

*executive committee of
the directing council*



PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



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NEW PAHO HEADQUARTERS BUILDING

Report of the Three-Country Working Party
on a New Headquarters Building

Background

At the 110th Meeting of the Executive Committee, the Secretariat presented a status report on a new Headquarters building (Document CE110/3, September 1992). The Secretariat informed the Executive Committee that the negotiations for the possible acquisition of the site being considered at that time had broken down due to lack of agreement on price. The Secretariat also informed the Executive Committee that it would continue its search for suitable sites and, should a potentially acceptable proposal be received, the Three-Country Working Party would be convened to make recommendations.

Since September 1992 the Secretariat has identified several additional potential sites. Therefore, the Director convened the Three-Country Working Party in Washington, D.C., on 3-4 May 1993. Barbados was represented by Mr. B. R. Collymore, C.M.G., Permanent Secretary, Ministry of the Civil Service; Chile was represented by Mrs. Isabel Rosés P., Ministry of Public Health; the United States of America was represented by Mrs. Marlyn Kefauver, Associate Director for Bilateral Programs, Office of International Health, Department of Health and Human Services. The Hon. Easton Douglas, Minister of Public Service and the Environment, Jamaica, participated as a Special Advisor. Representing the Secretariat were Mr. Thomas M. Tracy, Chief of Administration; Mr. César A. Portocarrero, Chief, Department of Conference and General Services; and Dr. Diana S. LaVertu, Chief, Department of Personnel.

The Working Party unanimously chose Mrs. Rosés as Chair. The Secretariat was requested to prepare the draft report of the meeting for the Working Party's consideration and adoption. Following the agenda set for the meeting, the Secretariat provided the Working Party with a status report on the developments which had taken place since its last meeting in February 1991. Additionally, the Secretariat reviewed for the Working Party the guiding principles in selecting an appropriate site: that it be priced appropriately so that the entire project, including construction, would not have an adverse financial impact on the regular budget; that it be suitably located, with easy accessibility, for personnel and visitors, to hotels, restaurants and other commercial services; and that it be located in an institutional setting near agencies with which PAHO works most closely.

Site Selection

The Working Party proceeded to consider the three additional sites which had been identified by the Secretariat as potentially meeting the guidelines for selection. In conducting its review, the Working Party made visits to each of the three sites and examined in detail all financial issues, as well as those aspects related to the site selection guidelines and to the feasibility of acquisition. The Working Party reviewed the following sites:

1. Connecticut Avenue and Van Ness Site. Consists of approximately five acres in Northwest Washington. The land is owned by the U.S. Federal Government but has been assigned to the Government of the District of Columbia. The University of the District of Columbia is the current holder of record. The site is across the street from INTELSAT, there are several embassies nearby, and there is easy access to the Van Ness metro station. Although the acreage is adequate for current space needs, it would not allow for any future expansion. In addition, it has been extremely difficult to proceed with negotiations because neither the District of Columbia Government nor the University of the District of Columbia have responded to the Secretariat's numerous written and oral communications on the matter.

2. Grosvenor Metro Site. Consists of approximately 8.5 acres near the Grosvenor metro station in Rockville, Maryland. The site is currently owned by the Washington Metropolitan Area Transit Authority and has been zoned residential. Although the owners have expressed some interest in selling, negotiations for the acquisition of the site are likely to be difficult and lengthy because it involves several governmental entities. Additionally, the Secretariat has been informed that the sale must be by public auction which is likely to drive the price up to a level substantially higher than the Secretariat is willing to consider. Although well located, the site is somewhat isolated, and there are no facilities such as restaurants and hotels within walking distance. The metro, however, is less than one block away and services in Bethesda can be accessed within two metro stops of the site.

