planned implementation of a new service delivery model, as the Secretary-General's proposal has not yet been presented to the Assembly. The Committee requested confirmation that there would be reductions under Umoja or a global service delivery model and was informed that the Secretariat assumes that the three population scenarios applied in the study on long-term accommodation needs at Headquarters would account for adjustments in staffing levels in New York that are likely to arise out of the transformative initiatives, such as Umoja or a global service delivery model.

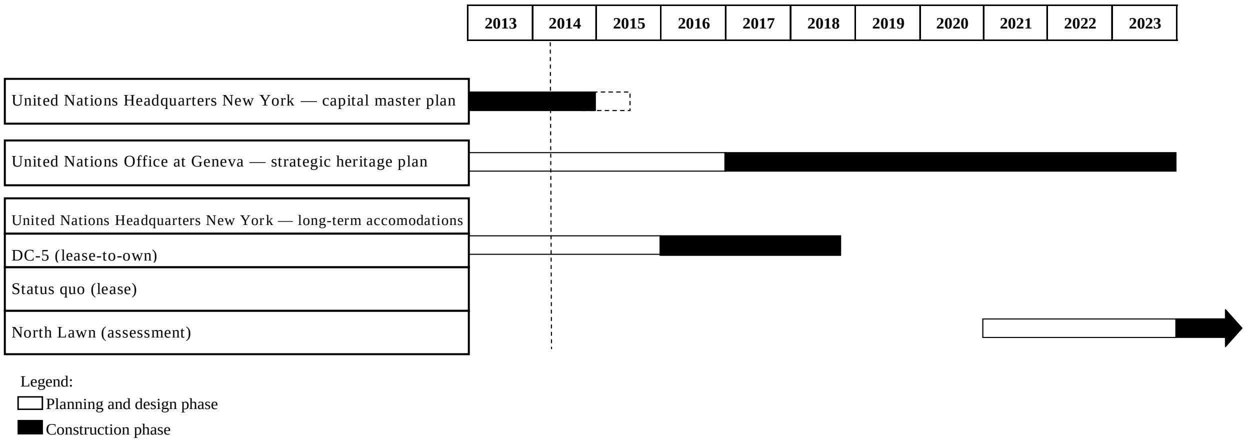
24. The Advisory Committee recalls that the Secretary-General has indicated that a new service delivery model would emerge as the process of business re-engineering under Umoja progressed (see A/68/375, para. 37, and A/68/375/Add.1) and that, as directed by the General Assembly, he would present a proposal on the future service delivery model at a later session (A/68/7/Add.7, para. 59). The Committee was informed, during its consideration of the fifth progress report on the enterprise resource planning project, that the future service delivery model would involve the consolidation of certain transactional administrative backstopping functions into shared service centres that might require the relocation of staff. The Committee recalls that the Board of Auditors has continued to emphasize the need to agree on a future service delivery model for the United Nations, which, in its view, should have been designed in advance of the enterprise resource planning project. The Board has warned that the absence of such a model could result in future costs to retrofit enterprise resource planning implementation and also undermine the accountability of the Secretariat for delivering the full scope of the project on time and within budget and for delivering the associated benefits (ibid., para. 58). The Committee requested an update on the status of a proposal by the Secretary-General on the future service delivery model and received the same information as is contained in the fifth progress report on the enterprise resource planning project (A/68/375, para. 37).

25. **The Advisory Committee recalls that the implementation of Umoja involves extensive re-engineering of business processes and is expected to have an impact on the evolution of the staffing and skills requirements of the Secretariat. In addition, a new global service delivery model, if adopted by the General Assembly, could affect requirements in terms of the number, skills and location of staff. The Committee again expresses its view that the impact of such initiatives should be factored into all major capital projects and that progress made thereon should be reported to the Assembly in a timely manner (A/68/585, para. 20). The Committee also reiterates its view that, given the importance and magnitude of the investments required in major construction projects, any expansion of the Headquarters office space should reflect possible developments in the planning for the future of the Organization (A/68/788, para. 18). The Committee recommends that the Assembly request the Secretary-General to submit his report on a global service delivery model as a matter of priority.**

Sequencing of United Nations construction projects

26. The Advisory Committee recalls that the General Assembly, in its resolution 68/247, reiterated that the Secretary-General must ensure that major capital expenditure projects are not implemented simultaneously in order to prevent the need to finance and supervise them at the same time (sect. V, para. 5). The Committee notes, however, that it is the understanding of the Secretariat that, upon completion of the capital master plan, capital projects may proceed at the same time if funding arrangements are in place that do not require major capital expenditure by the United Nations and if the project is being undertaken by a third party (A/68/734, para. 50). Accordingly, the Secretary-General presents the projected timeline for the sequencing of United Nations capital projects in the figure below. **The Committee is of the view that the Assembly may wish to confirm whether the understanding of the Secretariat is consistent with its definition of major capital expenditure projects.**

Timeline for the sequencing of United Nations capital projects



Architectural integrity of the United Nations Headquarters compound

27. A summary of the background information on the original design of the Headquarters compound and architectural integrity was provided in the report of the Advisory Committee on the expanded feasibility study (A/67/788, paras. 31-32 and annex). The Secretary-General provides information on the subsequent evolution of the Headquarters complex and its vicinity, including the Dag Hammarskjöld Library (1963), the South Annex Building (1982) and the Publishing Annex (1981), located underneath the North Lawn Building (A/68/734, para. 43).

28. The Secretary-General also provides information on the findings of architectural historic preservation experts (ibid., paras. 39-47). He indicates that an internationally recognized architectural historic preservation firm was asked to carry out an analysis of the architectural and historic value of the United Nations Headquarters campus, including a historic preservation assessment, which was undertaken to establish criteria for evaluating the effects of new construction on the existing Headquarters complex. The firm was also asked to apply those criteria to assessing the impact of new construction on a range of possible sites (two categories of criteria were considered and five historical design principles were identified).

29. Five alternative zones were considered in the assessment (ibid., figure IV), four of which were within the complex (north zone, central zone, east zone and south zone) and one outside (south of the complex, on the other side of 42nd Street). Upon request, the Advisory Committee was provided with the areas assessed for future growth with the exact scale of the footage (see annex I to the present report). According to the Secretary-General, the architectural preservation experts concluded that the off-complex site south of 42nd Street would be the preferred alternative for expanding the United Nations complex while preserving the architectural integrity of the United Nations campus, as the site would respect the iconic historical, cultural and architectural character of the campus (ibid., para. 48).

III. Options for the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034

30. The Advisory Committee recalls that the Secretary-General presented four options for meeting the overall office space requirements in his report on the expanded feasibility study on the United Nations Headquarters accommodation needs during the period 2014-2034 (A/67/720). The four options were summarized as follows (A/67/788, para. 23):

(a) Option 1: a new building on the North Lawn, funded through a special assessment, with continued leasing in DC-1 and DC-2;

(b) Option 2: a new building on the North Lawn, funded through third-party financing, with continued leasing in DC-1 and DC-2;

(c) Option 3: the construction of the United Nations Consolidation Building (DC-5) proposed by the United Nations Development Corporation, with continued leasing in DC-1 and DC-2;

(d) Option 4: a continuation of the status quo scenario of leasing DC-1, DC-2 and other buildings on the commercial real estate market, as necessary.

31. Subsequently, the Secretary-General indicated that, in addition to the four options previously considered, the search had been broadened to include six additional options and that all options were being evaluated against the following criteria: potential ownership rights to the building (or buildings) and land, size of the building, building efficiency, proximity to the Headquarters campus, representation of United Nations status and values, architectural integrity and cost considerations (A/68/734, para. 24).

32. The additional six options, presented as options 5, 6, 7 (a), 7 (b), 7 (c) and 8, are summarized as follows (ibid., paras. 31-38):

(a) Option 5: to purchase DC-1 and/or DC-2 from the United Nations Development Corporation (see paras. 56-59 below);

(b) Option 6: to construct a new building on the site of the Dag Hammarskjöld Library Building and the South Annex Building in the south zone (see annex I to the present report);

(c) Option 7 (a): to rent consolidated space within an existing commercial building in midtown Manhattan;

(d) Option 7 (b): to rent consolidated space in a planned commercial development near Pennsylvania Station on the west side of Manhattan;

(e) Option 7 (c): to rent consolidated space within a planned commercial development in the tri-state area, near public transportation;

(f) Option 8: to purchase a parcel of land near the United Nations campus, or elsewhere in Manhattan, for the purpose of constructing a new building.

33. The Secretary-General provides information on each of the 10 options presented in the study and perspective views of a new North Lawn building (option 1), a DC-5 building (option 3) and the leased properties of the Organization

in New York (option 4) (ibid., paras. 24-38, and figs. I-III). The Secretary-General concludes that, of the 10 options, only options 1, 3 and 4 are viable and advantageous for the Organization (see paras. 34-42 below).

Option 1: a new building on the North Lawn

34. Option 1 would be funded by a special assessment from Member States. Construction could not begin until the completion, foreseen for 2023, of the strategic heritage plan, in accordance with General Assembly resolution 68/247 (see para. 24 above). Option 1 has been deemed viable by the Secretary-General, as construction in the north zone has the potential to approximate the location and footprint of the area historically planned for future growth along the northern perimeter of the complex. According to the Secretary-General, however, given that the scale of the new construction is larger than anything envisioned historically, option 1 would not meet the criteria regarding the historical design principles and the formally established review criteria (A/68/734, paras. 25 and 47 (a), and paras. 28 and 29 above). The Advisory Committee recalls that the General Assembly underlined the historical and architectural significance of the United Nations complex in New York and of the original design of the Board of Design Consultants, without prejudice to the prerogative of the Assembly to consider all options with regard to the long-term accommodation of United Nations Headquarters (resolution 67/254, sect. III, para. 4). The Committee was provided with information with respect to the original consideration of a building to address the space requirements of delegations and specialized agencies, for which ample space had been reserved on the north end of the site of the Headquarters complex (A/67/788, para. 32). Information with respect to the original design and consideration of a North Lawn Building, which was provided to the Committee upon request, is contained in annexes II to IV of the present report. **The Committee is of the view that the Secretary-General should have respected the original design of the Board of Design Consultants, in particular the design of a North Lawn Building that is not higher than that illustrated in the original scheme.**

Option 3: a DC-5 building

35. Option 3 would be undertaken by the United Nations Development Corporation, which has proposed to finance construction through the issuance of bonds, to be redeemed through United Nations rent payments over an agreed term (for planning purposes, 30 years is assumed) under a rent-to-own arrangement. The building would be connected to the United Nations campus through a pedestrian tunnel. The planning process for the original DC-5 building, expected to measure a total of 931,500 gross square feet, is well advanced, in line with the schedule set out in the memorandum of understanding (see para. 37 below), which sets a deadline of the end of 2015 for completing the transaction of land. The timing of this option is such that construction could begin in 2016 for an occupancy date in 2018 (A/68/734, para. 27).

36. According to the Secretary-General, two changes need to be made to the initial proposal of a DC-5 building. First, with the planned implementation of flexible workplace strategies and the new baseline of 176 gross square feet per workspace, it has been concluded that the original DC-5 building size (931,500 gross square feet) would exceed the expected requirements and that a building measuring 816,337 gross square feet would be in line with requirements. Second, the current

memorandum of understanding would require the United Nations to exercise its option to continue leasing DC-1 and DC-2 between 2018 and 2023. However, in the light of changed expectations of space needs based on revised population scenarios, the Secretariat has advised the United Nations Development Corporation that it cannot commit to this provision of the current memorandum of understanding. Option 3 is deemed viable provided that the memorandum of understanding is revised (ibid., paras. 28-29). Upon request, the Advisory Committee was informed that, should the General Assembly wish to pursue the DC-5 option, the memorandum of understanding would need to be changed to extend the expiry date to beyond the end of 2015 and to remove the obligation of the United Nations to continue leasing the DC-1 and DC-2 buildings from 2018 to 2023.

37. The Advisory Committee has sought clarification on whether option 3 is still a viable option, as it would require revisions to the memorandum of understanding, to which the United Nations is not a party, and on whether there is any guarantee that the memorandum would be amended if requested by the United Nations. The Committee was informed that the memorandum was enacted by the State of New York and signed into law on 4 October 2011 by three signatories (the mayor of New York, the temporary president of the New York State senate and the speaker of the New York State assembly). Revisions to the memorandum would, therefore, require consultation and agreement among the three signatories or their successors. While the United Nations Development Corporation is not in a position to determine the duration of the negotiation among the three parties or the outcome of such consultations, it has indicated that it will do whatever it can to meet the requirement of the United Nations, should the General Assembly make a decision to support option 3 during the first part of its resumed sixty-eighth session. The Committee was also informed that costs incorporated under the DC-5 option included payments to the City of New York to fund improvements and amenities relating to the East Side Greenway in lieu of paying the cost of land under the site of the proposed building (A/67/720). Given that the creation of a greenbelt is a significant benefit for the larger New York community, the Secretariat was informed that the City of New York had a strong commitment to the DC-5 project and a strong interest in seeing it realized.

