

WIPO



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DATE: August 25, 1992

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

WORLD INTELLECTUAL PROPERTY ORGANIZATION

COORDINATION COMMITTEE

Thirtieth Session (23rd Ordinary)
Geneva, September 21 to 29, 1992

ACQUISITION OF THE WMO BUILDING BY WIPO

Memorandum by the Director General

1. The competent Governing Bodies, in their ordinary sessions held in September/October 1991, noted that the International Bureau had instituted negotiations with the Secretariat of the World Meteorological Organization (WMO) concerning the possible sale by WMO to WIPO of WMO's headquarters building (see documents AB/XXII/10, paragraph 8, and AB/XXII/22, paragraph 103). That building is adjacent to the BIRPI Building (a part of the headquarters complex of WIPO in Geneva).
2. At the same time, the Governing Bodies authorized the WIPO Coordination Committee to take any decisions in their place. This delegation of power was decided because it was expected that the matter would be ripe for decision before the subsequent ordinary sessions (in September 1993) of the competent Governing Bodies and to avoid the need for their convocation in extraordinary session.
3. In a letter of March 23, 1992 (see Annex I to the present document), the Director General of WIPO and the Secretary-General of WMO requested the Swiss Authorities to suggest a selling price, it being understood that the suggested price would not be binding on either Organization but would be used as a basis for further negotiation.

4. The Swiss Authorities replied by letter of June 3, 1992, and named the amount of 27,500,000 Swiss francs (see Annex II to the present document).
5. The Director General, hoping that the WMO Executive Council would take a decision in June 1992, convened the WIPO Coordination Committee for the same period. However, as the date of what would have been the June 1992 extraordinary session of the WIPO Coordination Committee approached, it became, in the opinion of the Director General of WIPO, unlikely that a decision could be taken on the said occasion and the contemplated extraordinary session of the WIPO Coordination Committee was cancelled.
6. On July 14, 1992, the Director General of WIPO received a letter from the Secretary-General of WMO (see Annex III to the present document). The Secretary-General of WMO writes, in that letter, that he "gained the impression that the Council [of WMO] would wish to receive 20 per cent more over the price indicated by the Swiss Authorities." Since, as already stated, the amount named by the Swiss Authorities was 27,500,000 Swiss francs, an increase of 20 per cent would make it 33,000,000 Swiss francs. (By the way, 20 per cent less would make it 22,000,000 Swiss francs.)
7. The last sentence of the above-mentioned letter of the Secretary-General says "However, I am also ready to discuss this matter further with you if you consider this to be necessary."
8. The Director General of WIPO considered further discussion necessary because the amount of 33,000,000 Swiss francs seemed to him to be too high. He contacted the Secretary-General of WMO and gained the impression that some lowering of the amount of 33,000,000 Swiss francs might, perhaps, be obtained but, at the same time, he also gained the impression that such lowering would, from the point of view of WIPO, be insufficient.
9. The Director General proposes that the Coordination Committee indicate to him which is the maximum price that he could, in the name of WIPO, accept and, if that limit is respected and in all the connected questions there is an agreement between the Secretary-General of WMO and the Director General of WIPO, he (the Director General of WIPO) be authorized to conclude the sales contract.
10. This proposal is made on the assumption that building on the "Steiner lot" (a lot of 8,560 m² situated to the north of the WIPO building, just across the chemin des Colombettes; see document AB/XXI/4) continues to look impossible, although the Director General continues to believe--as he has repeatedly stated (see document AB/XXII/10, paragraph 8)--that constructing a new building, tailor-made in every respect to the needs of WIPO, on land which is more conveniently situated, would constitute by far the best solution for WIPO, particularly since it would also resolve satisfactorily the need for additional conference rooms and parking facilities.
11. The Coordination Committee is invited to pronounce itself on the proposals of the Director General contained in paragraph 9, above.

[Annexes follow]

ANNEX I

Letter by the Executive Heads of WIPO and WMO
to the Permanent Observer of Switzerland in Geneva

(Translated from French)

Geneva, March 23, 1992

Sir,

As you know, both the World Intellectual Property Organization (WIPO) and the World Meteorological Organization (WMO) are investigating long-term solutions to their growing requirements for premises.

