

# Background

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## Prohibit Federal Support for a New U.N. Building Until the U.N. Provides Detailed Information

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**Abstract:** *Negotiations to sell or otherwise transfer the Robert Moses Playground property in New York City to the United Nations for the construction of a second tower have proceeded quickly over the summer, and a final deal appears to be imminent. Regrettably, these negotiations have not included robust congressional consultation even though the associated costs of the project for the U.S. federal government, which pays 22 percent of the U.N. regular budget, would likely be significant. The Administration and Congress should immediately announce their interest in this issue and request detailed information about the project. Congress should also prohibit the use of any federal funds to support this project until relevant information is provided to the appropriate committees.*

Earlier this summer, New York Governor Andrew Cuomo signed legislation, passed by both houses of the New York legislature, that would permit New York City to sell, transfer, or lease the property of the Robert Moses Playground to the United Nations to build a second office tower adjacent to the current United Nations building. There are some local issues and concerns that must be overcome by October 10, 2011, before the deal can be finalized, but the deal appears to be moving quickly toward completion.

The debate over this issue has been almost entirely localized in New York. However, constructing a second U.N. building would likely have significant financial implications for the U.S. federal government, which pays 22 percent of the U.N. regular budget and would likely shoulder increased payments to the U.N. in

### Talking Points

- Constructing a second U.N. building would likely have significant financial implications for the U.S. federal government, which pays 22 percent of the U.N. regular budget and would likely shoulder increased payments to the U.N. in future years resulting from costs associated with the project.
- The Administration and Congress should demand that the U.N. provide justification for the proposed construction of a second U.N. tower and explain why the current U.N. offices are inadequate.
- Congress should also insist on detailed analysis of the project's expenses and the anticipated financial implications for the U.S. federal government resulting from the new U.N. building or related costs through the U.N. budget.
- Congress should prohibit the use of any federal funds to support, either directly or indirectly, the preparatory efforts for or construction of the new U.N. tower until it this information is provided.

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<http://report.heritage.org/bg2606>

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future years resulting from costs associated with the project. Congress has yet either to hold hearings on or to examine the details of this plan. Nor is it clear that the Obama Administration has asked for or been provided detailed information on this project.

To remedy this situation, the Obama Administration should immediately request all relevant details, plans, and cost estimates related to the transfer of the Robert Moses Playground to the U.N. and the construction of a new U.S. tower and share that information with Congress. To encourage cooperation by the U.N., Congress should ensure that no federal dollars are used to pay for the construction, rental, operating, or other related costs of the property deal or any new U.N. building until the details are fully vetted, the financial implications for the American taxpayer are determined, and both the Administration and the U.N. have provided all relevant information and a detailed financial analysis of the project to Congress.

### **The U.N.'s Steadily Growing Footprint**

Shortly after the establishment of the United Nations in 1945, the U.S. government negotiated an agreement with the new organization identifying the location of its headquarters and reconciling the respective authorities and privileges of the organization and those of U.S. local, state, and federal authorities on the U.N. premises. The resulting 1947 Agreement Between the United Nations and the United States Regarding the Headquarters of the United Nations<sup>1</sup> established the specific geography of the U.N. "headquarters district" as the property on the East River where the 38-floor U.N. tower is located along with an easement over Franklin D. Roosevelt Drive.

Envisioning the possibility that the U.N. might require additional space in the future, the agreement included procedures for adjusting the U.N. headquarters district to include other lands or buildings through supplemental agreements with "the appropriate American authorities." The agreement defined the appropriate American authorities as "such federal, state, or local authorities in the

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***The U.N. headquarters district has been expanded over a dozen times in four separate agreements and now encompasses entire buildings and warehouses in New York and Long Island beyond the original U.N. headquarters building in Turtle Bay.***

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United States as may be appropriate in the context and in accordance with the laws and customs of the United States, including the laws and customs of the State and local government involved." When Congress passed a joint resolution authorizing the President to bring the 1947 agreement into effect, it also authorized the President to enter into supplemental agreements at his discretion after consultation with state and local authorities.