38. The Advisory Committee sought clarifications as to how advisable it would be to delay a decision on option 3 and whether the option would be lost altogether. The Committee was informed that, according to the Secretary-General, should the General Assembly wish to pursue option 3, an approval in principle of a DC-5 building as the most preferred option would be required at the first part of the resumed sixty-eighth session of the General Assembly. Such a pronouncement would provide a basis that the United Nations Development Corporation could use to work with the relevant authorities to revise the terms of the memorandum of understanding. According to the Secretary-General, the deferral of a decision by the Assembly would halt all further action related to this option, as the Corporation would have no basis on which to work with the relevant authorities to revise the terms of the memorandum. And if no amendments were made to the memorandum prior to 31 December 2015, which is when the terms of the memorandum would expire absent the transfer of the land title, the DC-5 option would be lost altogether.

39. With respect to the timeline for the construction of a DC-5 building, the Advisory Committee notes that, under option 3 construction could begin in 2016 for an occupancy date in 2018 (A/68/734, para. 27), while in the expanded feasibility study of the Secretary-General the construction period would run from mid-2014 to

mid-2017 (A/67/720). The Committee was informed, upon enquiry, that, while the construction period remained unchanged (35 months), the 2016-2018 timeline reflected a revised project planning schedule based on the assumed approval by the General Assembly at the first part of its resumed sixty-eighth session. The Committee was also informed that the United Nations Development Corporation would be directly responsible for engaging the lead design firm and managing the architectural contracts, and that the United Nations liaison team would provide input related to requirements specific to the Organization, for example, the layout of furniture for the occupants of specific floors.

Option 4: a continuation of the status quo

40. On option 4, the status quo scenario, the Secretary-General provides information on the properties currently under commercial lease by the Organization, including their location, the expiry date of their lease and each building’s share of the total square footage of leased properties held by the Organization. The leased properties are set into four groups based on the lease expiry dates, as follows (A/68/734, annex I):

(a) Alcoa Building (July 2015);

(b) Daily News Building, Albano Building, buildings at 304 East 45th Street, Court Square and 300 East 42nd Street (from April 2017 to September 2018);

(c) DC-1 and DC-2 buildings (April 2018, with multiple leases);

(d) Falchi Building (September 2024).

41. The Secretary-General assumes that option 4 would entail the continued leasing of the DC-1 and DC-2 buildings. The current leases are below market rate and will expire in 2018, although the Secretariat has the option to extend to 2023 on similar terms as today (ibid., para. 30). It is assumed that leased space would be available at commercial rates after 2023 and option 4 is deemed viable.

42. Upon request, the Advisory Committee received a table with detailed information on the current leases (see annex V to the present report). The Committee enquired about the lease for the Innovation Building and was informed that the building had not been leased as a swing space in the context of the capital master plan but as a space to accommodate an expansion in the number of staff at the time. According to the Secretary-General, after the Innovation Building lease expires in 2018, it could be renewed as needed. That, however, would depend on the overall decision of Member States related to long-term accommodation and on the implementation of the flexible workplace arrangements.

IV. Cost comparisons, financing and resource requirements

43. In section III, paragraph 8, of its resolution 67/254, the General Assembly emphasized that the term “comprehensive information” mentioned in paragraph 6 of the same resolution meant information including, but not limited to, short- and long-term financing alternatives for each option, the direct and indirect costs of each option, the net present value of each option, along with the residual value of new construction where relevant, and the legal and other risks associated with each option.

44. The Secretary-General provides information on the cost estimates for the three options he considers viable (in 2014 net present value and on the basis of a no-growth population scenario); all costs include consideration of one-time capital costs and operational costs to 2064 (A/68/734, summary): (a) option 1 ($3.528 billion); (b) option 3 ($4.083 billion); and (c) option 4 ($4.551 billion). Upon request, the Advisory Committee was provided a breakdown of costs for options 1 and 3 (see annexes VI and VII below).

45. A summary of comparisons of the three viable options, in terms of qualitative and financing considerations, is also provided (A/68/734, table 6), as is an explanation of the methodologies applied and factors considered in the comparisons (ibid., paras. 57-60). The Advisory Committee was informed, upon enquiry, that the initial project costs shown in table 6 reflect total cost, meaning that they include a factor for inflation and escalation over time. The difference between the North Lawn and DC-5 options is largely attributed to the difference in the time of execution of the projects, which is seven years (work on DC-5 would start in 2016 and work on the North Lawn building in 2023).

46. The Secretary-General provides a financial analysis of the three options, under total cost and current value for the three population scenarios (ibid., annex II). The Advisory Committee requested a breakdown of the cost estimates projected for the three options under the three population scenarios, on a yearly basis, from 2014 to 2064 (see annex VIII to the present report). The Committee notes that the costs are estimated over a period of 50 years, from 2014 to 2064, while the three population scenarios cover a period of 20 years, from 2014 to 2034 (see para. 6 above). The Committee, therefore, enquired about the assumptions for the population beyond 2034 in the cost estimates. The Committee was informed that the Secretariat did not extrapolate population figures after 2034, as it considered that a time frame beyond the 20-year scenario was too remote to make assumptions. Accordingly, the population figures as at 2034, extrapolated under each of the three scenarios, were maintained at those levels for the costs beyond 2034.

Costs and value

Option 3

47. The Advisory Committee notes that, in terms of residual value, a depreciated replacement cost is assumed for a North Lawn building ($1.040 billion), while an income approach is used for a DC-5 building ($2.080 billion) (ibid., table 6). Upon enquiry, the Committee was informed that a market valuation, using the income approach, was applied to the DC-5 option because the property could be traded on the open market when the United Nations assumed ownership rights at the end of the lease. A depreciated replacement cost approach was applied to the North Lawn option because the value was described in terms of the value and serviceability of the building for use by the Organization only and the depreciated replacement cost did not include the value of the land. The Committee was further informed that if a depreciated replacement cost were applied to the DC-5 option, the value of the land would be removed for the valuation and the estimate would be $1.014 billion, instead of $2.080 billion under the income approach.

48. Upon request, the Advisory Committee received a breakdown of the present and residual value for a DC-5 building and the land, in 2014 and 2064 respectively (see table 1 below).

Breakdown of the value of a DC-5 building

(United States dollars)

2014	*Value*	*Percentage of total value*
In lieu of cost of land[a]	113 000 000	7.64
Building	1 366 676 036	92.36
Total	**1 479 676 036**	**100.00**
2064		
Land	436 778 551	21.00
Building	1 643 119 311	79.00
Total	**2 079 897 862**	**100.00**

[a] The proposal incorporates costs such as payments to the City of New York to fund improvements and amenities relating to the East Side Greenway, in addition to other payments equivalent to real estate taxes (totalling $113 million) in lieu of paying for the cost of the land under the site of the proposed building.

49. The Advisory Committee was informed, upon enquiry, that payments of $113 million in lieu of land from the United Nations Development Corporation to the waterfront development project were laid out in the memorandum of understanding, and consisted of the following: (a) a payment of $3 million when the memorandum was enacted into law; (b) a payment of $70 million when the bond financing for DC-5 would be raised, approximately in 2014 or 2015; and (c) further payments totalling another $40 million, funded by United Nations rental income, approximately between 2018 and 2023. The Committee understands that, according to the memorandum of understanding, the transfer of the title of the land would be to the United Nations Development Corporation and that the United Nations would own the DC-5 building through a lease-to-own arrangement, which is currently planned for 30 years. However, it is not clear to the Committee if and when the Organization would own the land above which DC-5 would be built. The Committee requested clarification in this regard, but did not receive information before the finalization of its report. **The Committee, therefore, requests that the Secretary-General provide the information on the ownership of the land for a DC-5 building to the General Assembly at the time of its consideration of the report of the Secretary-General (A/68/734).**

50. The Advisory Committee was informed that, as the DC-5 building would be based on a lease-to-own arrangement between the United Nations and the United Nations Development Corporation had proposed that the United Nations start lease payments for DC-5 at a fixed date after the bonds were issued. The Committee was also informed that the Organization would seek to negotiate to have lease payments start no earlier than when DC-5 is ready for staff to move in.

51. Upon enquiry, the Advisory Committee was informed that the estimated construction cost for option 3 included $6 million, for the construction of the pedestrian tunnel connecting the DC-5 site to the property line of the United Nations campus at 42nd Street, and $2.5 million, for the portion of the tunnel within the campus (north of the property line). Furthermore, according to the Secretary-General, the current best estimate of the cost of the tunnel ($6 million) would allow

for the known factors associated with the underground construction and related issues, together with some contingency for unforeseen variables. Should the project proceed, the United Nations Development Corporation would seek to enter into guaranteed maximum price arrangements with a construction firm for the development of DC-5, which would include, inter alia, the construction of the tunnel. On any potential property rights or legal issues with respect to the pedestrian tunnel, the Committee was informed that the Corporation had confirmed that it would be responsible for dealing with all matters relating to property rights and legal considerations with the City of New York.

52. Upon request for information on security-related operational costs for DC-5 for the 50-year period from 2014 to 2064, the Advisory Committee was informed that a detailed breakdown of such costs was not available, as the design was not yet complete and, therefore, an accurate staffing projection could not be performed. For planning purposes, an estimate of operational costs was included in the financial model on a per-square-foot basis for all options. **The Committee points out that security-related requirements would be distinct for each of the options. The Committee is of the view that estimates in the financial model, based on a per-square-foot basis for all options, need to be further refined.**

53. The Advisory Committee also requested information on expenditures and projected costs by the United Nations Development Corporation for the project and on whether the Corporation would seek to recapture any of its costs as part of the future financing arrangements for DC-5. The Committee was informed that: (a) the Corporation had incurred design and development costs of approximately $14 million and foresees further costs of approximately $25 million for the development of a full design package (the cost of $39 million is estimated to be able to solicit construction bids with a full design package); and (b) the Corporation intended to charge all design and development costs it had incurred to the project and those costs would therefore be recuperated as part of future financing arrangements for DC-5. The Committee was also informed that the United Nations had not given any commitments or undertakings in this regard.

54. Another factor related to cost estimates for a new building is the potential inclusion of UNDP in the Headquarters long-term accommodation plans, either on or off campus. The Advisory Committee was informed, upon enquiry, that, while the terms with UNDP have yet to be negotiated, it was assumed that UNDP would share some of the benefits of ownership of DC-5 at the end of the financing after initially paying above-market rent during the bond repayment period. Subsequently, UNDP would make payments only for common services, maintenance and the like, which in total would be expected to be well below market rental rates. These factors may be seen by UNDP as offsetting the higher initial costs. The Committee was also informed that financial arrangements with UNDP had yet to be determined and had therefore not been included in the study. It was expected that the Secretariat and UNDP would enter into a lease agreement for the space to be occupied by UNDP. **The Advisory Committee believes that any possible future arrangements with UNDP or with other United Nations entities in relation to a new building need to be clarified further.**

Option 4

55. The Advisory Committee enquired about the cost of leasing over a period of 30-50 years, including leasing price changes over time, taking into account fluctuating interest rates. The Committee was informed that, for the purposes of the current study, it was assumed that commercial market rental costs would escalate by 3 per cent per year, based on recent trends (high fluctuations owing to market anomalies cannot reasonably be predicted). For example, a certain number of buildings near the United Nations campus could be repurposed (from commercial to residential use or the other way around), thus putting upward or downward pressure on rental rates. Other factors may change the market drastically, such as rezoning by the City of New York. However, these unknown elements had not been factored into the financial model used for the study.

Option 5

56. Option 5, the purchase of the DC-1 and/or DC-2 buildings, is one of the six additional options presented in the report of the Secretary-General (see para. 31 above). The option is not deemed viable by the Secretary-General for three reasons (A/68/734, para. 31): (a) the buildings are likely to be converted from commercial to residential use; (b) the DC-1 Building includes a hotel, which is not owned by the Corporation; and (c) the buildings, constructed in the early 1970s, are now 40 years old and would require significant capital improvements. The Secretary-General, therefore, does not analyse the option in further detail.

57. The Advisory Committee requested an estimate for the purchase of DC-1 and/or DC-2, as well as an estimate of the cost of refurbishment. The Committee was informed that: (a) a rough estimate of the cost of DC-1 and DC-2, which has been provided by the third-party real estate consultant advising the long-term accommodation team, ranges between $332 million and $406 million for commercial use. This is based on an analysis of average costs of "class A" buildings in the general vicinity of midtown Manhattan, factoring in a cost reduction for the capital requirements expected to make DC-1 and DC-2 class A buildings with a remaining useful life long enough to afford easy maintenance for a minimum of 10-15 years; (b) an accurate estimate for required capital improvements is not available, but is expected to exceed $100 million. This estimated cost does not include possible additional costs to the United Nations, which would likely include costs associated with moving to a swing space during the refurbishment period, including one-time capital costs for the fitting out of the interior, rent, operations and moving costs; and (c) the United Nations Development Corporation provides funds for capital improvements at DC-1, DC-2 and DC-3, which have averaged between $3 and $4 million each year since 2004. The Committee was also informed that the estimate provided by the Secretariat is rather approximate and does not include any "soft" costs that might be associated with a project of this magnitude — such as the cost of swing space, including rent, design fees, dedicated project management, insurance and other costs — nor does it include inflation or escalation projections.

58. The Advisory Committee enquired as to why the information on purchase and capital improvement was not included in the relevant section of the report of the Secretary-General. The Committee was informed that the real estate consultant

developed the detailed financial models only for options that were deemed viable. Option 5 was deemed not viable by the Secretary-General (ibid., para. 32).

59. The Advisory Committee also enquired as to whether the Secretary-General had negotiated terms for a possible purchase of DC-1 and DC-2, given the authorization by the General Assembly to negotiate all options. The Committee was informed that the Secretary-General did enter into discussions with the United Nations Development Corporation regarding the possible purchase of DC-1 and DC-2 in mid-2013. At the time, the Corporation had not expressed an interest in selling the buildings to the United Nations.