One of the possible solutions would be for WMO to relinquish its present building and for WIPO to buy it. To do that, the two Organizations would have to agree on a selling price. The competent Governing Bodies of both Organizations will be holding meetings in the second half of June 1992 in the course of which this solution is likely to be discussed and ruled upon. It seems to us that the necessary negotiations and decisions, including those concerning the selling price of the WMO building, would be greatly facilitated if the Federal authorities, as the Government of the country that is host to our two Organizations, would accept to suggest a selling price for the WMO Building, it being understood that the suggested price would not be binding on either Organization but to be used as a basis for further negotiation. Assuming that agreement is reached on a selling price, it will be adjusted by the following:

- (a) the movement of the cost construction index in Geneva; and
- (b) depreciation of one per cent per annum.

This would be done for the period from the date of signing the agreement to the date of actual handover/takeover of the building.

We should be extremely grateful to the Federal authorities if they would accept to make the suggestion referred to above, and we hereby formally ask that they do so. In order that the planned schedule may be respected, the suggestion should ideally reach us between now and the end of April.

We look forward to your reply, which we trust will be a favourable one.

[Annex II follows]

ANNEX II

Letter from the Director
of the Property Foundation for International Organizations
[Fondation des immeubles pour les organisations internationales] (FIPOI)
to the Executive Heads of WIPO and WMO

(Translated from French)

Geneva
June 3, 1992

Subject: Valuation of the WMO building

Sir,

In reply to your letter of March 23, 1992, signed jointly with the Secretary-General of WMO, Mr. Godwin O. P. Obasi, and addressed to the Permanent Mission of Switzerland to the International Organizations, in which you requested the Federal authorities to suggest an indicative selling price for the WMO building, I have the honor to communicate to you, in the annex, the report of the expert group set up for that purpose.

I trust this report is what you require.

REQUESTED BY: FIPOI - Property Foundation for International Organizations
15 rue de Varembe - 1211 GENEVA 20

FOR : World Meteorological Organization (WMO) and
World Intellectual Property Organization (WIPO)
Geneva

SUBJECT : WMO building, 41 avenue Guisepe-Motta, 1211 Geneva

Valuation of the building and the underground garage as an
indication

WORKING GROUP: Michel Constantin, Director of FIPOI, Geneva
Francois Courvoisier, Chairman of the FIPOI Technical
Committee, Geneva and Lausanne
Albert-Henri Widmer, Deputy Director of the Public Works
Department of the Republic and Canton of Geneva, Geneva
Eric Studzinski, Architect with the Federal Finance
Administraton, Berne

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PAGE 06: Analysis
PAGE 08: Proposal and conclusion

Geneva and Berne, May 27, 1992

BASES

- Joint letter from WMO and WIPO dated March 23, 1992, addressed to Mr. de Riedmatten requesting an expert opinion on a suggested selling price for the WMO building.
- Letter from Mr de Riedmatten dated March 31, 1992, to the organizations concerned informing them that the Swiss authorities were prepared to carry out the valuation and to suggest for guidance a selling price for the building.
- Expert opinion (October 1991) by E. Pilossian, G. Stüssi and A. Duteil, architects, Geneva.
- Proposal for insurance value (March 1992) from BEB (Building Evaluation Office).
- Extract from the land register dated March 11, 1985 (copy).
- Drawings, 100th scale, of floors, sections and facades, updated in September 1991, no 130/01 to 13 (copies).
- Detail drawings, stage "B" (copies).
- Partial estimates and accounts, stage "B" (copies).
- Agreement between the Canton and WMO concerning purchase of the building (first stage) in 1961 (copy).

INTRODUCTION

The working group met for the first time in Geneva on April 8, 1992, to define the conditions for the expert opinion with relation to the above. The building was visited the same day together with Mr. Aïdonidis (WMO) who kindly replied to our questions.

A second meeting was held in Geneva at the DTP [Département des travaux publics-Public Works Department] on May 13 to prepare this expert opinion, with the participation of Mr. Vuagnaux (DTP-GE). The final report was discussed and agreed on May 27, 1992, by the working group.

The documents listed above served as the basis for this expert opinion.

DESCRIPTION

A. General

The building and its adjoining underground garage are located in the international organization district of Geneva, close to the WIPO buildings.

The complete building comprises:

- stage 1 (A+B) built in 1958-1960
5 upper floors, ground floor and 1 basement
- stage 2 (C+D) built in 1969-1971
part "C": 5 floors plus one basement
part "D": 8 floors plus two basements
- underground garage built in 1969-1971
84 places on two levels

Parts "A", "B" and "C" form a whole, in a straight line. Part "D" is an addition, at right angles.

