

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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ADMINISTRATIVE AND FINANCIAL QUESTIONS

Construction of a Second Annex

Note by the Executive Secretary

1. In document L/2223/Add.1 the CONTRACTING PARTIES were informed that the United Nations had given its approval in principle to the construction of a Second Annex on the Bocage property.
2. Meanwhile further discussions with the United Nations have taken place and agreement has been reached on the following basis:
 - (a) The United Nations will make available to GATT the necessary land on the Bocage property for the construction of a Second Annex, including ground for parking space, access roads, etc.
 - (b) This land will be made available to GATT at a nominal rent of \$1 per year.
 - (c) If and when the GATT secretariat vacate the premises the building would be dismantled and the land restored to its original state.
 - (d) If at that time the United Nations would wish to acquire the Second Annex as well as the First Annex they would have the right to purchase both buildings at the commercial value they would have at the time, it being understood that the purchase price of the First Annex erected in 1961 would not be higher than the lesser of the two following amounts:
 - (i) either the original construction cost reduced by 5 per cent for each intervening year; or,
 - (ii) 60 per cent of the original construction cost.

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The purchase price for the Second Annex to be erected in 1964 would not be higher than the lesser of the two following amounts:

- (i) either the original construction cost reduced by 5.25 per cent for each intervening year; or
- (ii) 50 per cent of the original construction cost.

3. It is further understood that, if the GATT secretariat were not to vacate Le Bocage before the end of the present lease (1980) the two Annexes would become the property of the United Nations without any further payment.

4. After due consideration of the implications of the above proposals I propose to accept them on behalf of the CONTRACTING PARTIES.