60. On the potential conversion of DC-1 and DC-2 to residential buildings (see para. 55 above), the Advisory Committee was informed that the United Nations Development Corporation had informed the Organization that it had been instructed by the City of New York to maximize the return on DC-1 and DC-2 after the leases expire in 2018 (or in 2023 if extended). Accordingly, the Corporation would analyse the real estate market only when it was faced with such decisions to determine whether a higher return could be achieved by converting DC-1 and DC-2 to residential use. The United Nations has no further information on this matter. **The Committee is of the view that the information provided to the Committee is not consistent with what is stated in the report of the Secretary-General. The Committee, therefore, requests the Secretary-General to provide clarifications to the General Assembly at the time of its consideration of the report of the Secretary-General (A/68/734).**

61. The Secretary-General indicates that option 7 (c) is an option to rent consolidated space within a planned commercial development in the tri-state area, near public transportation (ibid., para. 37). The Advisory Committee enquired whether there had been any consideration of locating some departments or offices at some distance from Headquarters in view of the nature of their work. It was informed that, under this study, the highest consideration was given to the merits of consolidation and colocation of New York-based United Nations staff, regardless of their function or nature of work; therefore, locating some departments or offices some distance away was not considered. **In the view of the Committee, more thought should have been given to such options.**

Credit rating and interest rates

62. Questions with respect to United Nations credit rating in relation to the potential issuance of bonds for a DC-5 building and applicable interest rates are discussed in paragraphs 52 to 56 of the report of the Secretary-General (A/68/734). It is stated therein that should the General Assembly approve the DC-5 option, it would be necessary to obtain a credit rating for the United Nations as part of the credit rating for the total project and that the United Nations is assumed to be of investment-grade credit quality, which is required for the sale of the bonds. Table 5 of the report shows indicative 30-year taxable fixed interest rates under three rating categories (5.75 per cent for Aa/AA, 6.2 per cent for A/A and 6.95 per cent for Baa/BBB), using current rates and an assumed increase of 75 basis points, as at the projected financing date of 1 January 2016. The Secretary-General indicates that the rates are based on a “spread” to the 30-year United States Treasury bond rate estimated using the results of recent taxable municipal debt offerings in New York as guidance. The estimated rate increase as of 2016 is based on a median consensus

of projected treasury rates. He further indicates that, for purposes of the study, the project costs are calculated using an assumed medium rating category of A/A, and that a rating in Baa/BBB would increase the overall costs of the project by some $200 million over the life of the project. **The Advisory Committee notes that the medium rating category of A/A applied in the calculation of 30-year fixed interest rates is indicative and that the Secretary-General has not provided an estimate in the case of a rating category of Aa/AA, which would result in reduced overall costs for the project.**

Third-party financing option

63. According to the Secretary-General, the DC-5 bonds are assumed to be structured as taxable, long-term, fixed rate debt issued through the United Nations Development Corporation as a conduit (ibid., para. 56). Upon enquiry, the Advisory Committee was informed that the term "conduit" referred to the fact that the Corporation would be the legal entity issuing the bonds and paying creditors, whereas the United Nations would bear all costs (under its statute, the Corporation has specific rights to issue bonds on behalf of the United Nations). With respect to credit rating, the Committee was informed, upon enquiry, that the credit rating of the Corporation did not factor into the financing mechanism proposed under the DC-5 option, as the Corporation would not back the bonds or put up any New York City or New York State-owned assets as collateral against the bonds. Because all project costs would be borne by the United Nations, only the credit rating of the United Nations would be factored into the establishment of interest rates and other terms of the bonds. However, in addition to the credit rating of the United Nations, bond issuers would factor in other issues related to the project itself, including the manner in which the Corporation would manage the project, the relationship between the Corporation and the United Nations and the establishment of roles and responsibilities in making decisions and in managing project risks.

64. In this connection, the Advisory Committee notes from paragraph 26 of the report of the Secretary-General that, while option 2 (a building on the North Lawn financed by a third party) was initially understood to be a viable option, the Secretariat is now advised that given the privileges and immunities and legal status of the United Nations, it would be difficult for the Organization to enter into a commercial borrowing arrangement to finance the construction. The Organization cannot offer collateral against which a bond issuer could execute in the event of default. There is, therefore, no financial market for this kind of loan arrangement and the option is not commercially viable, according to the Secretary-General. For these reasons, option 2 is deemed not viable and therefore not analysed in further detail.

65. With reference to option 2, the Advisory Committee sought clarification as to whether a guarantee by the United Nations would be considered as collateral and was informed that in the long-term accommodation study, real estate and financial advisers had advised that a guarantee by the United Nations most likely would not be considered as collateral by commercial lenders. Given this commercial infeasibility, the Secretary-General did not approach specific developers for the purpose of soliciting interest in a commercial borrowing arrangement for option 2 based upon a United Nations guarantee. From a commercial perspective, one or more Member States would need to agree up front to guarantee the loan in order for it to be possible for the United Nations to satisfy commercial lenders.

66. With respect to interest rates for options 2 and 3, the Advisory Committee was informed, upon enquiry, that it was expected that the United Nations could benefit from a lower interest rate for the DC-5 option. In line with the direction given by the General Assembly with regard to sequencing of major capital expenditure projects, option 2 would need to await the completion of the strategic heritage plan, at which time it was expected that interest rates would have risen. The Committee was also informed that the Secretariat had been advised that given the privileges and immunities of the Organization, a United Nations guarantee would be insufficient collateral for commercial lenders investing in a project to build on United Nations-owned land and therefore interest rates would be expected to be much higher for this option.

67. **The Advisory Committee reiterates its view that the possibility of the construction of a new building through third-party financing should be further studied and explored. The Committee also reiterates the view that, at the current stage, it would not be advisable to rule out third-party financing options, given that the Secretary-General has not yet approached third parties to establish whether financing is available, and if so, whether options to be proposed are feasible for the Organization. In the view of the Committee, therefore, the Secretary-General should be requested to explore the option of third-party financing (A/67/788, para. 30).**

Resource requirements for 2014-2015

68. According to the Secretary-General, of the options being considered, only option 3, a DC-5 building, would require dedicated resources for the biennium 2014-2015. These would include a small liaison team within the Office of Central Support Services to coordinate with the United Nations Development Corporation. Should the General Assembly decide to proceed with option 3, a request for resources will be submitted separately (A/68/734, para. 66). Upon enquiry, the Advisory Committee was informed that the estimated cost of the small liaison team under option 3 was $1.57 million to provide for five staff for 18 months during the biennium 2014-2015. The team would be required until the DC-5 building was handed over and occupied at the end of 2018. The proposed composition of the team would include the following: a Senior Project Coordinator (D-1); a Project Coordinator-Architecture and Planning (P-5); a Project Coordinator-Engineering (P-4); an Associate Project Architect (P-3); and an Administrative Assistant (General Service (Other level).

69. Option 1 would require the establishment of a dedicated project team to directly manage the design and construction process. Such a team would comprise highly qualified staff with expertise in managing capital projects, including architects, engineers, cost planners and administrative staff. The dedicated resources would not be required until the time that the project would be implemented. For planning purposes, estimates for these resources are included in the financial model, but are not developed in detail (ibid., para. 67).

V. Other matters

Negotiation with the United Nations Development Corporation in the context of option 3

70. The Advisory Committee requested information on the outcome of the negotiations undertaken with the United Nations Development Corporation since 2013 with the intention of keeping option 3 viable (see General Assembly resolution 67/254, sect. III, para. 10). The Committee was informed that the negotiations included the following topics:

(a) Required changes to the memorandum of understanding related to the significant changes in the staffing levels of the United Nations Secretariat and participating funds and programmes;

(b) Matters relating to the issuance of the bond, including the necessity to obtain a United Nations credit rating, the role of the United Nations Development Corporation as "conduit" issuer, projection of interest rates, fees and schedules;

(c) Matters relating to current leases in the DC-1 and DC-2 buildings;

(d) Lease terms for DC-5, including the duration and terms of ownership at the end of the lease period;

(e) The coordination agreement for the design and construction activities. The coordination agreement includes information on the roles and responsibilities of the United Nations Development Corporation and the United Nations in all aspects of project implementation, notably schedule and cost control.

71. **The Advisory Committee recommends that the most up-to-date information from the negotiations with the United Nations Development Corporation be provided to the General Assembly at the time of its consideration of the report of the Secretary-General (A/68/734).**

Dag Hammarskjöld Library and South Annex Buildings

72. In paragraph 64 of his report (A/68/734), the Secretary-General indicates that certain assumptions regarding the future of the existing Dag Hammarskjöld Library and South Annex Buildings were included in the study of long-term accommodation needs for planning purposes, which are derived from the eleventh annual progress report of the Secretary-General on the implementation of the capital master plan (A/68/352). He further indicates that the current study assumes that the functions of the South Annex Building and the Dag Hammarskjöld Library Building would be accommodated in the long-term as follows: (a) for the North Lawn or DC-5 options, the functions would be included in the two buildings; and (b) for the status quo option, the medium-term option would continue indefinitely (ibid., para. 65).

73. The Advisory Committee recalls that the General Assembly, recalling paragraph 50 of the report of the Committee (A/68/551), requested the Secretary-General to submit to the Assembly, at the first part of its resumed sixty-eighth session the information specified in that paragraph, including feasible alternative options for the locations of the functions currently housed in the South Annex and Library Buildings that are independent of the long-term Headquarters accommodation requirement and that are not contingent upon the status of the FDR Drive off-ramp at 42nd Street (see Assembly resolution 68/247, sect. IV, para. 7).

The Committee reiterates its view that by presenting the additional alternative options as interim solutions, the Secretary-General has not fulfilled the request by the Assembly for feasible alternative options that are independent of the long-term Headquarters accommodation requirement. The Committee is therefore not in a position to recommend approval by the Assembly of the additional alternative options for interim solutions proposed by the Secretary-General. The Committee, consequently, recommends that the Assembly request the Secretary-General to submit new proposals, as requested by the Assembly in its resolution 68/247 (A/68/797, para. 32).

Sale of the Alcoa Building

74. Upon enquiry as to whether the vendor or any other party contacted the United Nations Secretariat prior to the sale of the Alcoa Building (located at 866 United Nations Plaza), the Advisory Committee was informed that the Organization had been approached approximately two years ago by the owners of the Building regarding a possible sale. According to the Secretary-General, the office space available at the time was not sufficient to meet the needs of the Organization, as it was organized in small, discrete suites. Significant capital investment would have been required to meet current United Nations space planning guidelines and to be efficiently used by larger departments and offices. In addition, the Department of Safety and Security raised concerns at the time regarding the underground parking and residential use of the building. **The Committee notes that the sale of the Alcoa Building occurred after the submission of the report of the Secretary-General on the feasibility study on the United Nations Headquarters accommodation needs 2014-2034 (A/66/349). The Committee notes with regret that the Secretary-General did not bring the issue to the attention of the General Assembly for guidance**.

VI. Observations and recommendations

75. The actions requested of the General Assembly in connection with the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034 are set out in paragraph 68 of the report (A/68/734).

76. As noted in paragraph 37 above, the Advisory Committee enquired about the minimum decision required of the General Assembly to keep the DC-5 option viable and was informed that if the Assembly wished to pursue option 3, an approval in principle of option 3 as the most preferred option would be required at the first part of the resumed sixty-eighth session. The Committee was also informed that in line with the direction provided by the Assembly regarding the sequencing of major capital expenditure projects, option 1 (North Lawn with special assessment of Member States) could only be implemented after the completion of the strategic heritage plan and that option 4 (status quo with continued lease of rental premises) would not require an immediate decision by the Assembly, as the lease of DC-1 and DC-2 could be extended through 2023 at a preferential rate.