In four subsequent supplemental agreements (completed in 1966, 1969, 1980, and 2009), the headquarters district of the U.N. has expanded significantly. As listed in Figure 1, the U.N. headquarters district has been expanded over a dozen times in four separate agreements—most recently under the Obama administration in 2009—and now encompasses entire buildings and warehouses in New York and Long Island beyond the original U.N. headquarters building in Turtle Bay. As part of the U.N. headquarters district, these locations, which in some cases are simply floors and offices in commercial buildings, are "inviolable" to U.S. officers and officials and "under the control and authority of the United Nations" except as specified in the agreement.

### **Another U.N. Headquarters Expansion on the Horizon**

The United Nations, with support from New York City officials, for years has expressed interest in building a second U.N. tower on the Robert Moses Playground, which is located just south of the current United Nations building along the East River. This would allow the U.N. to connect the two towers with an underground tunnel to facilitate movement between the two buildings.

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1. "Agreement Between the United Nations and the United States Regarding the Headquarters of the United Nations, Signed June 26, 1947, and Approved by the General Assembly, October 31, 1947," Yale Law School, Avalon Project, at [http://avalon.law.yale.edu/20th\\_century/decad036.asp#annex1](http://avalon.law.yale.edu/20th_century/decad036.asp#annex1) (September 7, 2011).

## Territories Comprising the Headquarters of the United Nations

Since the original agreement in 1947 establishing the headquarters of the United Nations in New York City, a number of other buildings and properties have been added to the U.N.'s territory. The descriptions of the properties provided below are taken from the original agreement and four supplemental agreements.



Note: Locations are approximate.

### June 26, 1947. Agreement Between the United Nations and the United States Regarding the Headquarters of the United Nations (See Source 1)

- 1 The premises bounded on the East by the westerly side of Franklin D. Roosevelt Drive, on the West by the easterly side of First Avenue, on the North by the southerly side of East Forty-Eighth Street, and on the South by the northerly side of East Forty-Second Street, all as proposed to be widened, in the Borough of Manhattan, City and State of New York.
- 2 An easement over **Franklin D. Roosevelt Drive**, above a lower limiting plane to be fixed for the construction and maintenance of an esplanade, together with the structures thereon and foundations and columns to support the same in locations below such limiting plane.

### February 9, 1966. Supplemental Agreement (See Source 2)

- 3 All of the office building known as **805-7 First Avenue (801 United Nations Plaza) and 343 East 45th Street**, located on a parcel of land in the Borough of Manhattan, City, County and State of New York, bounded and described as follows: "Beginning at a point formed by the inter-section of the Westerly side of First Avenue and the Northerly side of 45th Street; running thence Westerly along the Northerly side of 45th Street 100 feet; thence Northerly parallel with First Avenue and part of the way through a party wall 80 feet; thence Easterly parallel with 45th Street 20 feet; thence Southerly parallel with First Avenue 39 feet 7 inches; thence again Easterly parallel with 45th Street and part of the way through another party wall 80 feet to the Westerly side of First Avenue; thence Southerly along the Westerly side of First Avenue 40 feet 5 inches to the point or place of beginning." Provided, however; that the foregoing shall not include those parts of the building on the street floor and basement which are sublet to the Ninth Federal Savings and Loan Association of New York City and to the Radnor Delicatessen, Inc. (with an assignment to Deli-Napoli, Inc.) until such time as the United Nations shall occupy and use those parts for offices of the Secretariat.
- 4 That part of the Alcoa Plaza Associates Building located at **866 United Nations Plaza, New York City**, as identified by the cross-hatching on the plan annexed hereto. Said premises shall include all offices, rooms, halls and corridors located on the third floor of said building within the space identified by said cross-hatching. These premises shall further include the remainder of the third floor from the date that the United Nations takes possession thereof. Said premises shall not, however; include any stairways and elevators giving public access to other floors.

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## Territories Comprising the Headquarters of the United Nations (cont.)

