

CENTRAL REGISTRY (120-6-4) SG Headquarter planning - Real Estate - Appraisal -

18 JULY 1947

8 APRIL 1948

CLEAR

S.E. 7/04

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Box - 29

File - 9

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Honourable Robert Moses,  
Construction Co-ordinator of the City of New York  
James A. Dawson, Co-ordinator of Construction,  
Headquarters Planning Office of the United Nations

8 April 1948

A. Uses of Headquarters' Buildings by other than United Nations

1. The Secretariat Building is a typical modern office building. Conversion to commercial use would require only normal tenant changes. Elevator service comparable to first class office buildings.
2. The Garage could be converted to commercial use without change if exits and entrances as designed remained available.
3. The General Assembly could be converted to Theatre, Broadcasting Studio or Convention Hall usage by interior changes. Salvage value of building as designed would be approximately 75%.
4. The Meeting Hall Buildings could be converted into commercial usage for exhibitions similar to those now held in Grand Central Palace. Another possible use would be conversion into moving picture or broadcasting studios. Salvage value would vary from 50% to 75%.
5. An area 500' x 500' on the north end of the site would be available for development, or subdivision. This area is cleared of buildings. No similar site exists in New York City. Land value in this section has increased by 100% since this site was assembled.

B. Schedule.

1. The present schedule for completion of the entire project, as designed, is twenty-eight months at a cost of \$65,000,000. Project includes Secretariat, General Assembly and Meeting Hall Buildings, underground garage, East River Drive and approaches, landscaping, library alterations.
2. The excavation and foundation work for the whole job would require nine months construction time, at a cost of approximately \$5,000,000.



8 April 1948

3. If steel contract could be awarded at the same time as excavation and foundations, erection would start six months later and would require six months to complete. Steel is estimated to cost approximately \$7,500,000. Safety laws require that the concrete arches of the Secretariat Building (39 stories above grade) be concurrently constructed with the steel erection at a cost of approximately \$2,000,000. The reinforced concrete garage framing is a substructure for the other buildings and would therefore have to be built in this phase at a cost of approximately \$2,000,000. Basic plumbing, heating and electrical work would also have to be installed at an estimated cost of \$4,000,000. Total cost of this phase approximately \$15,500,000.
4. The Secretariat Building plus an underground garage for about 500 cars plus certain common utilities could be built for approximately \$27,000,000. This scheme would have almost 100% salvage value for immediate commercial use. Construction of this unit would require twenty-four months.
5. To each of the above items, \$5,750,000 must be added to take care of monies already spent or committed. Included in these are: design fund advanced to the Borough President, demolition contract, tenant relocation, Housing Authority Building, and design costs.
6. Summary.
 

Scheme 1. Excavation and Foundation only.	\$ 5,000,000	9 months
Scheme 2. Steel Erection, garage framing,		
mechanical . . . . .	15,500,000	1 year
Scheme 3. Completed Secretariat plus		
garage plus utilities. . . . .	27,000,000	2 years
* Commitments . . . . .	5,750,000	

\* This item must be added to whichever of three schemes is adopted.
7. There will be an increase in the total \$65,000,000 cost if the work is advanced in stages. The reasons for this opinion are: 1) Materials to be purchased in future markets now rising; 2) Certain temporary work will be made permanent in later stage; 3) Lower efficiency in later phases due to difficulty of access to work; 4) Contractors' overhead will extend over a longer period.

JMD:hq

*Review & Recommendation, Spargo, John Ross.*



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## REAL ESTATE

40 WALL STREET

NEW YORK 5, N. Y.

TELEPHONE HANOVER 2-7000

August 14th,  
1947

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IN REPLY REFER TO A/12-500.04 (New U. N. Site -  
42nd to 48th Streets  
1st Avenue to the Drive)

Hon. Byron Price, Asst. Secretary General  
United Nations  
Lake Success, L. I., N. Y.

Dear Sir:

We have examined a survey of the property owned by United Nations covering the area from the north side of East 42nd Street to the south side of East 48th Street and extending along the easterly side of First Avenue to Franklin D. Roosevelt Drive.

This plot of land, size 1500 feet by an average depth of 436 feet, contains approximately 729,000 square feet.

From this plottage the United Nations will surrender a strip of 30 feet along First Avenue, to be used for widening this thoroughfare, together with the circular strip along the southeasterly corner of 48th Street, together with a strip 30 feet along the southerly side of 48th Street.