3. Chevy Chase Site. Consists of approximately 19 acres located in the southeast corner of the intersection of Jones Bridge Road and Connecticut Avenue, Chevy Chase, Maryland. It is a very attractive, heavily wooded site. Restaurants are available within walking distance. It is across the street from the Hughes Medical Foundation and is bounded by a small shopping center, an elementary school and a residential area. The site is located approximately one mile from the National Institutes of Health (NIH), the National Library of Medicine, the Fogarty Center, the U.S. Public Health Service, the U.S. National Naval Medical Center and other public and private medical institutions. Approved zoning for the site permits residential as well as publicly-owned and publicly-operated uses. PAHO has received written assurances from the pertinent county authorities that its proposed use would not violate local zoning laws. Although the nearest metro station is approximately one mile from the site, this situation can be easily remedied by providing regular and frequent shuttle service to and from the nearest metro station at NIH. Moreover, regular bus service is available from the corner of the site to the metro station. Although negotiations have not been finalized, price is not a serious concern as the seller and the Secretariat have agreed in principle on an amount acceptable to both parties. Of some concern is the possibility of local neighborhood opposition to the development of this site. The main issue appears to be the potential impact of the project on traffic congestion in the area. The Organization would do everything reasonably necessary to mitigate such an impact.

After considerable discussion and review of all the factors, including the financial considerations for each of the sites presented, the consensus of the Working Party was that the Chevy Chase site most closely meets the needs of the Organization. Moreover, a detailed review of the financial aspects associated with this site led the Working Party to recommend it as the preferred site. The Working Party also concluded that the other two sites did not meet the Organization's needs and, therefore, decided not to give them further consideration.

Process for the Selection of an Architect

The Working Party gave careful consideration to the process to be followed by the Secretariat in the selection of an architect. In reaching its conclusions, the Working Party considered all possibilities including the holding of an open international competition similar to that held for the design, development and construction of the current building at 525-23rd Street, N.W. The Working Party considered that the holding of such a competition would be an expensive and time consuming effort. Moreover, the Working Party also thought it was imperative to ensure that the architectural firm selected be fully familiar with local climatic conditions and technologies of construction. Thus, the Working Party suggested the following process: With the assistance of the Development Manager for the project, the Secretariat will pre-select a number of architectural firms and decide which of them will be invited to present

conceptual designs for the building. The architectural presentations will include a narrative description of the design solution, scaled site plans and models, elevations of various aspects of the proposed design, etc. Once the conceptual designs are received, the Working Party will be convened to evaluate the submissions and meet with at least three of the architectural firms. The Working Party will select the architectural firm based upon the best presentation and proposal. This selection process will not have a significant impact on the timing and overall cost of the project.

Development Process and Financing Mechanism

The working party reviewed a draft time-line, estimated at 3-1/2 years, between 1993 and 1996, for the development and completion of the project. The proposed financing mechanism was also reviewed with its various options, including the exchange of assets between buyer and seller.

Conclusion

In concluding its deliberations, the Working Party authorized the Secretariat, at its discretion, to finalize negotiations with the owners of the Chevy Chase site and enter into an option contract for the eventual purchase of the site. The option contract would give the Secretariat time to conduct all the studies necessary to make a definitive assessment regarding the engineering and development suitability of the site prior to final purchase.

The Working Party recommends to the Executive Committee its favorable consideration of the following proposed resolution:

Proposed Resolution

NEW PAHO HEADQUARTERS BUILDING

The 111th Meeting of the Executive Committee,

Having considered the report of the Working Party on a new Headquarters building for the Pan American Health Organization, contained in Document CE111/24;

Bearing in mind Resolution XXII of the XXIII Pan American Sanitary Conference, which requires the Director to obtain the concurrence of the Executive Committee to enter into contractual arrangements for alternative quarters;

Noting the Working Party's recommendation to purchase the parcel of land located at the southeast corner of the intersection of Jones Bridge Road and Connecticut Avenue, Chevy Chase, Maryland; and

Noting the Working Party's recommendations to proceed with the development process as outlined in the report,

RESOLVES:

1. To approve the proposal of the Working Party and to authorize the Director to purchase the parcel of land located at the southeast corner of the intersection of Jones Bridge Road and Connecticut Avenue, Chevy Chase, Maryland, provided that there is no adverse impact on the regular budget of the Organization.
2. To authorize the Director, once the site has been purchased, to proceed with the contractual arrangements necessary to develop and construct a new Headquarters building, adhering to the same financial guidance as provided in paragraph 1 above.
3. To thank the Working Party for its report and to request that it continue its efforts, in cooperation with the Secretariat, and report its findings and recommendations as appropriate to the Executive Committee.