### December 8, 1966. Supplemental Agreement, as Amended (See Source 3)

- 5** That part of the sixth floor of the Alcoa Plaza Associates Building located at **866 United Nations Plaza, New York City**, as indicated on the plan annexed hereto. Said premises shall include all offices, rooms, halls and corridors located on the sixth floor of said building within the space identified on said plan. These premises shall further include additional parts of the sixth floor from the date that the United Nations takes possession thereof. Said premises shall not, however, include any stairways and elevators giving public access to other floors.

### August 28, 1969. Second Supplemental Agreement (See Source 4)

- 6** The entire second floor of the Chrysler Building located at **666 Third Avenue, New York City**. Said premises shall include all offices, rooms, halls and corridors on the said floor; but shall not include any stairways and elevators giving public access to other floors.
- 7** The entire twenty-second and twenty-third floors of the building at **485 Lexington Avenue, New York City**. Said premises shall include all offices, rooms, halls and corridors on the said twenty-second and twenty-third floors but shall not include any stairways and elevators giving public access to other floors.
- 8** Any additional floor space in either building described in [the two items] above, provided that approval through an exchange of notes between the United Nations Secretary-General and the United States Permanent Representative to the United Nations has been obtained to the inclusion of such additional space in the Headquarters District. Extension of the Headquarters Agreement to such additional space will be effective on the date the United Nations takes possession or the date of the exchange of notes, whichever is later.

### December 10, 1980. Third Supplemental Agreement (See Source 5)

- 9** **One United Nations Plaza:** The entire third to twenty-fourth floors of the UNDC Building, located at **44th Street and 1st Avenue, New York City**. Said premises shall include all offices, rooms, halls and corridors on the floors mentioned above, but shall not include any stairways and elevators giving public access to other floors. That part of the first floor of said building as indicated on the plan. Said premises shall include the interior lobby opening to 1st Avenue. Said premises shall not include any stairways or elevators giving public access to other floors. That part of the second floor of said building as indicated on the plan. Said premises shall not include any stairways or elevators giving public access to other floors.
- 10** **605 Third Avenue.** That part of the tenth floor of the Burroughs Building located at 605 Third Avenue, New York City, which is indicated on the plan.
- 11** **30-12 41st Avenue, Long Island City, N.Y.** All of the building located at 30-12 41st Avenue, Long Island City, New York (warehouse).
- 12** **331 East 38th Street.** The entire third, fourth and eighth floors of the building located at 331 East 38th Street, New York City (UNICEF Greeting Card Operation). Said premises shall include all offices, rooms, halls and corridors on the floors mentioned above, but shall not include any stairways and elevators giving public access to other floors.
- 13** **821 UN Plaza.** The entire ninth floor of the building located at 821 UN Plaza, New York City (Turkish Mission Building). Said premises shall include all offices, rooms, halls and corridors on the floor mentioned above, but shall not include any stairways and elevators giving public access to other floors.
- 14** **345 Park Avenue South.** The entire eleventh and twelfth floors of the building located at Park Avenue South, New York City (warehouse). Said premises shall include offices, rooms, halls and corridors on the floors mentioned above, but shall not include any stairways and elevators giving public access to other floors.
- 15** **866 UN Plaza.** The entire third and sixth floors of the building located at 866 UN Plaza, New York City (ALCOA Building). Said premises shall include all offices, rooms, halls and corridors on the floors mentioned above, but shall not include any stairways and elevators giving public access to other floors. In addition, that part of the fourth and fifth floors which is indicated on the plan.
- 16** **666 Third Avenue.** The entire fifth floor of the Chrysler Building located at 666 Third Avenue, New York City. Said premises shall include all offices, rooms, halls and corridors on the said second floor; but shall not include any stairways and elevators giving public access to other floors.
- 17** **485 Lexington Avenue.** The entire nineteenth to twenty-second floors of the building located at 485 Lexington Avenue, New York City. Said premises shall include all offices, rooms, halls and corridors on the floors mentioned above, but shall not include any stairways and elevators giving public access to other floors.
- 18** **801 United Nations Plaza.** All of the office building located at 805-7 First Avenue (801 United Nations Plaza) and 343 East 45th Street, New York City, with the exception of those parts of the building on the street floor and basement which are sublet. These parts are indicated on the plan.