As compensation for the land surrendered to the City, the City of New York has contributed to the project by donating a portion of the block between 47th and 48th Streets, not included in the Rockefeller gift, the playground on the north side of 42nd Street, and all the City streets within the site. The City's gift also included exclusive rights to the waterfront between 42nd and 48th Streets in order to permit the United Nations to build up to the United States Pierhead Line if it so desired, and, in addition, a strip of land approximately 40 feet wide along Franklin D. Roosevelt Drive, to make possible the construction of a traffic tunnel under First Avenue. The City also granted easements and rights of access in respect of adjoining property and adopted certain zoning changes in the neighborhood.

There is also within the Site at 42nd Street, near First Avenue, a parcel of land upon which the New York City Housing Authority is now constructing a seven-story office building scheduled to be



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completed in August, 1947. Negotiations are now in process with City officials for the acquisition of this building which will contain 65,700 square feet of office space for use by the Headquarters Planning Office, by the Secretariat of the Military Staff Committee, and possibly for some delegation offices.

I have checked with the Corporation Counsel's Office of the City of New York and find that the City had deeded all of its rights to the streets as described above, and also to the other land incorporated in its gift. This will enable the United Nations to incorporate all of the land as shown on the survey and as described above in any mortgage agreement should they elect to secure a mortgage on this project.

In arriving at the valuation for the land, one of the prime factors which we have considered is the fact that this entire project is to be tax exempt.

We are aware that Mr. Rockefeller paid \$8,500,000. for this property which he deeded to the United Nations on the condition that the project would be tax exempt and that the gift was accepted under this understanding.

Assuming that the land would be assessed at \$8,000,000, taxes on the land would be \$240,000. per annum. This sum capitalized on the basis of 5% automatically increases the value of the land \$4,800,000. Add this to the cost of \$8,500,000. and we have a valuation of \$13,300,000.

In addition to the increment of value to this land because of tax exemption, this project itself, plus improvements to all surrounding properties, plus the additional properties and concessions granted by the City of New York, add materially to the value of the land above the original cost of \$8,500,000.

It is our opinion that the value of the land alone, when improved as contemplated, will be in excess of \$17,000,000.

We have seen a copy of a report on the Permanent Headquarters of the United Nations. This is a rather complete and voluminous report



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and we understand that the final plans have not been completed. We cannot appraise the value of these improvements without having had an opportunity to carefully analyze and study the plans and specifications of the improvements but, with certain information which we have regarding these improvements, we can hazard a guess as to the possible value.

The following items are rather definitely settled with reference to this project:

- 1 - Garage for 1900 cars and underground services to all buildings as in Rockefeller Center.
- 2 - General Assembly
- 3 - Secretariat
- 4 - Conference Room area, which includes Three Large Council and Five Conference Rooms with approximately 150' x 450' in horizontal levels that could be used for exhibition space and radio broadcasts.
- 5 - Furniture and accessories
- 6 - Communications, including a radio station
- 7 - Improvements to the site, access and egress, and covering East River Drive
- 8 - Demolition, removal of tenants, Builders Fees and Engineers Fees
- 9 - New York City Housing Authority Building
- 10 - Library

We understand that the tentative cost of these improvements will be approximately \$65,000,000.

As this is a civic project, and as in our opinion it will function for generations, it cannot be appraised on a commercial basis. We believe that the valuation of the improvements should be determined on the basis of cost.

We are assuming that the work will be done with the finest materials and in the best workmanlike manner.



CHARLES F. NOYES COMPANY, INC.

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We believe that the fair and reasonable value of the land, when improved as contemplated, will be in excess of \$17,000,000. and that the value of the completed project, both land and building, will be in excess of \$65,000,000.

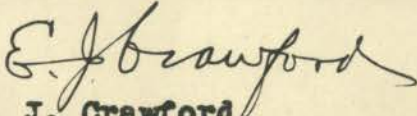
One of the vital factors which we believe will assure the permanent success of this undertaking, irrespective of what may possibly happen, is the fact that the entire project is tax exempt.

Assuming that the project will have a valuation in excess of say \$70,000,000. the saving in taxes on this sum is \$2,100,000. per annum. This is equivalent to a saving of 4% on \$52,000,000.

Please understand that this is not to be considered a formal appraisal but merely a guide as to what we believe will be the real value of the completed project based on the data and information available to us at this time.

Respectfully submitted,

CHARLES F. NOYES COMPANY, Inc.



E. J. Crawford  
Vice President  
EJC/ac

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Coming in  
Aug. 13

A/12-500.04  
120-6-0/GEB:fm

21 July 1947

Dear Mr. Crawford:

Thank you very much for your letter of July 18 with reference to an appraisal of the United Nations site and plans.

