

# WIPO



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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**

GENEVA

**E**

## **BUDGET COMMITTEE**

**Nineteenth Session**

**Geneva, June 4 and 5, 1998**

## **PREMISES COMMITTEE**

**Ninth Session**

**Geneva, June 4 and 5, 1998**

ACQUISITION OF THE "STEINER LOT" OR THE PROCTER & GAMBLE BUILDING

*Memorandum of the Director General*

1. At the March 25 to 27, 1998, session, the WIPO General Assembly decided, *inter alia* (see paragraph 9(d) of document WO/GA/22/2):

(d) “to authorize the Director General to explore with the owners of the Steiner lot and the P&G Building the best price at which each might be acquired by WIPO and to report those prices to a joint session of the Budget and Premises Committees on June 4 and 5, 1998, with a view to enabling those Committees to take a decision.”

2. Pursuant to that decision, the Secretariat has met with representatives of the Steiner firm and of the Procter & Gamble (P&G) firm to explore with them the said best prices.

3. Steiner lot. In order to determine what would be a reasonable asking price for the Steiner lot, the Secretariat commissioned its two main banks (Crédit Suisse and the Swiss Bank Corporation) to carry out valuations of that lot. The results of those professional evaluations are as follows:

(a) Crédit Suisse, with the services of the architect firm it uses for real estate valuations, made three calculations of the value of the Steiner lot: 16.32 million francs as the “comparative value” of the land, based on a theoretical building that would be allowed by the *plan localisé de quartier* (PLQ) (local zoning plan) which had been developed and approved for that lot; 16.83 million francs as the “absolute value according to the Naegeli method” for real estate valuation; and 16.40 million francs as the “absolute value of the land (rental)”, based on the rental return for a new building which could be constructed on the lot. The rounded average of those calculations is 16.5 million francs, which Crédit Suisse gave as the economic value of the Steiner lot for WIPO.

(b) The Swiss Bank Corporation, using its own staff architect, gave the intrinsic value of the Steiner lot as 9.9 million francs, taking into account only local land values and the proximity to WIPO’s own land, but not taking into consideration either the value based on a building which could be constructed on that land, or the corresponding rental value.

4. In a letter dated May 13, 1998 (copy attached), the Steiner firm has indicated that its best firm, final and unconditional price at which WIPO could purchase the Steiner lot is 13.5 million francs. It is to be noted that this price is 1.4 million francs below the price at which the Steiner firm had previously offered to sell the land unconditionally, namely, 14.9 million francs (reference paragraph 72 of document WO/GA/22/1). The Steiner firm stated in its letter that “Should the sale go ahead, it is understood that the land would be definitively free of easements, mortgages and other charges that would affect its price and make it unfit for its intended use, and that the payment of the above sum will release both parties from any prior obligation or undertaking, whether written or oral, and will be made in full settlement.”

5. It is to be noted that the best price from the Steiner firm--13.5 million francs--falls within the range of valuations made by the Swiss Bank Corporation and Crédit Suisse (i.e., 9.9 million francs to 16.5 million francs).

6. Procter & Gamble (P&G) Building. The Procter & Gamble firm has confirmed that the minimum price for the P&G Building is 100 million francs, as had been previously indicated (reference paragraph 57 of document WO/GA/22/1).

7. It is recalled that that price is considerably higher than any of the evaluations that had been undertaken for WIPO (reference paragraphs 58 and 59 of document WO/GA/22/1).

8. Proposals. In the light of the above, it is proposed that WIPO purchase the Steiner lot at the price of 13.5 million francs, and that the Director General be authorized to make that purchase immediately.

9. It is further proposed that, following informal consultations with the Chairperson and the two Vice-Chairpersons of the General Assembly, the Chairperson of the Budget and Premises Committees and the Regional Group Coordinators, the Secretariat develop its proposals for

the next steps regarding construction on the Steiner lot. The proposals for the next steps would be submitted to a joint meeting of the Budget and Premises Committees which could be held just prior to the September 7 to 15, 1998, sessions of the Assemblies of Member States of WIPO; suitable dates for the said joint meeting would be September 3 and 4, 1998.

*10. The Budget and Premises Committees are invited to approve the proposals contained in paragraphs 8 and 9, above.*

[Attachment follows]

ATTACHMENT

**STEINER**  
TOTAL SERVICES CONTRACTOR

[Translated by  
the Secretariat]

World Intellectual Property Organization  
34, chemin des Colombettes  
1211 Geneva 20

For the attention of Messrs. Keefer and Bilger

Geneva, May 13, 1998

Sale to WIPO of the lots for the implementation of the WIPO project

Gentlemen,

Further to our conversations on April 28 and May 6 and 13, 1998, we are sending you our offer representing the best firm, final and unconditional price at which WIPO could purchase this land, namely 13,500,000 Swiss francs.

This price comprises the land and all the elements mentioned in our correspondence of February 18, 1998.

This offer has to be submitted to the Board of the Steiner Group for approval.

Should the sale go ahead, it is understood that the land would be definitively free of easements, mortgages and other charges that would affect its price and make it unfit for its intended use, and that the payment of the above sum will release both parties from any prior obligation or undertaking, whether written or oral, and will be made in full settlement.

In connection with this sale, the Steiner Group will be assured of participation in the competition for a general contractor or in any other competition permitting the construction of a building on this land.

We remain at your entire disposal for any further information that you may require.

Sincerely yours,

Karl Steiner SA

(signed)  
P. Fichot

(signed)  
p.p. Y. Perrin

[End of Attachment and of document]