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## Territories Comprising the Headquarters of the United Nations (cont.)

**June 18, 2009.** Fourth Supplemental Agreement (See Source 6)

- 19** The building located at **305 East 46th Street, New York, New York**, excluding the elevators, stairwells, and mechanical areas in the building; provided, however, that the mechanical areas in the building that contain the United Nations' telecommunication wiring and data cabling shall not be excluded.
- 20** The entire 8th, 9th, 10th, and 11th floors of the building located at **24-01 44th Road, Long Island City, New York**. Said premises shall include all offices, rooms, halls, and corridors on the floors mentioned above but shall not include any lobbies, stairways, and elevators giving public access to other floors.
- 21** In the building located at **380 Madison Avenue, New York, New York**: a. the entire garage, 2nd, 6th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, and 19th floors; b. the northeast portion of the 7th floor consisting of approximately 19,651 square feet; and c. units B03A and B03C in the basement. Said premises shall include all offices, rooms, halls, and corridors therein, but shall not include the elevators or stairwells giving public access to other floors, or the mechanical areas therein; provided, however, that the mechanical areas in the building which contain the United Nations' telecommunication wiring and data cabling shall be included.

**Source 1:** Yale Law School, Avalon Project, "A Decade of American Foreign Policy 1941–1949: Headquarters of the United Nations," Annex 1, October 31, 1947, at [http://avalon.law.yale.edu/20th\\_century/decad036.asp#annex1](http://avalon.law.yale.edu/20th_century/decad036.asp#annex1) (September 8, 2011).

**Source 2:** United Nations, *Juridical Yearbook 1966*, "Supplemental Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations," February 9, 1966, pp. 27–29, at <http://untreaty.un.org/cod/UNJuridicalYearbook/pdfs/english/ByVolume/1966/chp11.pdf> (September 9, 2011).

**Source 3:** United Nations, *Treaty Series: Treaties and international agreements registered or filed and recorded with the Secretariat of the United Nations*, Volume 581, 1968, "Agreement Amending the Supplemental Agreement to the Above-Mentioned Agreement," pp. 362 and 364, at <http://treaties.un.org/doc/Publication/UNTS/Volume%20581/v581.pdf> (September 8, 2011).

**Source 4:** United Nations, *Treaty Series: Treaties and international agreements registered or filed and recorded with the Secretariat of the United Nations*, Volume 687, 1972, "Agreement Amending the Supplemental Agreement to the Above-Mentioned Agreement," pp. 408 and 410, at <http://treaties.un.org/doc/Publication/UNTS/Volume%20687/v687.pdf> (September 8, 2011).

**Source 5:** United Nations, *Treaty Series: Treaties and international agreements registered or filed and recorded with the Secretariat of the United Nations*, Volume 1207, 1990, "Third Supplemental Agreement Regarding the Headquarters of the United Nations (with Annexes)," pp. 304–306, at <http://treaties.un.org/doc/Publication/UNTS/Volume%201207/v1207.pdf> (September 8, 2011).

**Source 6:** United Nations, *Juridical Yearbook 2009*, "Fourth Supplemental Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations," June 18, 2009, p. 34, at <http://untreaty.un.org/cod/UNJuridicalYearbook/pdfs/english/ByVolume/2009/chp11.pdf> (September 9, 2011).

Figure 1 • B 2606  heritage.org

The New York City government supports this project because it would significantly advance Mayor Michael Bloomberg's long-term waterfront renovation plan, Vision 2020, by facilitating the construction of a waterfront esplanade along the East River. Mayor Bloomberg first proposed building a new U.N. office building on the playground site in 2002. The proposal was rejected by the New York State Legislature in 2005, in large part because of objections from local residents who did not want to lose the park.<sup>2</sup>

The plan has been pursued quietly since that vote. In 2007, Mayor Bloomberg offered to compensate local residents for the loss of the playground with a bike path and a waterfront esplanade along the East River. On December 8, 2010, the Manhattan

Community Board 6 approved the plan provided replacement parkland is identified.