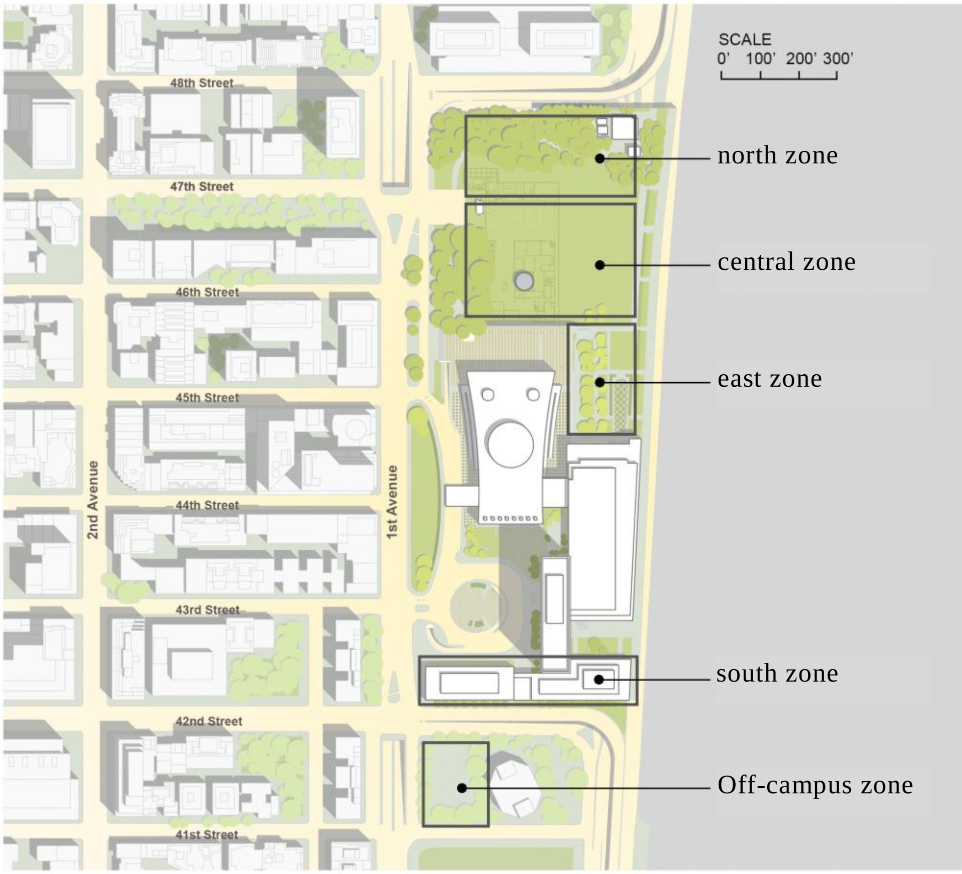
77. **The Advisory Committee notes that the three options deemed viable by the Secretary-General are all from his previous report on the expanded feasibility study (a total of four options are contained therein; see A/67/720), while the six additional options presented in his new report (A/68/734) are all considered unfeasible and have not benefitted from further consideration and analysis. In**

the view of the Committee, the Secretary-General should have given adequate consideration to the additional options and alternative financing opportunities, some of which, or a combination of which, might prove viable. The Committee continues to hold the view that other options, including but not limited to those considered viable by the Secretary-General, should be kept open for further development and consideration (see A/67/788, para. 53).

78. **On the basis of its comments and recommendations in the present report, the Advisory Committee is not in a position to recommend any of the options for consideration by the General Assembly at this time. Without prejudice to any decision by the Assembly concerning the Headquarters office space needs for 2014-2034 on the basis of every option, and given the time sensitivity of option 3, the Committee recommends that the General Assembly express explicit willingness to allow the Secretary-General to continue to negotiate with the United Nations Development Corporation so as to ensure that option 3 remains viable. The Committee reiterates its view that the authority to negotiate, if granted by the Assembly to the Secretary-General, should refer to all options (A/67/788, para. 53), with a view to serving the best interests of the Organization.**

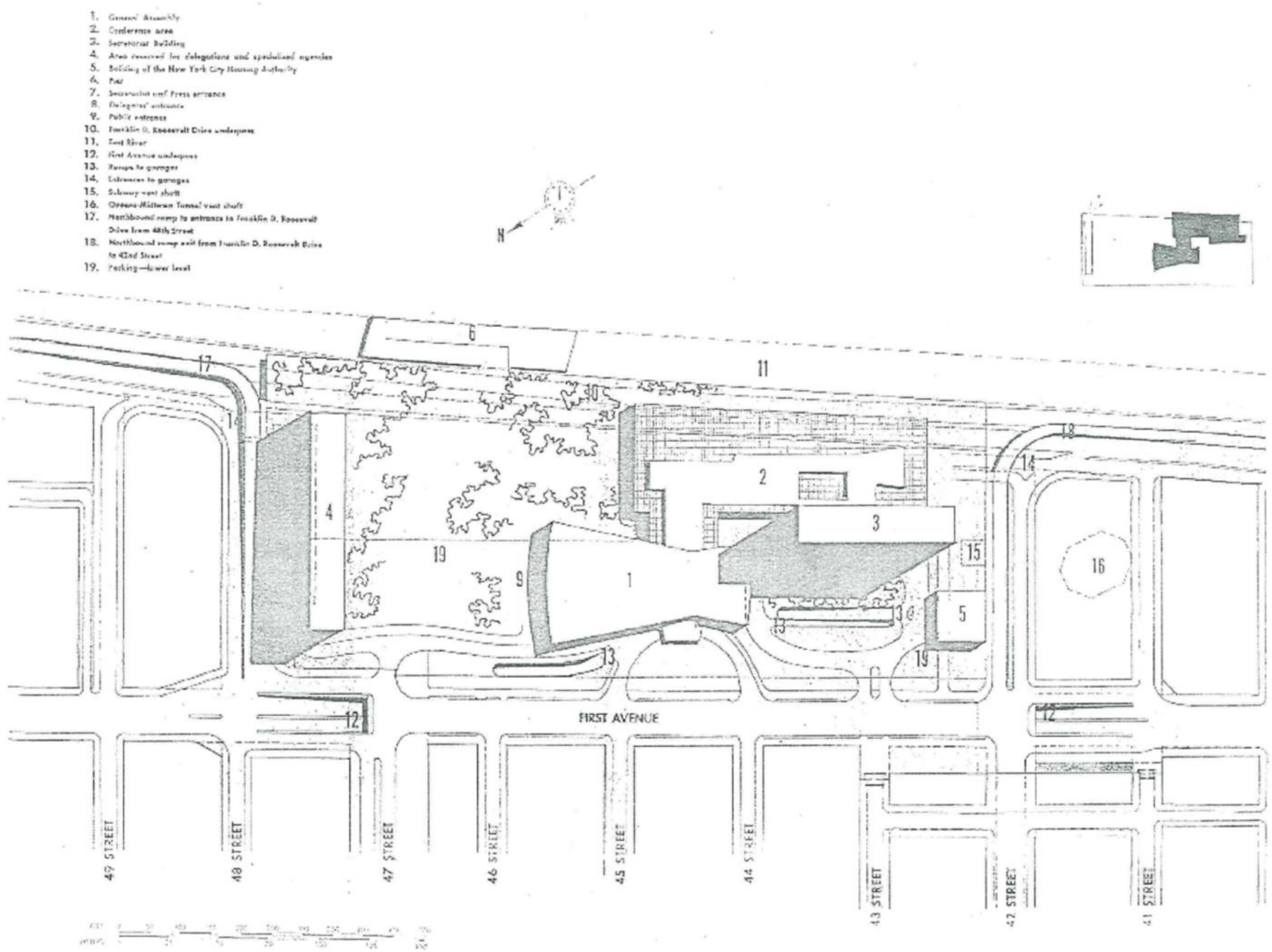
Annex I

Areas assessed for future growth



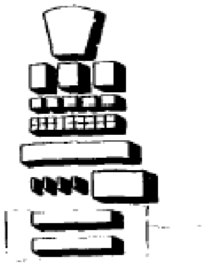
Annex II

Building on the North Lawn envisaged in the original design in 1947[a]



[a] Reproduced from A/67/788, annex.

Annex III



Buildings for Delegations and Specialized Agencies[a]

These two groups must enter into the planning now although their requirements are necessarily still far from being precisely determined. Their combined personnel will, in time, equal that of even a much enlarged Secretariat. Eventually, they will need Committee rooms of their own but for some time it will be possible, by judicious scheduling, to make available to them the meeting facilities of the conference area. Similarly, in the early stages of site development, their personnel will find office space in the Secretariat Building.

Delegations

On the basis of estimated requirements submitted by the already established permanent delegations of Member States, 70 delegations (the planning figure adopted) would employ approximately 2,400 people.

	Space Requirements— Square Feet	
EXECUTIVE OFFICES	123,000	
PRIVATE OFFICES	121,000	
OPEN OFFICES	94,000	
115 CONFERENCE ROOMS	89,000	
STORAGE, ETC.	59,000	
RESTAURANT (SEATING 300) AND CAFETERIA (FOR 500)	11,200	
KITCHEN	6,000	
TOTAL		503,200

Specialized Agencies

Certain specialized agencies may establish their international headquarters on the site; and others may wish to maintain only liaison offices here. Ample space has been reserved at the north end of the site for those agencies which may eventually come to New York. The total personnel involved in this arrangement might be approximately 2,500. The buildings must be planned with extreme flexibility to allow for indefinite future expansion.

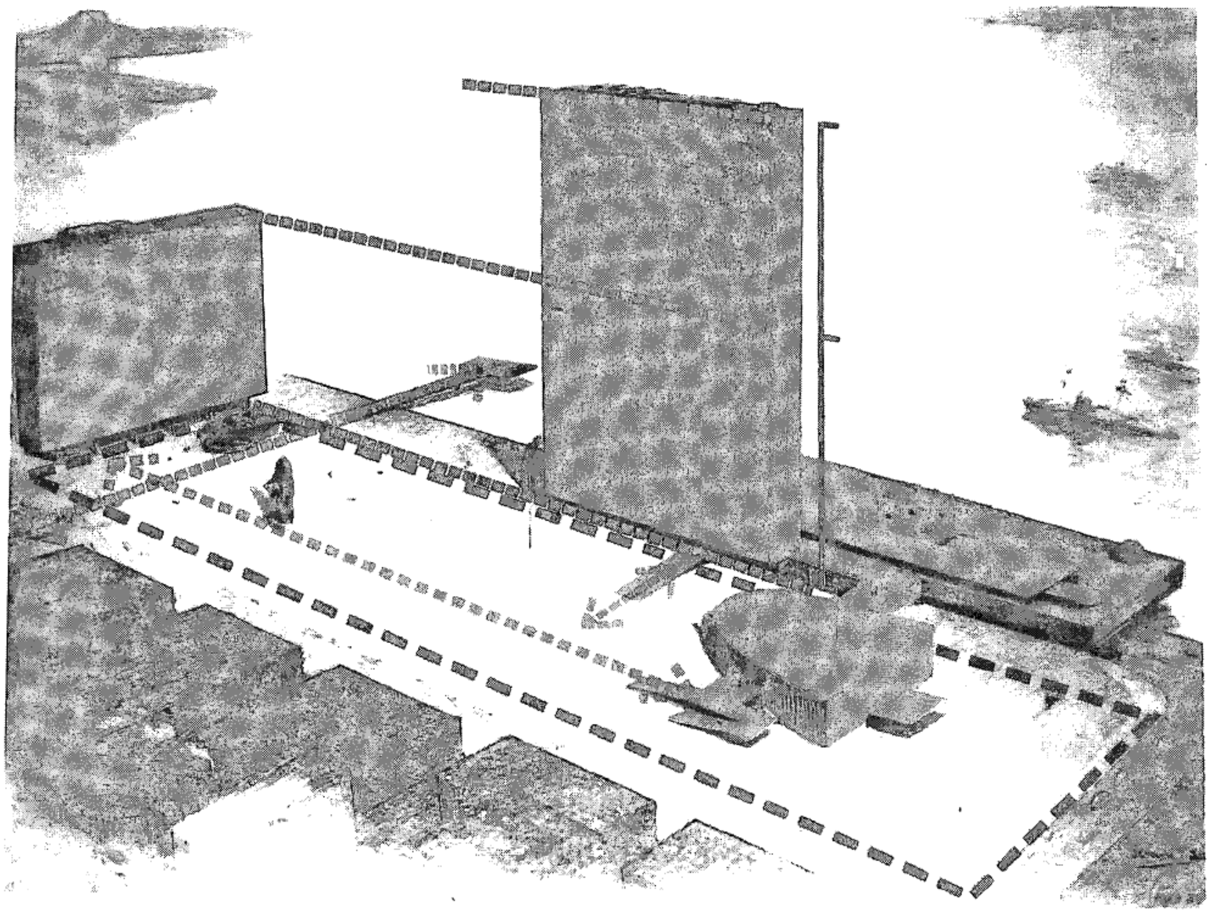
Their libraries would be housed in the central library.

CONFERENCE AREAS FOR INTERNATIONAL HEADQUARTERS	54,500	
SECRETARIAT AREAS FOR INTERNATIONAL HEADQUARTERS	346,200	
LIAISON OFFICES FOR SPECIALIZED AGENCIES AND NON-GOVERNMENTAL ORGANIZATIONS	27,500	
RESTAURANTS, CAFETERIAS, AND KITCHENS	17,900	
TOTAL		446,100

[a] Reproduced from A/311, p. 23.

Annex IV

North Lawn considerations



Scheme 32, proposed by the architect Oscar Niemeyer, shows each building individually within an open ground plane.

Annex V

Details of current leases[a]

United Nations leased properties	*Address*	*Lease expiry date*	*Option to renew*	*Current annual rent (United States dollars)*	*Square footage*
Albano Building	305 East 46th Street	July 2017	No	9 689 708	187 060
ALCOA Building	866 United Nations Plaza (portion of second, third and sixth floors)	July 2015	Yes	1 511 405	30 845
Daily News Building	220 East 42nd Street	April 2017	No	2 168 588	31 891
Falchi Building	31-00 47th Avenue, Long Island City	September 2024	No	730 989	50 413
FF Building	304 East 45th Street	April 2017	No	6 809 729	138 381
Innovation Building	300 East 42nd Street	September 2018	Yes	7 751 401	132 602
JFK cargo building	Cargo building No. 66, John F. Kennedy International Airport	December 2014	No	11 230	180
New Jersey Data Centre	3 Corporate Place, Piscataway, New Jersey	June 2014	No	633 716	3 185
DC-1	1 United Nations Plaza	March 2018	Yes	10 074 008	196 566
DC-2	2 United Nations Plaza	March 2018	Yes	11 780 416	312 064
United Nations Federal Credit Union (Court Square)	24-01 44th Road, Long Island City	April 2018	Yes	2 886 384	79 079

[a] See also A/68/734, annex I, option 4: status quo.