I want to talk further with Mr. Byron Price, Assistant Secretary-General for Administrative and Financial Services, and Mr. Wallace K. Harrison, Director of Planning, before giving you a definite reply to your proposal. There are a number of unsettled questions in connection with the plans, policy for concessions, etc.

Yours sincerely,

Glenn E. Bennett  
Executive Officer

Mr. Edward J. Crawford  
Senior Vice-President  
Charles F. Noyes Company, Inc.  
40 Wall Street  
New York 5, N.Y.

Mr. Bennett is folding  
in Crawford's letter



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## CHARLES F. NOYES COMPANY, INC. REAL ESTATE

40 WALL STREET

NEW YORK 5, N. Y.

TELEPHONE HANOVER 2-7000

July 18th,  
1947

IN REPLY REFER TO **A/12-500.04 (United Nations Properties)**

**Glenn E. Bennett, Esq.,  
Executive Officer Headquarters Planning Office,  
United Nations,  
1270 Avenue of the Americas,  
New York 20, N.Y.**

**Dear Mr. Bennett:**

Captain Paul Hammond spoke to me last week with reference to the possibility of our office being selected to make an appraisal on the properties recently acquired by the United Nations.

We understand that your office has very little cash for expenses and if we were finally selected as the appraiser we would do the work for a very nominal fee.

Captain Hammond states that he is working in an advisory capacity on an altruistic basis and he hoped that we would cooperate with him in this respect.

I have discussed this matter with Mr. Noyes and with Mr. William B. Falconer, the President of our organization, and they are most willing to contribute to this wonderful undertaking and while they are willing to forego any thought of fees for the organization they feel that several of the men who will cooperate with me in making an appraisal should receive some compensation. I would suggest a minimum fee of \$5,000.00, but will abide by your decision in the matter.

The procedure that would be followed in the event we were selected would be as follows:-

We will have one of our best engineers look over the plans and specifications.

We will have two or three of our top men figure on the rental value of the office space and of the ground floor space and possible concessions.



CHARLES F. NOYES COMPANY, INC.

TO Glenn E. Bennett, Esq.  
DATE July 18th, 1947.  
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When these gentlemen have finished I will very carefully analyze all aspects of this enormous project and be able to furnish you with a practical appraisal.

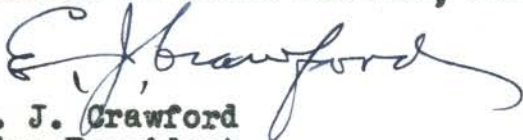
Captain Hammond tells me that you will be able to furnish data which will be of great help to me and to the gentlemen who will be associated with me in this work.

Enclosed you will please find a brief synopsis of my qualifications.

Assuring you that we will consider it an honor and a pleasure to be of help to you and your associates, we are

Very truly yours,

CHARLES F. NOYES COMPANY, Inc.

  
E. J. Crawford  
Vice President  
EJC/ac

Enclosure.



CHARLES F. NOYES COMPANY, INC.

QUALIFICATIONS OF EDWARD J. CRAWFORD

48 years experience in selling, leasing, and appraising properties in New York City and vicinity.

Senior Vice President and a Director of the Charles F. Noyes Company, Inc., whose principal office is at No. 40 Wall Street, New York City, with a branch office at No. 295 Madison Avenue.

President of the Appraisal Society of the State of New York for the years 1945 and 1946.

Past President of the Metropolitan Chapter of the American Institute of Real Estate Appraisers.

Member of the Board of Governors of the Real Estate Board of New York.

Director of the Manhattan Life Insurance Company.

Trustee in 5 large apartment buildings in New York City and 1 in Flushing, New York.

Represented the Reformed Protestant Dutch Church in many of its real estate transactions for a long period of years.

Represented Trinity Church Corporation in certiorari cases and as a general appraiser for most of their properties.

Appraised properties with a value in excess of \$75,000,000. for the New York State Insurance Department during the past 10 years.

One of the accredited appraisers of the Bowery Savings Bank of New York.

Have made most of the appraisals for all of the large loans made by the Equitable Life Assurance Society in New York City during the past few years.

Have represented many savings banks, insurance companies and trust companies in New York City over a long period of years.

Have been employed by many of the large legal firms in all types of appraisals.

Have represented New York City in condemnation cases, also represented the United States Government on several occasions.

Was a director in the Westchester Title Company while it was in rehabilitation, having been appointed by Mr. Louis Pink, Superintendent of Insurance, to represent his Department.