Earlier this summer, both houses of the New York legislature approved legislation authorizing New York City to "sell, lease or otherwise transfer such land and interests therein to the United Nations development corporation" for the construction of a new United Nations office building on the playground. Governor Cuomo signed the legislation on July 15, 2011. Under the terms of this legislation, a memorandum of understanding must be completed and signed by the mayor of the City of New York, the temporary president of the Senate, and the speaker of the Assembly providing financial and other details of the project relating to the City of New York.<sup>3</sup>

2. Alex Mindlin, "At a Longstanding Playground, Yet Another Plan to End the Games," *The New York Times*, April 1, 2007, at <http://www.nytimes.com/2007/04/01/nyregion/thecity/01lot.html> (September 7, 2011).

3. Bill Number A08305A, New York State Assembly, 2011–2012 Regular Sessions, June 10, 2011, at [http://assembly.state.ny.us/leg/?default\\_fld=&bn=A08305&term=&Summary=Y&Text=Y](http://assembly.state.ny.us/leg/?default_fld=&bn=A08305&term=&Summary=Y&Text=Y) (September 7, 2011).

(See Text Box.) However, providing the Administration or Congress with the details of the project and its full financial implications for the U.S. federal government or the U.N. is not mandated.

An agreement on the memorandum of understanding must be reached by October 10, 2011, or the legislative authorization “shall expire and be deemed repealed.” Some local residents remain

opposed to the deal,<sup>4</sup> but their approval is not mandated by the legislation, which requires only “consultation with the members of the senate, the assembly and the city council of the city of New York representing the area in which the parkland described in section one of this act is located.”

Mayor Bloomberg and the U.N. are pressing hard for the deal. Unless serious objections are raised,

### **New York State Legislation Authorizing Sale, Transfer, or Lease of the Robert Moses Playground to the United Nations**

S[ection] 2. The authorization contained in section one of this act shall take effect only

(a) upon the condition that a memorandum of understanding is completed and signed by the mayor of the city of New York, the temporary president of the senate, and the speaker of the assembly, after consultation with the members of the senate, the assembly and the city council of the city of New York representing the area in which the parkland described in section one of this act is located, which memorandum of understanding shall, among other matters:

(i) identify the extent of, the sources for and the procedures applicable to funding for parkland and other recreational space in the borough of Manhattan to replace the parkland described in section one of this act;

(ii) provide for the city of New York to designate and map parkland in the borough of Manhattan that will, in conjunction with parkland that the city of New York so designates and maps pursuant to section three of this act, have a fair market value in the aggregate of no less than the fair market value of the parkland described in section one of this act;

(iii) provide for the city of New York to take possession of the area within the borough of Manhattan, city of New York, known as the ConEd Waterside Pier between Thirty-eighth and Forty-first Streets, for the prior user of said area to make a payment for the structural rehabilitation of said area and for the city of New York to commence said rehabilitation after such payment is made; and

(iv) provide for a portion of amounts available to the city of New York in the future in the event of an ownership transfer by sale or otherwise or a refinancing involving the existing buildings at One and Two United Nations Plaza (First Avenue) in the borough of Manhattan, city of New York, to be dedicated toward the costs of a continuous walkway and bike path along the East River or the costs of other parkland in the borough of Manhattan; and

(b) upon the further condition that the city of New York satisfies the obligations as described in such memorandum of understanding as being required to be satisfied prior to the alienation of the parkland described in section one of this act. The authorization contained in section one of this act shall be negated if the city of New York fails to satisfy such obligations described in such memorandum of understanding as being required to be satisfied prior to alienation of the parkland described in section one of this act....<sup>1</sup>

1. Bill Number A08305A, New York State Assembly, 2011–2012 Regular Sessions, June 10, 2011, at [http://assembly.state.ny.us/leg/?default\\_fld=&bn=A08305&term=&Summary=Y&Text=Y](http://assembly.state.ny.us/leg/?default_fld=&bn=A08305&term=&Summary=Y&Text=Y) (September 7, 2011).

the sale or transfer of the playground to the United Nations Development Corporation (UNDC)<sup>5</sup> with intent to use it for the construction of a second U.N. tower will be consummated.