Annex VI

Detailed breakdown of costs for options 1 and 3[a]

(United States dollars)

	Option 1: North Lawn	*Option 3: DC-5*
Cost of acquisition of land	**–**	**113 000 000**
Hard costs		
Base building construction	534 723 000	540 404 000
Tunnel connection to Headquarters	–	2 500 000
Security connection	250 000	150 000
Fire alarm connection	–	100 000
Base building escalation	218 621 439	101 152 911
Base building contingency	45 080 529	46 273 657
Subtotal	**798 674 968**	**690 580 568**
Tenant improvement costs		
Fit-out construction	191 318 000	191 318 000
Fit-out soft costs	24 202 000	21 810 000
Programming	300 000	300 000
Furniture manager	300 000	300 000
Move coordinator	600 000	600 000
Furniture moving	1 250 000	1 250 000
Furniture, fixtures and equipment	45 916 000	45 919 000
Fit-out escalation and contingency	120 261 000	44 876 343
Subtotal	**384 147 000**	**306 373 343**
Soft costs		
Base building	82 116 000	56 000 000
Escalation	53 587 032	10 482 089
Subtotal	**135 703 032**	**66 482 089**
Financing cost	–	303 240 036
Total project cost	**1 318 525 000**	**1 479 676 036**

[a] Based on the same assumptions for inflation and cost escalation from 2014 until the completion of construction.

Annex VII

Detailed breakdown of costs for options 1 and 3, excluding costs for the estimated 20 per cent space requirement in a new building to accommodate the functions of the Dag Hammarskjöld Library and South Annex Buildings[a]

	Option 1, North Lawn, area reduced by 20 per cent	*Option 3, DC-5, area reduced by 20 per cent*	*Option 1, North Lawn, delivered in 2018*
Cost of acquisition of land	**–**	**113 000 000**	**–**
Hard costs			
Base building construction	470 736 240	475 404 000	534 723 000
Tunnel connection to Headquarters	–	2 500 000	–
Security connection	250 000	150 000	250 000
Fire alarm connection	–	100 000	–
Base building escalation	196 164 344	80 087 580	31 816 311
Base building contingency	45 637 333	49 127 045	44 924 702
Subtotal	**712 787 917**	**607 368 625**	**611 714 013**
Tenant improvement costs			
Fit-out construction	158 318 000	158 318 000	191 318 000
Fit-out soft cost	21 781 800	21 781 800	24 202 000
Programming	300 000	300 000	300 000
Furniture manager	300 000	300 000	300 000
Move coordinator	600 000	600 000	600 000
Furniture moving	1 250 000	1 250 000	1 250 000
Furniture, fixtures and equipment	36 732 800	36 732 800	45 916 000
Fit-out escalation	108 234 900	33 864 300	28 276 885
Subtotal	**327 517 500**	**253 146 900**	**292 162 885**
Soft costs			
Base building	73 904 400	50 400 000	82 116 000
Escalation	50 258 423	24 363 448	24 974 990
Subtotal	**124 162 823**	**74 763 448**	**107 090 990**
Financing cost	**–**	**213 425 414**	**–**
Total project cost	**1 164 468 240**	**1 261 704 386**	**1 010 967 888**

[a] Based on the same assumptions for inflation and cost escalation for both options starting in 2016.

Annex VIII

Financial analysis of options 1, 3 and 4 under the three population scenarios, by year (2013-2064)

A. North Lawn assessment: no growth

(United States dollars)

Year	*North Lawn annual occupancy*	*North Lawn assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	–	–	56 001 129	–	56 001 129
January-December 2015	–	–	57 091 611	–	–	–	57 091 611	–	57 091 611
January-December 2016	–	–	59 983 172	–	–	–	59 983 172	–	59 983 172
January-December 2017	–	–	53 606 056	–	–	–	53 606 056	–	53 606 056
January-December 2018	–	–	58 260 091	–	–	–	58 260 091	–	58 260 091
January-December 2019	–	–	64 852 210	–	–	–	64 852 210	–	64 852 210
January-December 2020	–	–	65 813 464	–	–	–	65 813 464	–	65 813 464
January-December 2021	–	–	66 803 556	–	–	–	66 803 556	–	66 803 556
January-December 2022	–	47 496 061	69 446 681	–	–	–	69 446 681	47 496 061	116 942 742
January-December 2023	–	47 496 061	82 324 421	–	–	–	82 324 421	47 496 061	129 820 482
January-December 2024	–	279 795 292	82 437 928	–	–	–	82 437 928	279 795 292	362 233 220
January-December 2025	–	375 832 042	82 554 839	–	–	–	82 554 839	375 832 042	458 386 882
January-December 2026	48 054 702	567 905 542	–	–	8 409 355	98 200 513	56 464 057	666 106 055	722 570 112
January-December 2027	49 100 785	–	–	–	38 343 047	–	87 443 833	–	87 443 833
January-December 2028	50 178 251	–	–	–	44 833 694	–	95 011 946	–	95 011 946
January-December 2029	51 288 042	–	–	–	45 477 787	–	96 765 829	–	96 765 829
January-December 2030	52 431 125	–	–	–	46 141 203	–	98 572 328	–	98 572 328
January-December 2031	53 608 502	–	–	–	50 343 709	–	103 952 211	–	103 952 211
January-December 2032	54 821 199	–	–	–	51 047 527	–	105 868 726	–	105 868 726
January-December 2033	56 070 278	–	–	–	51 772 459	–	107 842 737	–	107 842 737
January-December 2034	57 356 828	–	–	–	52 519 139	–	109 875 967	–	109 875 967
January-December 2035	58 681 976	–	–	–	53 288 220	–	111 970 195	–	111 970 195

Year	*North Lawn annual occupancy*	*North Lawn assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2036	60 046 877	–	–	–	57 951 480	–	117 998 357	–	117 998 357
January-December 2037	61 452 726	–	–	–	58 767 397	–	120 220 124	–	120 220 124
January-December 2038	62 900 751	–	–	–	59 607 792	–	122 508 543	–	122 508 543
January-December 2039	64 392 216	–	–	–	60 473 399	–	124 865 615	–	124 865 615
January-December 2040	65 928 425	–	–	–	61 364 974	–	127 293 399	–	127 293 399
January-December 2041	67 510 720	–	–	–	62 498 207	–	130 008 927	–	130 008 927
January-December 2042	69 140 484	–	–	–	63 425 116	–	132 565 600	–	132 565 600
January-December 2043	70 819 141	–	–	–	64 379 832	–	135 198 973	–	135 198 973
January-December 2044	72 548 158	–	–	–	65 363 190	–	137 911 348	–	137 911 348
January-December 2045	74 329 045	–	–	–	66 376 049	–	140 705 094	–	140 705 094
January-December 2046	76 163 359	–	–	–	72 476 228	–	148 639 586	–	148 639 586
January-December 2047	78 052 702	–	–	–	73 550 770	–	151 603 472	–	151 603 472
January-December 2048	79 998 726	–	–	–	74 657 548	–	154 656 273	–	154 656 273
January-December 2049	82 003 130	–	–	–	75 797 529	–	157 800 659	–	157 800 659
January-December 2050	84 067 666	–	–	–	76 971 710	–	161 039 376	–	161 039 376
January-December 2051	86 194 139	–	–	–	83 269 581	–	169 463 720	–	169 463 720
January-December 2052	88 384 405	–	–	–	84 515 270	–	172 899 675	–	172 899 675
January-December 2053	90 640 380	–	–	–	85 798 329	–	176 438 709	–	176 438 709
January-December 2054	92 964 034	–	–	–	87 119 880	–	180 083 913	–	180 083 913
January-December 2055	95 357 397	–	–	–	88 481 077	–	183 838 474	–	183 838 474
January-December 2056	97 822 562	–	–	–	96 679 207	–	194 501 769	–	194 501 769
January-December 2057	100 361 681	–	–	–	98 123 301	–	198 484 982	–	198 484 982
January-December 2058	102 976 974	–	–	–	99 610 718	–	202 587 692	–	202 587 692
January-December 2059	105 670 726	–	–	–	101 142 758	–	206 813 484	–	206 813 484
January-December 2060	108 445 290	–	–	–	102 720 759	–	211 166 049	–	211 166 049
January-December 2061	111 303 091	–	–	–	111 184 571	–	222 487 663	–	222 487 663
January-December 2062	114 246 627	–	–	–	112 858 673	–	227 105 299	–	227 105 299
January-December 2063	(922 670 463)	–	–	–	114 582 997	–	(808 087 466)	–	(808 087 466)
January-December 2064	–	–	–	–	–	–	–	–	–

Year	*North Lawn annual occupancy*	*North Lawn assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**1 872 600 000**	**1 318 500 000**	**799 200 000**	**0**	**2 701 900 000**	**98 200 000**	**5 373 700 000**	**1 416 700 000**	**6 790 500 000**
2014 net present value 3 per cent	**873 100 000**	**924 200 000**	**653 500 000**	**0**	**1 010 200 000**	**66 900 000**	**2 536 700 000**	**991 100 000**	**3 527 800 000**

B. DC-5: no growth

(United States dollars)

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	–	–	56 001 129	–	56 001 129
January-December 2015	–	–	57 681 163	–	–	–	57 681 163	–	57 681 163
January-December 2016	–	–	59 411 598	–	–	–	59 411 598	–	59 411 598
January-December 2017	–	–	61 193 946	–	–	–	61 193 946	–	61 193 946
January-December 2018	153 064 881	–	–	–	7 081 005	86 088 057	160 145 886	86 088 057	246 233 943
January-December 2019	153 716 766	–	–	–	30 036 647	–	183 753 412	–	183 753 412
January-December 2020	154 388 207	–	–	–	35 025 565	–	189 413 772	–	189 413 772
January-December 2021	155 079 791	–	–	–	35 534 018	–	190 613 809	–	190 613 809
January-December 2022	155 792 123	–	–	–	36 057 724	–	191 849 848	–	191 849 848
January-December 2023	150 013 008	–	–	–	39 294 307	–	189 307 315	–	189 307 315
January-December 2024	150 768 721	–	–	–	39 849 907	–	190 618 628	–	190 618 628
January-December 2025	151 547 106	–	–	–	40 422 175	–	191 969 281	–	191 969 281
January-December 2026	152 348 842	–	–	–	41 011 611	–	193 360 453	–	193 360 453
January-December 2027	153 174 630	–	–	–	41 618 731	–	194 793 360	–	194 793 360
January-December 2028	154 025 191	–	–	–	45 210 945	–	199 236 136	–	199 236 136
January-December 2029	154 901 270	–	–	–	45 855 038	–	200 756 307	–	200 756 307
January-December 2030	155 803 631	–	–	–	46 518 453	–	202 322 084	–	202 322 084
January-December 2031	156 733 062	–	–	–	47 201 771	–	203 934 833	–	203 934 833
January-December 2032	157 690 377	–	–	–	47 905 589	–	205 595 966	–	205 595 966
January-December 2033	158 676 411	–	–	–	49 779 244	–	208 455 655	–	208 455 655
January-December 2034	159 692 026	–	–	–	50 510 955	–	210 202 981	–	210 202 981
January-December 2035	160 738 110	–	–	–	51 264 617	–	212 002 726	–	212 002 726
January-December 2036	161 815 576	–	–	–	52 040 889	–	213 856 464	–	213 856 464
January-December 2037	162 925 366	–	–	–	52 840 449	–	215 765 814	–	215 765 814
January-December 2038	164 068 449	–	–	–	57 655 986	–	221 724 435	–	221 724 435
January-December 2039	165 245 826	–	–	–	58 504 239	–	223 750 065	–	223 750 065

Year	DC-5 annual occupancy	DC-5 assessment	Current leases annual occupancy	Current leases assessment	Additional lease annual occupancy	Additional lease assessment	Total annual occupancy	Total assessment	Grand total
January-December 2040	166 458 523	–	–	–	59 377 940	–	225 836 463	–	225 836 463
January-December 2041	167 707 602	–	–	–	60 277 852	–	227 985 453	–	227 985 453
January-December 2042	168 994 153	–	–	–	61 204 761	–	230 198 913	–	230 198 913
January-December 2043	170 319 300	–	–	–	66 176 359	–	236 495 659	–	236 495 659
January-December 2044	171 684 202	–	–	–	67 159 717	–	238 843 918	–	238 843 918
January-December 2045	173 090 051	–	–	–	68 172 575	–	241 262 626	–	241 262 626
January-December 2046	109 287 667	–	–	–	69 215 820	–	178 503 487	–	178 503 487
January-December 2047	61 841 326	–	–	–	70 290 362	–	132 131 687	–	132 131 687
January-December 2048	63 377 535	–	–	–	76 762 041	–	140 139 576	–	140 139 576
January-December 2049	64 959 830	–	–	–	77 902 023	–	142 861 852	–	142 861 852
January-December 2050	66 589 594	–	–	–	79 076 203	–	145 665 797	–	145 665 797
January-December 2051	68 268 251	–	–	–	80 285 610	–	148 553 860	–	148 553 860
January-December 2052	69 997 268	–	–	–	81 531 298	–	151 528 566	–	151 528 566
January-December 2053	71 778 155	–	–	–	88 212 710	–	159 990 865	–	159 990 865
January-December 2054	73 612 469	–	–	–	89 534 261	–	163 146 729	–	163 146 729
January-December 2055	75 501 812	–	–	–	90 895 458	–	166 397 270	–	166 397 270
January-December 2056	77 447 836	–	–	–	92 297 491	–	169 745 327	–	169 745 327
January-December 2057	79 452 240	–	–	–	93 741 586	–	173 193 825	–	173 193 825
January-December 2058	81 516 776	–	–	–	102 438 982	–	183 955 758	–	183 955 758
January-December 2059	83 643 249	–	–	–	103 971 021	–	187 614 270	–	187 614 270
January-December 2060	85 833 515	–	–	–	105 549 022	–	191 382 538	–	191 382 538
January-December 2061	88 089 490	–	–	–	107 174 363	–	195 263 853	–	195 263 853
January-December 2062	90 413 144	–	–	–	108 848 464	–	199 261 608	–	199 261 608
January-December 2063	(1 987 091 354)	–	–	–	117 827 723	–	(1 869 263 631)	–	(1 869 263 631)
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**3 785 000 000**	**0**	**234 300 000**	**0**	**2 969 100 000**	**86 100 000**	**6 988 400 000**	**86 100 000**	**7 074 500 000**
2014 net present value 3 per cent	**2 570 500 000**	**0**	**217 500 000**	**0**	**1 220 400 000**	**74 300 000**	**4 008 400 000**	**74 300 000**	**4 082 600 000**