B. Construction

The type of construction has not changed from one stage to the other, meaning that the whole building has a certain degree of homogeneity.

The reinforced concrete slabs are of the ribbed type, with incorporated hollow insulating bodies, borne by concrete pillars. The basements are completely of concrete.

The envelope is constituted in part by unbroken façades clad in natural stone and curtain façades (double-glazed windows with built-in blinds, window rails of colored glass on the outside and carpentry on the inside).

The internal partitions are of brick, of the heavy type (good sound insulation), but are not load-bearing so that modifications to the office spaces can be carried out without major problem. The inside comprises plastic floor coverings, for the greater part, rough-cast and plaster for the walls, suspended plaster panels for the ceilings. The executive floor and the conference room are more luxurious in appearance (carpeting and woodpanelling, for the latter).

No technical improvements or conditions were communicated to us when the second stage was built. The heating system is conventional (hot water distribution, installed radiators). Two fuel tanks (60,000 litres in all) are located underground outside the building.

The technical facilities as a whole would seem to be in good condition, taking into account the age of the building. Only the executive floor and the conference room have air-conditioning.

C. Utilisation of premises

- in brackets, the situation depending on the part of the building
- the surfaces mentioned are indicative, in accordance with the present state
- roof (D) - technical rooms
 - access to roof and kitchenette
 - accessible terrace (covered)
- 8th floor (D) - offices
- 7th floor (D) - offices
- 6th floor (D) - offices
- 5th floor (A, B, C) - flat roof (A) and sloping roof (B,C)
 - (B) - empty space above the conference room
 - (A, C, D) - offices
- 4th floor (B) - conference room (approximately 200 m2)
 - (A, C, D) - offices
- 3rd floor - offices
- 2nd floor - offices
- 1st floor (C) - kitchen and cafeteria (approximately 180 m2)
 - (A,B,D) - offices
- ground floor (A) - surface taken up by the printing shop
 - (B) - ditto for the library
 - (C) - distribution - storage
 - (D) - main entrance, lobby
 - service apartment (3.5 rooms GE)
- 1st basement - storage
 - technical premises
- 2nd basement - storage
- ground floor - 15 outside parking places
- 1st and 2nd basements - 84 underground parking places

MISCELLANEOUS COMMENTS

- 1) The building, altogether, is designed to accommodate between 250 and 300 persons. Up to 400 persons have been accommodated at one time. Practically all the corridors are cluttered up with furniture and miscellaneous equipment.
- 2) Maintenance has meant that the building has been kept in good overall condition. The surfaces used are of good quality and easy to maintain.
- 3) The technical facilities are mostly the original ones. They have been regularly maintained.
- 4) The roofs "A" and "B," slightly sloping, are in good order. Those of parts "C" and "D" are flat, but with no apparent problems. We have been informed that no infiltration of water has been recorded so far. There is simply the beginnings of minor fungus visible on the flat parts (C+D).
- 5) No humidity was seen in the basements.
- 6) The façades are generally in good condition. Chips off a number of natural stone panels have uncovered the fixing irons (carbonation).
- 7) According to our information, the grounds are maintained by the City of Geneva. The land belongs to the Canton. It is made available to WMO free of charge in the form of a surface right.

ANALYSIS

A. Preamble

The elements below take into account a number of parameters relating to the specific nature of the building, ie:

- Location in the international organization district and therefore subject to certain requirements as to authorized activities.
- Land that is owned by the Canton of Geneva that has afforded the present owner of the building a permanent and gratuitous surface right.
- Type of construction, of good quality but built at a time of lower requirements as concerns insulation and technical facilities, inter alia.
- Design and facilities of the overall building: average.

B. Real value

- The cubes have been calculated on the basis of the copies of the drawings available and the standard SIA 116.
- The indicative values considered take into account the elements above.
- Reminder: The price of the land has not been taken into account since its use is free of charge.

- building (A, B, C, D and superstructures)	m3	35,000	
- garage (including ramp and covered access)	m3	8,000	
- building	35,000 m3 x Fr. 650 per m3		Fr. 22,750,000
- garage	8,000 m3 x Fr. 350 per m3		Fr. 2,800,000
	Sub-total		Fr. 25,550,000
- average age and obsolescence rate, assumed at 15% of the whole. Deduction			Fr. 3,850,000
			Fr. 21,700,000
	ESTIMATED PRESENT VALUE		Fr. 21,700,000

C. Rental value

- Surface is calculated on the basis of the drawing copies available and of standard SIA 416.
- The indicative values considered take into account the preceding elements.
- The short term improvements announced (garage security, centralized data processing) have not of course been taken into consideration in the costs referred to.
- Reminder: Likewise, no account is taken of costs related to the the land since its use is free of charge.