### Significant Projected Costs for the U.S.

In addition to the political incentives of advancing Mayor Bloomberg's waterfront renovation plan, there are significant financial incentives for the City of New York to support the sale or transfer of the Robert Moses Playground and the construction of a new U.N. building. It is estimated that building the waterfront esplanade from East 38th Street to East 59th Street will cost between \$150 million and \$200 million. New York hopes to pay that construction cost in part by selling or refinancing two buildings, currently leased to the U.N. through the UNDC, for between \$150 million and \$300 million.<sup>6</sup> New York is also reportedly seeking at least \$75 million from the U.N. in return for permission to build on the playground. According to the *New York Post*, activists claim that the deal could "generate \$200 million to \$400 million for the city."<sup>7</sup>

The UNDC is also keen on the deal because the current U.N. leases on those properties are believed to be 50 percent below market rates. Even if the two buildings currently leased to the U.N. are sold to pay for the esplanade, the UNDC stands to profit by leasing the new U.N. tower to the U.N. at rates that are higher than rates in the current leases.

Thus, the incentives for New York City from this deal are obvious: Financing materializes for the waterfront project, and local residents get the esplanade and, should their demands be met, new parkland. The UNDC gets to update its below-mar-

ket U.N. lease agreements, increasing its revenue. The U.N. gets a shiny new tower in a convenient location that it has wanted for years.

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***Even if the two buildings currently leased to the U.N. are sold to pay for the esplanade, the UNDC stands to profit by leasing the new U.N. tower to the U.N. at rates that are higher than rates in the current leases.***

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However, there appear to be only disincentives for American taxpayers outside of New York City. The cost of constructing the new U.N. building was estimated to be \$330 million in 2004,<sup>8</sup> but reports recently upped that estimate to between \$370 million and \$475 million, excluding additional costs for security measures.<sup>9</sup> This is very likely to be a substantial underestimate of the final costs, however, if the current renovation of the U.N. building under the Capital Master Plan (CMP) is any indicator. The CMP cost was initially estimated at \$600 million and subsequently rose to \$2 billion, but even this vastly increased estimate fell short. The project still has three years until completion, and the U.N. Board of Auditors has stated that the date of completion has slipped and that the project is millions of dollars over budget.<sup>10</sup>

The cost of new leases, construction, operating expenses, and other expenses associated with building a new U.N. tower will likely be paid by member states through their payments to the U.N. regular budget. The U.S. pays 22 percent of that budget and

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4. Isabel Vincent and Melissa Klein, "Apple's Green Dream: E. River 'Deal' Boosts UN, Park," *New York Post*, September 4, 2011, at [http://www.nypost.com/p/news/local/manhattan/apple\\_green\\_dream\\_RfDsM8gcswpnDMIDIMddbJ#ixzz1WzNxHSAx](http://www.nypost.com/p/news/local/manhattan/apple_green_dream_RfDsM8gcswpnDMIDIMddbJ#ixzz1WzNxHSAx) (September 7, 2011).
  5. The United Nations Development Corporation is a New York public corporation created in 1968 to locate and contract real estate and office space for the United Nations. See United Nations Development Corporation, Web site, at <http://www.undc.org/> (September 7, 2011).
  6. Theresa Agovino, "City Plots Huge Land Deal with U.N.," *Crain's New York Business*, June 13, 2010, at [http://www.crainnewyork.com/article/20100613/REAL\\_ESTATE/306139963](http://www.crainnewyork.com/article/20100613/REAL_ESTATE/306139963) (September 7, 2011).
  7. Vincent and Klein, "Apple's Green Dream."
  8. Julie V. Iovine, "Japanese Architect Wins U.N. Competition," *The New York Times*, February 14, 2004, at <http://www.nytimes.com/2004/02/14/nyregion/japanese-architect-wins-un-competition.html> (September 7, 2011).
  9. George Russell, "U.N. Eyes Playground for Site of Second Expensive NYC High-Rise," *FoxNews.com*, July 08, 2011, at <http://www.foxnews.com/world/2011/07/08/un-eyes-prospect-another-nyc-high-rise> (September 7, 2011).

will shoulder 22 percent of the increased expenses resulting from the deal if they are paid through the U.N. regular budget.