C. Status quo: no growth

(United States dollars)

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	–	–	56 001 129	–	56 001 129
January-December 2015	–	–	57 681 163	–	–	–	57 681 163	–	57 681 163
January-December 2016	–	–	59 411 598	–	–	–	59 411 598	–	59 411 598
January-December 2017	–	–	61 193 946	–	–	–	61 193 946	–	61 193 946
January-December 2018	–	–	52 915 891	31 728 407	–	–	52 915 891	31 728 407	84 644 298
January-December 2019	–	–	54 503 367	–	–	–	54 503 367	–	54 503 367
January-December 2020	–	–	56 138 468	–	–	–	56 138 468	–	56 138 468
January-December 2021	–	–	57 822 623	–	–	–	57 822 623	–	57 822 623
January-December 2022	–	–	59 557 301	–	–	–	59 557 301	–	59 557 301
January-December 2023	–	–	–	–	28 891 707	317 924 325	28 891 707	317 924 325	346 816 032
January-December 2024	–	–	–	–	131 611 943	–	131 611 943	–	131 611 943
January-December 2025	–	–	–	–	146 845 547	–	146 845 547	–	146 845 547
January-December 2026	–	–	–	–	148 929 180	–	148 929 180	–	148 929 180
January-December 2027	–	–	–	–	151 075 322	–	151 075 322	–	151 075 322
January-December 2028	–	–	–	–	164 682 536	–	164 682 536	–	164 682 536
January-December 2029	–	–	–	–	166 959 378	–	166 959 378	–	166 959 378
January-December 2030	–	–	–	–	169 304 525	–	169 304 525	–	169 304 525
January-December 2031	–	–	–	–	171 720 027	–	171 720 027	–	171 720 027
January-December 2032	–	–	–	–	174 207 994	–	174 207 994	–	174 207 994
January-December 2033	–	–	–	–	189 306 955	–	189 306 955	–	189 306 955
January-December 2034	–	–	–	–	191 946 439	–	191 946 439	–	191 946 439
January-December 2035	–	–	–	–	194 665 108	–	194 665 108	–	194 665 108
January-December 2036	–	–	–	–	197 465 336	–	197 465 336	–	197 465 336
January-December 2037	–	–	–	–	200 349 572	–	200 349 572	–	200 349 572
January-December 2038	–	–	–	–	199 979 536	–	199 979 536	–	199 979 536
January-December 2039	–	–	–	–	202 979 800	–	202 979 800	–	202 979 800

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2040	–	–	–	–	206 070 072	–	206 070 072	–	206 070 072
January-December 2041	–	–	–	–	209 253 052	–	209 253 052	–	209 253 052
January-December 2042	–	–	–	–	212 531 522	–	212 531 522	–	212 531 522
January-December 2043	–	–	–	–	231 807 944	–	231 807 944	–	231 807 944
January-December 2044	–	–	–	–	235 286 073	–	235 286 073	–	235 286 073
January-December 2045	–	–	–	–	238 868 545	–	238 868 545	–	238 868 545
January-December 2046	–	–	–	–	242 558 491	–	242 558 491	–	242 558 491
January-December 2047	–	–	–	–	246 359 136	–	246 359 136	–	246 359 136
January-December 2048	–	–	–	–	266 272 536	–	266 272 536	–	266 272 536
January-December 2049	–	–	–	–	270 304 640	–	270 304 640	–	270 304 640
January-December 2050	–	–	–	–	274 457 708	–	274 457 708	–	274 457 708
January-December 2051	–	–	–	–	278 735 367	–	278 735 367	–	278 735 367
January-December 2052	–	–	–	–	283 141 356	–	283 141 356	–	283 141 356
January-December 2053	–	–	–	–	309 047 256	–	309 047 256	–	309 047 256
January-December 2054	–	–	–	–	313 721 569	–	313 721 569	–	313 721 569
January-December 2055	–	–	–	–	318 536 113	–	318 536 113	–	318 536 113
January-December 2056	–	–	–	–	323 495 092	–	323 495 092	–	323 495 092
January-December 2057	–	–	–	–	328 602 841	–	328 602 841	–	328 602 841
January-December 2058	–	–	–	–	355 364 785	–	355 364 785	–	355 364 785
January-December 2059	–	–	–	–	360 783 596	–	360 783 596	–	360 783 596
January-December 2060	–	–	–	–	366 364 972	–	366 364 972	–	366 364 972
January-December 2061	–	–	–	–	372 113 788	–	372 113 788	–	372 113 788
January-December 2062	–	–	–	–	378 035 069	–	378 035 069	–	378 035 069
January-December 2063	–	–	–	–	412 850 431	–	412 850 431	–	412 850 431
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**0**	**0**	**515 200 000**	**31 700 000**	**9 865 500 000**	**317 900 000**	**10 380 700 000**	**349 700 000**	**10 730 400 000**
2014 net present value 3 per cent	**0**	**0**	**445 700 000**	**27 400 000**	**3 840 800 000**	**236 600 000**	**4 286 500 000**	**263 900 000**	**4 550 400 000**

D. North Lawn assessment: 1.10 per cent growth

(United States dollars)

Year	*North Lawn annual occupancy*	*North Lawn assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	4 641 444	21 767 005	60 642 573	21 767 005	82 409 578
January-December 2015	–	–	57 091 611	–	8 690 877	–	65 782 488	–	65 782 488
January-December 2016	–	–	59 983 172	–	8 814 173	–	68 797 345	–	68 797 345
January-December 2017	–	–	53 606 056	–	8 941 169	–	62 547 225	–	62 547 225
January-December 2018	–	–	58 260 091	–	14 511 351	24 886 003	72 771 442	24 886 003	97 657 445
January-December 2019	–	–	64 852 210	–	20 136 606	–	84 988 817	–	84 988 817
January-December 2020	–	–	65 813 464	–	20 424 978	–	86 238 443	–	86 238 443
January-December 2021	–	–	66 803 556	–	20 722 001	–	87 525 557	–	87 525 557
January-December 2022	–	47 496 061	69 446 681	–	21 027 935	–	90 474 616	47 496 061	137 970 677
January-December 2023	–	47 496 061	82 324 421	–	28 699 174	29 020 960	111 023 596	76 517 022	187 540 617
January-December 2024	–	279 795 292	82 437 928	–	35 659 190	–	118 097 117	279 795 292	397 892 410
January-December 2025	–	375 832 042	82 554 839	–	36 172 964	–	118 727 804	375 832 042	494 559 846
January-December 2026	48 054 702	567 905 542	–	–	59 347 708	98 200 513	107 402 410	666 106 055	773 508 465
January-December 2027	49 100 785	–	–	–	80 430 571	–	129 531 356	–	129 531 356
January-December 2028	50 178 251	–	–	–	93 030 374	40 836 552	143 208 626	40 836 552	184 045 177
January-December 2029	51 288 042	–	–	–	103 248 541	–	154 536 582	–	154 536 582
January-December 2030	52 431 125	–	–	–	104 776 581	–	157 207 706	–	157 207 706
January-December 2031	53 608 502	–	–	–	109 767 150	–	163 375 651	–	163 375 651
January-December 2032	54 821 199	–	–	–	111 388 247	–	166 209 446	–	166 209 446
January-December 2033	56 070 278	–	–	–	115 871 888	–	171 942 166	–	171 942 166
January-December 2034	57 356 828	–	–	–	118 588 785	–	175 945 613	–	175 945 613
January-December 2035	58 681 976	–	–	–	120 360 202	–	179 042 178	–	179 042 178
January-December 2036	60 046 877	–	–	–	125 943 118	–	185 989 996	–	185 989 996
January-December 2037	61 452 726	–	–	–	127 822 415	–	189 275 141	–	189 275 141
January-December 2038	62 900 751	–	–	–	135 185 403	–	198 086 153	–	198 086 153
January-December 2039	64 392 216	–	–	–	135 677 914	–	200 070 130	–	200 070 130

Year	North Lawn annual occupancy	North Lawn assessment	Current leases annual occupancy	Current leases assessment	Additional lease annual occupancy	Additional lease assessment	Total annual occupancy	Total assessment	Grand total
January-December 2040	65 928 425	–	–	–	137 731 472	–	203 659 896	–	203 659 896
January-December 2041	67 510 720	–	–	–	149 074 053	–	216 584 773	–	216 584 773
January-December 2042	69 140 484	–	–	–	142 829 369	–	211 969 853	–	211 969 853
January-December 2043	70 819 141	–	–	–	151 526 786	–	222 345 927	–	222 345 927
January-December 2044	72 548 158	–	–	–	151 606 230	–	224 154 387	–	224 154 387
January-December 2045	74 329 045	–	–	–	153 986 866	–	228 315 911	–	228 315 911
January-December 2046	76 163 359	–	–	–	161 495 856	–	237 659 215	–	237 659 215
January-December 2047	78 052 702	–	–	–	164 021 473	–	242 074 175	–	242 074 175
January-December 2048	79 998 726	–	–	–	173 900 269	–	253 898 995	–	253 898 995
January-December 2049	82 003 130	–	–	–	175 604 758	–	257 607 888	–	257 607 888
January-December 2050	84 067 666	–	–	–	178 364 568	–	262 432 234	–	262 432 234
January-December 2051	86 194 139	–	–	–	193 541 864	–	279 736 002	–	279 736 002
January-December 2052	88 384 405	–	–	–	188 782 225	–	277 166 631	–	277 166 631
January-December 2053	90 640 380	–	–	–	200 442 761	–	291 083 141	–	291 083 141
January-December 2054	92 964 034	–	–	–	202 089 943	–	295 053 977	–	295 053 977
January-December 2055	95 357 397	–	–	–	205 289 319	–	300 646 716	–	300 646 716
January-December 2056	97 822 562	–	–	–	215 380 773	–	313 203 335	–	313 203 335
January-December 2057	100 361 681	–	–	–	218 774 992	–	319 136 673	–	319 136 673
January-December 2058	102 976 974	–	–	–	232 051 268	–	335 028 242	–	335 028 242
January-December 2059	105 670 726	–	–	–	234 341 958	–	340 012 684	–	340 012 684
January-December 2060	108 445 290	–	–	–	238 050 912	–	346 496 202	–	346 496 202
January-December 2061	111 303 091	–	–	–	258 447 928	–	369 751 019	–	369 751 019
January-December 2062	114 246 627	–	–	–	252 051 372	–	366 297 999	–	366 297 999
January-December 2063	(922 670 463)	–	–	–	267 722 157	–	(654 948 306)	–	(654 948 306)
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	*North Lawn annual occupancy*	*North Lawn assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**1 872 600 000**	**1 318 500 000**	**799 200 000**	**0**	**6 417 000 000**	**214 700 000**	**9 088 800 000**	**1 533 200 000**	**10 622 000 000**
2014 net present value 3 per cent	**873 100 000**	**924 200 000**	**653 500 000**	**0**	**2 494 500 000**	**157 300 000**	**4 021 000 000**	**1 081 500 000**	**5 102 500 000**

E. DC-5: 1.10 per cent growth

(United States dollars)