-	building	-	ground floor (gross floor space)	1,150	
		-	upper floors (ditto)	7,450 m2	8,600
		-	storerooms (gross usable surface)	m2	1,200
-	car park	-	underground places	pl	84
		-	outside places	pl	15
-	offices	8,600 m2 x Fr. 250 per m2	Fr.	2,150,000	
-	storerooms	1,200 m2 x Fr. 70 per m2	Fr.	84,000	
-	underground				
	places	84 m2 x Fr. 2,160 per year	Fr.	181,000	
	outside				
	places	15 m2 x Fr. 600 per year	Fr.	9,000	
		Estimated rental value	Fr.	2,424,000	
		Capitalization rate		8%	
			Fr.	30,300,000	
		ESTIMATED RENTAL VALUE	Fr.	30,300,000	

D. Current value

According to present practice, we can assume a distribution of 1 x the real value and 2 x the rental value, ie:

$$\frac{(1 \times 21,700,000) + (2 \times 30,300,000)}{3} = 27,433,000$$

ESTIMATED CURRENT VALUE Fr. 27,500,000

PROPOSAL AND CONCLUSION

The task entrusted to the working group was to put forward an indicative selling price.

This expert opinion was carried out on a neutral basis, that is to say without taking specifically into account the needs and constraints of either of the organizations concerned.

The determination of the proposed amount, which may be considered a basis for future negotiation between the parties, takes into account the following main points:

- present state of the building and its annexes (car parks, etc),
- ditto for the technical facilities,
- provision of the land by the Canton in the form of a free surface right.

In view of everything mentioned above, we propose to the Property Foundation for International Organizations that it recommend to the World Meteorological Organization and the World Intellectual Property Organization to negotiate settlement of this transaction on the basis of an amount of:

Fr. 27,500,000

Geneva and Berne, May 27, 1992

The working group:

Michel Constantin
Director, FIPOI

(SIGNED)

Francois Courvoisier
Chairman of the Technical Committee, FIPOI

(SIGNED)

Albert-Henri Widmer
Deputy Director, DTP-GE

(SIGNED)

Eric Studzinski
Architect, AFF

(SIGNED)

[Annex III follows]

ANNEX III

ORGANISATION MÉTÉOROLOGIQUE MONDIALE



WORLD METEOROLOGICAL ORGANIZATION

Téléphone: National (022) 730 81 11
International + 41 22 730 81 11
Télégrammes: METEOMOND GENÈVE
Télex: 41 41 99 OMM CH
Facsimilé: 41 22 734 23 26

SECRETARIAT
Genève - Suisse

41, Giuseppe-Motta
Case postale N° 2300
CH - 1211 Genève 2

No. 21/908/A/EXT

GENEVA, 10 July 1992

Dear Dr. Bogsch,

Subject: Sale of the present WMO Headquarters building to WIPO

I refer to our exchange of correspondence on this subject and in particular to our joint letter dated 23 March 1992 addressed to the Swiss authorities requesting them to suggest a selling price for the WMO building, it being understood that the suggested price would not be binding on either Organization but to be used as a basis for further negotiation.

You will by now have received the valuation report submitted by the working group, appointed by the Swiss authorities in response to our joint letter, in which they have indicated that the current value of the WMO building is SFR 27.5 million. The forty-fourth session of the Executive Council of WMO (June/July 1992) noted the valuation report of the present WMO building by the Swiss authorities and also noted with satisfaction the negotiations with the appropriate authorities to obtain the most favourable sale price for the building.

Dr. A. Bogsch
Director General
World Intellectual Property
Organization
34 chemin Colombettes
1202 Geneva

During the discussion of this matter by the Council, I gained the impression that the Council would wish to receive 20 per cent more over the price indicated by the Swiss authorities. If you are agreeable to this, I am ready to sign a sale agreement with you on the basis of the indications contained in our joint letter to the Swiss authorities referred to above. However, I am also ready to discuss this matter further with you if you consider this to be necessary.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G.O.P. Obasi', written over a horizontal line.

(G.O.P. Obasi)
Secretary-General

[End of Annexes and of document]