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	4 641 444	21 767 005	60 642 573	21 767 005	82 409 578
January-December 2015	–	–	57 681 163	–	8 690 877	–	66 372 039	–	66 372 039
January-December 2016	–	–	59 411 598	–	8 814 173	–	68 225 771	–	68 225 771
January-December 2017	–	–	61 193 946	–	8 941 169	–	70 135 115	–	70 135 115
January-December 2018	153 064 881	–	–	–	32 830 544	108 699 195	185 895 425	108 699 195	294 594 620
January-December 2019	153 716 766	–	–	–	54 665 590	–	208 382 355	–	208 382 355
January-December 2020	154 388 207	–	–	–	55 444 578	–	209 832 785	–	209 832 785
January-December 2021	155 079 791	–	–	–	56 246 937	–	211 326 728	–	211 326 728
January-December 2022	155 792 123	–	–	–	57 073 366	–	212 865 489	–	212 865 489
January-December 2023	150 013 008	–	–	–	67 977 881	29 020 960	217 990 889	29 020 960	247 011 849
January-December 2024	150 768 721	–	–	–	75 490 090	–	226 258 811	–	226 258 811
January-December 2025	151 547 106	–	–	–	76 572 624	–	228 119 729	–	228 119 729
January-December 2026	152 348 842	–	–	–	77 687 634	–	230 036 475	–	230 036 475
January-December 2027	153 174 630	–	–	–	78 836 094	–	232 010 723	–	232 010 723
January-December 2028	154 025 191	–	–	–	94 758 665	40 836 552	248 783 856	40 836 552	289 620 407
January-December 2029	154 901 270	–	–	–	104 983 673	–	259 884 943	–	259 884 943
January-December 2030	155 803 631	–	–	–	106 518 761	–	262 322 392	–	262 322 392
January-December 2031	156 733 062	–	–	–	108 099 901	–	264 832 964	–	264 832 964
January-December 2032	157 690 377	–	–	–	109 728 476	–	267 418 853	–	267 418 853
January-December 2033	158 676 411	–	–	–	115 423 194	–	274 099 605	–	274 099 605
January-December 2034	159 692 026	–	–	–	118 168 020	–	277 860 046	–	277 860 046
January-December 2035	160 738 110	–	–	–	119 968 204	–	280 706 313	–	280 706 313
January-December 2036	161 815 576	–	–	–	121 822 393	–	283 637 969	–	283 637 969
January-December 2037	162 925 366	–	–	–	123 732 208	–	286 657 574	–	286 657 574
January-December 2038	164 068 449	–	–	–	132 887 960	–	296 956 410	–	296 956 410
January-December 2039	165 245 826	–	–	–	135 835 970	–	301 081 795	–	301 081 795

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2040	166 458 523	–	–	–	137 928 650	–	304 387 173	–	304 387 173
January-December 2041	167 707 602	–	–	–	136 788 347	–	304 495 948	–	304 495 948
January-December 2042	168 994 153	–	–	–	139 000 430	–	307 994 583	–	307 994 583
January-December 2043	170 319 300	–	–	–	151 400 834	–	321 720 134	–	321 720 134
January-December 2044	171 684 202	–	–	–	155 087 618	–	326 771 819	–	326 771 819
January-December 2045	173 090 051	–	–	–	157 504 821	–	330 594 872	–	330 594 872
January-December 2046	109 287 667	–	–	–	159 994 540	–	269 282 207	–	269 282 207
January-December 2047	61 841 326	–	–	–	162 558 951	–	224 400 277	–	224 400 277
January-December 2048	63 377 535	–	–	–	175 636 263	–	239 013 798	–	239 013 798
January-December 2049	64 959 830	–	–	–	179 588 252	–	244 548 082	–	244 548 082
January-December 2050	66 589 594	–	–	–	182 390 453	–	248 980 047	–	248 980 047
January-December 2051	68 268 251	–	–	–	182 204 013	–	250 472 263	–	250 472 263
January-December 2052	69 997 268	–	–	–	185 176 868	–	255 174 135	–	255 174 135
January-December 2053	71 778 155	–	–	–	201 813 908	–	273 592 063	–	273 592 063
January-December 2054	73 612 469	–	–	–	206 768 637	–	280 381 106	–	280 381 106
January-December 2055	75 501 812	–	–	–	210 017 156	–	285 518 968	–	285 518 968
January-December 2056	77 447 836	–	–	–	213 363 131	–	290 810 966	–	290 810 966
January-December 2057	79 452 240	–	–	–	216 809 485	–	296 261 725	–	296 261 725
January-December 2058	81 516 776	–	–	–	234 384 298	–	315 901 075	–	315 901 075
January-December 2059	83 643 249	–	–	–	239 695 441	–	323 338 690	–	323 338 690
January-December 2060	85 833 515	–	–	–	243 461 365	–	329 294 881	–	329 294 881
January-December 2061	88 089 490	–	–	–	243 210 804	–	331 300 294	–	331 300 294
January-December 2062	90 413 144	–	–	–	247 206 073	–	337 619 217	–	337 619 217
January-December 2063	(1 987 091 354)	–	–	–	269 564 864	–	(1 717 526 490)	–	(1 717 526 490)
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**3 785 000 000**	**0**	**234 300 000**	**0**	**6 687 400 000**	**200 300 000**	**10 706 700 000**	**200 300 000**	**10 907 000 000**
2014 net present value 3 per cent	**2 570 500 000**	**0**	**217 500 000**	**0**	**2 710 800 000**	**162 700 000**	**5 498 900 000**	**162 700 000**	**5 661 600 000**

F. Status quo: 1.10 per cent growth

(United States dollars)

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	4 641 444	21 767 005	60 642 573	21 767 005	82 409 578
January-December 2015	–	–	57 681 163	–	8 690 877	–	66 372 039	–	66 372 039
January-December 2016	–	–	59 411 598	–	8 814 173	–	68 225 771	–	68 225 771
January-December 2017	–	–	61 193 946	–	8 941 169	–	70 135 115	–	70 135 115
January-December 2018	–	–	52 915 891	31 728 407	15 106 712	27 609 874	68 022 603	59 338 281	127 360 884
January-December 2019	–	–	54 503 367	–	21 273 240	–	75 776 608	–	75 776 608
January-December 2020	–	–	56 138 468	–	21 592 456	–	77 730 925	–	77 730 925
January-December 2021	–	–	57 822 623	–	21 921 249	–	79 743 871	–	79 743 871
January-December 2022	–	–	59 557 301	–	22 259 905	–	81 817 206	–	81 817 206
January-December 2023	–	–	–	–	101 186 213	343 937 911	101 186 213	343 937 911	445 124 124
January-December 2024	–	–	–	–	172 369 777	–	172 369 777	–	172 369 777
January-December 2025	–	–	–	–	175 100 013	–	175 100 013	–	175 100 013
January-December 2026	–	–	–	–	177 912 156	–	177 912 156	–	177 912 156
January-December 2027	–	–	–	–	180 808 663	–	180 808 663	–	180 808 663
January-December 2028	–	–	–	–	206 302 116	40 836 552	206 302 116	40 836 552	247 138 667
January-December 2029	–	–	–	–	218 381 628	–	218 381 628	–	218 381 628
January-December 2030	–	–	–	–	221 826 854	–	221 826 854	–	221 826 854
January-December 2031	–	–	–	–	225 375 436	–	225 375 436	–	225 375 436
January-December 2032	–	–	–	–	229 030 476	–	229 030 476	–	229 030 476
January-December 2033	–	–	–	–	247 084 084	–	247 084 084	–	247 084 084
January-December 2034	–	–	–	–	251 936 903	–	251 936 903	–	251 936 903
January-December 2035	–	–	–	–	255 908 321	–	255 908 321	–	255 908 321
January-December 2036	–	–	–	–	259 998 881	–	259 998 881	–	259 998 881
January-December 2037	–	–	–	–	264 212 158	–	264 212 158	–	264 212 158
January-December 2038	–	–	–	–	272 199 536	–	272 199 536	–	272 199 536
January-December 2039	–	–	–	–	277 299 407	–	277 299 407	–	277 299 407

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2040	–	–	–	–	281 608 505	–	281 608 505	–	281 608 505
January-December 2041	–	–	–	–	282 751 112	–	282 751 112	–	282 751 112
January-December 2042	–	–	–	–	287 314 593	–	287 314 593	–	287 314 593
January-December 2043	–	–	–	–	314 336 839	–	314 336 839	–	314 336 839
January-December 2044	–	–	–	–	320 518 220	–	320 518 220	–	320 518 220
January-December 2045	–	–	–	–	325 504 859	–	325 504 859	–	325 504 859
January-December 2046	–	–	–	–	330 641 097	–	330 641 097	–	330 641 097
January-December 2047	–	–	–	–	335 931 422	–	335 931 422	–	335 931 422
January-December 2048	–	–	–	–	361 098 917	–	361 098 917	–	361 098 917
January-December 2049	–	–	–	–	367 942 828	–	367 942 828	–	367 942 828
January-December 2050	–	–	–	–	373 723 709	–	373 723 709	–	373 723 709
January-December 2051	–	–	–	–	376 605 309	–	376 605 309	–	376 605 309
January-December 2052	–	–	–	–	382 738 245	–	382 738 245	–	382 738 245
January-December 2053	–	–	–	–	419 025 819	–	419 025 819	–	419 025 819
January-December 2054	–	–	–	–	427 333 079	–	427 333 079	–	427 333 079
January-December 2055	–	–	–	–	434 034 704	–	434 034 704	–	434 034 704
January-December 2056	–	–	–	–	440 937 378	–	440 937 378	–	440 937 378
January-December 2057	–	–	–	–	448 047 133	–	448 047 133	–	448 047 133
January-December 2058	–	–	–	–	481 870 142	–	481 870 142	–	481 870 142
January-December 2059	–	–	–	–	491 067 786	–	491 067 786	–	491 067 786
January-December 2060	–	–	–	–	498 836 807	–	498 836 807	–	498 836 807
January-December 2061	–	–	–	–	502 709 436	–	502 709 436	–	502 709 436
January-December 2062	–	–	–	–	510 951 590	–	510 951 590	–	510 951 590
January-December 2063	–	–	–	–	559 719 054	–	559 719 054	–	559 719 054
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**0**	**0**	**515 200 000**	**31 700 000**	**13 425 400 000**	**434 200 000**	**13 940 600 000**	**465 900 000**	**14 406 500 000**
2014 net present value 3 per cent	**0**	**0**	**445 700 000**	**27 400 000**	**5 268 400 000**	**327 100 000**	**5 714 100 000**	**354 500 000**	**6 068 600 000**

G. North Lawn assessment: 0.5 per cent reduction

(United States dollars)

Year	*North Lawn annual occupancy*	*North Lawn assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	–	–	56 001 129	–	56 001 129
January-December 2015	–	–	57 091 611	–	–	–	57 091 611	–	57 091 611
January-December 2016	–	–	59 983 172	–	–	–	59 983 172	–	59 983 172
January-December 2017	–	–	51 391 722	–	–	–	51 391 722	–	51 391 722
January-December 2018	–	–	54 865 345	–	–	–	54 865 345	–	54 865 345
January-December 2019	–	–	61 452 842	–	–	–	61 452 842	–	61 452 842
January-December 2020	–	–	62 409 335	–	–	–	62 409 335	–	62 409 335
January-December 2021	–	–	63 394 524	–	–	–	63 394 524	–	63 394 524
January-December 2022	–	47 496 061	65 708 529	–	–	–	65 708 529	47 496 061	113 204 591
January-December 2023	–	47 496 061	74 930 368	–	–	–	74 930 368	47 496 061	122 426 429
January-December 2024	–	279 795 292	75 033 291	–	–	–	75 033 291	279 795 292	354 828 584
January-December 2025	–	375 832 042	75 139 303	–	–	–	75 139 303	375 832 042	450 971 345
January-December 2026	48 054 702	567 905 542	–	–	6 353 694	74 195 462	54 408 396	642 101 004	696 509 400
January-December 2027	49 100 785	–	–	–	28 324 744	–	77 425 529	–	77 425 529
January-December 2028	50 178 251	–	–	–	27 943 146	–	78 121 397	–	78 121 397
January-December 2029	51 288 042	–	–	–	28 353 977	–	79 642 019	–	79 642 019
January-December 2030	52 431 125	–	–	–	28 777 133	–	81 208 258	–	81 208 258
January-December 2031	53 608 502	–	–	–	31 392 301	–	85 000 802	–	85 000 802
January-December 2032	54 821 199	–	–	–	31 841 227	–	86 662 426	–	86 662 426
January-December 2033	56 070 278	–	–	–	32 303 622	–	88 373 899	–	88 373 899
January-December 2034	57 356 828	–	–	–	25 718 281	–	83 075 110	–	83 075 110
January-December 2035	58 681 976	–	–	–	26 103 158	–	84 785 133	–	84 785 133
January-December 2036	60 046 877	–	–	–	28 380 402	–	88 427 279	–	88 427 279
January-December 2037	61 452 726	–	–	–	28 788 717	–	90 241 443	–	90 241 443
January-December 2038	62 900 751	–	–	–	29 209 282	–	92 110 033	–	92 110 033
January-December 2039	64 392 216	–	–	–	29 642 464	–	94 034 679	–	94 034 679

Year	North Lawn annual occupancy	North Lawn assessment	Current leases annual occupancy	Current leases assessment	Additional lease annual occupancy	Additional lease assessment	Total annual occupancy	Total assessment	Grand total
January-December 2040	65 928 425	–	–	–	30 088 641	–	96 017 066	–	96 017 066
January-December 2041	67 510 720	–	–	–	31 276 424	–	98 787 144	–	98 787 144
January-December 2042	69 140 484	–	–	–	31 740 284	–	100 880 768	–	100 880 768
January-December 2043	70 819 141	–	–	–	32 218 059	–	103 037 200	–	103 037 200
January-December 2044	72 548 158	–	–	–	32 710 168	–	105 258 326	–	105 258 326
January-December 2045	74 329 045	–	–	–	33 217 040	–	107 546 085	–	107 546 085
January-December 2046	76 163 359	–	–	–	36 269 796	–	112 433 155	–	112 433 155
January-December 2047	78 052 702	–	–	–	36 807 537	–	114 860 239	–	114 860 239
January-December 2048	79 998 726	–	–	–	37 361 410	–	117 360 135	–	117 360 135
January-December 2049	82 003 130	–	–	–	37 931 899	–	119 935 028	–	119 935 028
January-December 2050	84 067 666	–	–	–	38 519 502	–	122 587 168	–	122 587 168
January-December 2051	86 194 139	–	–	–	41 671 191	–	127 865 330	–	127 865 330
January-December 2052	88 384 405	–	–	–	42 294 580	–	130 678 985	–	130 678 985
January-December 2053	90 640 380	–	–	–	42 936 670	–	133 577 050	–	133 577 050
January-December 2054	92 964 034	–	–	–	43 598 023	–	136 562 057	–	136 562 057
January-December 2055	95 357 397	–	–	–	44 279 217	–	139 636 614	–	139 636 614
January-December 2056	97 822 562	–	–	–	48 381 866	–	146 204 428	–	146 204 428
January-December 2057	100 361 681	–	–	–	49 104 544	–	149 466 225	–	149 466 225
January-December 2058	102 976 974	–	–	–	49 848 903	–	152 825 877	–	152 825 877
January-December 2059	105 670 726	–	–	–	50 615 592	–	156 286 318	–	156 286 318
January-December 2060	108 445 290	–	–	–	51 405 283	–	159 850 573	–	159 850 573
January-December 2061	111 303 091	–	–	–	55 640 889	–	166 943 980	–	166 943 980
January-December 2062	114 246 627	–	–	–	56 478 671	–	170 725 298	–	170 725 298
January-December 2063	(922 670 463)	–	–	–	57 341 587	–	(865 328 876)	–	(865 328 876)
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	*North Lawn annual occupancy*	*North Lawn assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**1 872 600 000**	**1 318 500 000**	**757 400 000**	**0**	**1 394 900 000**	**74 200 000**	**4 024 900 000**	**1 392 700 000**	**5 417 600 000**
2014 net present value 3 per cent	**873 100 000**	**924 200 000**	**621 300 000**	**0**	**532 200 000**	**50 500 000**	**2 026 600 000**	**974 700 000**	**3 001 300 000**

H. DC-5: 0.5 per cent reduction

(United States dollars)

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	–	–	56 001 129	–	56 001 129
January-December 2015	–	–	57 681 163	–	–	–	57 681 163	–	57 681 163
January-December 2016	–	–	59 411 598	–	–	–	59 411 598	–	59 411 598
January-December 2017	–	–	61 193 946	–	–	–	61 193 946	–	61 193 946
January-December 2018	153 064 881	–	–	–	6 204 686	73 440 787	159 269 567	73 440 787	232 710 355
January-December 2019	153 716 766	–	–	–	26 910 268	–	180 627 033	–	180 627 033
January-December 2020	154 388 207	–	–	–	31 399 945	–	185 788 152	–	185 788 152
January-December 2021	155 079 791	–	–	–	31 845 474	–	186 925 265	–	186 925 265
January-December 2022	155 792 123	–	–	–	32 304 368	–	188 096 492	–	188 096 492
January-December 2023	150 013 008	–	–	–	30 361 328	–	180 374 336	–	180 374 336
January-December 2024	150 768 721	–	–	–	30 781 112	–	181 549 833	–	181 549 833
January-December 2025	151 547 106	–	–	–	31 213 490	–	182 760 595	–	182 760 595
January-December 2026	152 348 842	–	–	–	31 658 839	–	184 007 680	–	184 007 680
January-December 2027	153 174 630	–	–	–	32 117 548	–	185 292 177	–	185 292 177
January-December 2028	154 025 191	–	–	–	29 462 063	–	183 487 255	–	183 487 255
January-December 2029	154 901 270	–	–	–	29 872 895	–	184 774 164	–	184 774 164
January-December 2030	155 803 631	–	–	–	30 296 051	–	186 099 681	–	186 099 681
January-December 2031	156 733 062	–	–	–	30 731 902	–	187 464 964	–	187 464 964
January-December 2032	157 690 377	–	–	–	31 180 828	–	188 871 205	–	188 871 205
January-December 2033	158 676 411	–	–	–	31 751 434	–	190 427 845	–	190 427 845
January-December 2034	159 692 026	–	–	–	25 277 558	–	184 969 584	–	184 969 584
January-December 2035	160 738 110	–	–	–	25 654 718	–	186 392 828	–	186 392 828
January-December 2036	161 815 576	–	–	–	26 043 193	–	187 858 769	–	187 858 769
January-December 2037	162 925 366	–	–	–	26 443 323	–	189 368 689	–	189 368 689
January-December 2038	164 068 449	–	–	–	28 853 197	–	192 921 646	–	192 921 646
January-December 2039	165 245 826	–	–	–	29 277 694	–	194 523 520	–	194 523 520

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2040	166 458 523	–	–	–	29 714 926	–	196 173 450	–	196 173 450
January-December 2041	167 707 602	–	–	–	30 165 276	–	197 872 877	–	197 872 877
January-December 2042	168 994 153	–	–	–	30 629 135	–	199 623 288	–	199 623 288
January-December 2043	170 319 300	–	–	–	33 117 108	–	203 436 408	–	203 436 408
January-December 2044	171 684 202	–	–	–	33 609 217	–	205 293 418	–	205 293 418
January-December 2045	173 090 051	–	–	–	34 116 089	–	207 206 139	–	207 206 139
January-December 2046	109 287 667	–	–	–	34 638 167	–	143 925 834	–	143 925 834
January-December 2047	61 841 326	–	–	–	35 175 907	–	97 017 233	–	97 017 233
January-December 2048	63 377 535	–	–	–	38 414 576	–	101 792 111	–	101 792 111
January-December 2049	64 959 830	–	–	–	38 985 065	–	103 944 895	–	103 944 895
January-December 2050	66 589 594	–	–	–	39 572 669	–	106 162 263	–	106 162 263
January-December 2051	68 268 251	–	–	–	40 177 901	–	108 446 152	–	108 446 152
January-December 2052	69 997 268	–	–	–	40 801 290	–	110 798 557	–	110 798 557
January-December 2053	71 778 155	–	–	–	44 144 916	–	115 923 071	–	115 923 071
January-December 2054	73 612 469	–	–	–	44 806 269	–	118 418 738	–	118 418 738
January-December 2055	75 501 812	–	–	–	45 487 463	–	120 989 275	–	120 989 275
January-December 2056	77 447 836	–	–	–	46 189 093	–	123 636 928	–	123 636 928
January-December 2057	79 452 240	–	–	–	46 911 771	–	126 364 011	–	126 364 011
January-December 2058	81 516 776	–	–	–	51 264 271	–	132 781 047	–	132 781 047
January-December 2059	83 643 249	–	–	–	52 030 961	–	135 674 209	–	135 674 209
January-December 2060	85 833 515	–	–	–	52 820 651	–	138 654 166	–	138 654 166
January-December 2061	88 089 490	–	–	–	53 634 032	–	141 723 522	–	141 723 522
January-December 2062	90 413 144	–	–	–	54 471 814	–	144 884 958	–	144 884 958
January-December 2063	(1 987 091 354)	–	–	–	58 965 369	–	(1 928 125 986)	–	(1 928 125 986)
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**3 785 000 000**	**0**	**234 300 000**	**0**	**1 639 500 000**	**73 400 000**	**5 658 800 000**	**73 400 000**	**5 732 200 000**
2014 net present value 3 per cent	**2 570 500 000**	**0**	**217 500 000**	**0**	**719 800 000**	**63 400 000**	**3 507 900 000**	**63 400 000**	**3 571 200 000**

I. Status quo: 0.5 per cent reduction

(United States dollars)

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2014	–	–	56 001 129	–	–	–	56 001 129	–	56 001 129
January-December 2015	–	–	57 681 163	–	–	–	57 681 163	–	57 681 163
January-December 2016	–	–	59 411 598	–	–	–	59 411 598	–	59 411 598
January-December 2017	–	–	61 193 946	–	–	–	61 193 946	–	61 193 946
January-December 2018	–	–	50 418 107	31 728 407	–	–	50 418 107	31 728 407	82 146 514
January-December 2019	–	–	51 930 650	–	–	–	51 930 650	–	51 930 650
January-December 2020	–	–	53 488 570	–	–	–	53 488 570	–	53 488 570
January-December 2021	–	–	55 093 227	–	–	–	55 093 227	–	55 093 227
January-December 2022	–	–	56 746 024	–	–	–	56 746 024	–	56 746 024
January-December 2023	–	–	–	–	25 127 905	295 303 829	25 127 905	295 303 829	320 431 734
January-December 2024	–	–	–	–	110 052 092	–	110 052 092	–	110 052 092
January-December 2025	–	–	–	–	128 508 551	–	128 508 551	–	128 508 551
January-December 2026	–	–	–	–	130 389 568	–	130 389 568	–	130 389 568
January-December 2027	–	–	–	–	132 327 014	–	132 327 014	–	132 327 014
January-December 2028	–	–	–	–	138 978 285	–	138 978 285	–	138 978 285
January-December 2029	–	–	–	–	140 957 909	–	140 957 909	–	140 957 909
January-December 2030	–	–	–	–	142 996 922	–	142 996 922	–	142 996 922
January-December 2031	–	–	–	–	145 097 105	–	145 097 105	–	145 097 105
January-December 2032	–	–	–	–	147 260 293	–	147 260 293	–	147 260 293
January-December 2033	–	–	–	–	160 059 488	–	160 059 488	–	160 059 488
January-December 2034	–	–	–	–	155 096 015	–	155 096 015	–	155 096 015
January-December 2035	–	–	–	–	157 354 111	–	157 354 111	–	157 354 111
January-December 2036	–	–	–	–	159 679 951	–	159 679 951	–	159 679 951
January-December 2037	–	–	–	–	162 075 566	–	162 075 566	–	162 075 566
January-December 2038	–	–	–	–	168 453 010	–	168 453 010	–	168 453 010
January-December 2039	–	–	–	–	170 943 566	–	170 943 566	–	170 943 566

Year	*DC-5 annual occupancy*	*DC-5 assessment*	*Current leases annual occupancy*	*Current leases assessment*	*Additional lease annual occupancy*	*Additional lease assessment*	*Total annual occupancy*	*Total assessment*	*Grand total*
January-December 2040	–	–	–	–	173 508 839	–	173 508 839	–	173 508 839
January-December 2041	–	–	–	–	176 151 070	–	176 151 070	–	176 151 070
January-December 2042	–	–	–	–	178 872 567	–	178 872 567	–	178 872 567
January-December 2043	–	–	–	–	195 263 426	–	195 263 426	–	195 263 426
January-December 2044	–	–	–	–	198 150 663	–	198 150 663	–	198 150 663
January-December 2045	–	–	–	–	201 124 517	–	201 124 517	–	201 124 517
January-December 2046	–	–	–	–	204 187 587	–	204 187 587	–	204 187 587
January-December 2047	–	–	–	–	207 342 549	–	207 342 549	–	207 342 549
January-December 2048	–	–	–	–	224 264 597	–	224 264 597	–	224 264 597
January-December 2049	–	–	–	–	227 611 696	–	227 611 696	–	227 611 696
January-December 2050	–	–	–	–	231 059 208	–	231 059 208	–	231 059 208
January-December 2051	–	–	–	–	234 610 146	–	234 610 146	–	234 610 146
January-December 2052	–	–	–	–	238 267 611	–	238 267 611	–	238 267 611
January-December 2053	–	–	–	–	260 295 554	–	260 295 554	–	260 295 554
January-December 2054	–	–	–	–	264 175 759	–	264 175 759	–	264 175 759
January-December 2055	–	–	–	–	268 172 371	–	268 172 371	–	268 172 371
January-December 2056	–	–	–	–	272 288 880	–	272 288 880	–	272 288 880
January-December 2057	–	–	–	–	276 528 885	–	276 528 885	–	276 528 885
January-December 2058	–	–	–	–	299 270 704	–	299 270 704	–	299 270 704
January-December 2059	–	–	–	–	303 768 925	–	303 768 925	–	303 768 925
January-December 2060	–	–	–	–	308 402 093	–	308 402 093	–	308 402 093
January-December 2061	–	–	–	–	313 174 256	–	313 174 256	–	313 174 256
January-December 2062	–	–	–	–	318 089 583	–	318 089 583	–	318 089 583
January-December 2063	–	–	–	–	347 693 297	–	347 693 297	–	347 693 297
January-December 2064	–	–	–	–	–	–	–	–	–
January-December 2065	–	–	–	–	–	–	–	–	–
January-December 2066	–	–	–	–	–	–	–	–	–
January-December 2067	–	–	–	–	–	–	–	–	–
January-December 2068	–	–	–	–	–	–	–	–	–

Year	DC-5 annual occupancy	DC-5 assessment	Current leases annual occupancy	Current leases assessment	Additional lease annual occupancy	Additional lease assessment	Total annual occupancy	Total assessment	Grand total
January-December 2069	–	–	–	–	–	–	–	–	–
January-December 2070	–	–	–	–	–	–	–	–	–
January-December 2071	–	–	–	–	–	–	–	–	–
January-December 2072	–	–	–	–	–	–	–	–	–
January-December 2073	–	–	–	–	–	–	–	–	–
January-December 2074	–	–	–	–	–	–	–	–	–
January-December 2075	–	–	–	–	–	–	–	–	–
January-December 2076	–	–	–	–	–	–	–	–	–
January-December 2077	–	–	–	–	–	–	–	–	–
Total	**0**	**0**	**502 000 000**	**31 700 000**	**8 297 600 000**	**295 300 000**	**8 799 600 000**	**327 000 000**	**9 126 600 000**
2014 net present value 3 per cent	**0**	**0**	**434 900 000**	**27 400 000**	**3 232 200 000**	**219 700 000**	**3 667 100 000**	**247 100 000**	**3 914 200 000**