In a time of fiscal austerity, neither the Administration nor Congress should mutely accept this likely increase in America's contributions to the U.N. Thus far, the negotiation has occurred with little public scrutiny or transparency, and minimal explanation has been provided either as to why this project is necessary or as to whether it makes financial sense for the U.S. government.

Congress and the Administration should demand that the U.N. provide justification for this project and explain why the current U.N. offices are inadequate. Convenience is an insufficient justification for additional expenditures. If the motivation is security-related, the U.N. should be required to provide the underlying studies that it used in making that determination.

If the U.N. needs more space because it is planning to increase the size of its staff, this has significant budgetary implications for member states, and the U.N. should be required to explain why more staff are needed and why they need to be located in New York rather than in other U.N. offices in Geneva, Nairobi, Vienna or other countries. For that matter, the U.N. should be required to explain why current staff, particularly those focused on tasks like document translation that could be handled remotely or outsourced, need to be in an expensive location like New York rather than in less expensive locations.<sup>11</sup>

## The U.S. Should Demand Answers

Under the terms of the U.N. headquarters agreement and the joint congressional resolution adopting it, the President may enter into new supplemental agreements regarding U.N. headquarters provided local and state authorities are consulted. Pending Administration approval of the inclusion of the Robert Moses Playground as part of the U.N. headquarters district, that process has been observed. Congress is not in a position to block a prospective supplemental agreement insofar as it involves changes in the territory recognized as part of the U.N. headquarters district.

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***Congress and the Administration should demand that the U.N. provide justification for this project and explain why the current U.N. offices are inadequate.***

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However, the power of the purse entrusted to Congress in the Constitution makes it incumbent on Congress to ensure that U.S. taxpayer dollars are used prudently. The construction of a new U.N. tower could have significant financial implications for the U.S. federal government. Without detailed information, neither the Administration nor Congress can know whether the proposed project is cost-effective or in the financial interests of the U.S. taxpayer.

Therefore, the Obama Administration should:

- **Request immediately all relevant details, plans, and cost estimates related to the transfer of**

10. "The project completion date has slipped from mid-2013 to mid-2014 and the cost forecast is some 4 per cent over the current revised budget approved by the General Assembly, taking account of commitments for donations and the funds for security enhancements. The Office of the Capital Master Plan is reporting the forecast final cost for the whole project as \$2,061 million, some \$79 million over budget, and the completion of the General Assembly Building in mid-2014 will be a year later than the date set out in the revised accelerated schedule owing mainly to the security-related scope changes. Significant pressures have had and continue to have an impact on the cost, schedule and the scope of the project, including new security requirements necessitating some \$100 million of protective work, supported by host nation funding." United Nations Board of Auditors, *Report of the Board of Auditors for the Year Ended 31 December 2010: Volume V, Capital Master Plan*, United Nations Document A/66/5 (Vol. V), p. 3, at [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/66/5\(Vol.V\)](http://www.un.org/ga/search/view_doc.asp?symbol=A/66/5(Vol.V)) (September 7, 2011).

11. This concern has added pertinence given the recent decision to provide a location-based salary adjustment resulting in an increase of nearly 3 percent in "the net compensation to UN staff in the professional and higher categories serving in New York...effectively raising the salaries of approximately 4,800 international staff." "Text of a Letter from Ambassador Joseph M. Torsella, US Representative to the United Nations for Management and Reform, on UN Staff Salary Increases," August 29, 2011, at <http://usun.state.gov/briefing/statements/2011/171195.htm> (September 7, 2011).



**the Robert Moses Playground to the U.N. and the construction of a new U.N. tower.** This information should be provided to Congress, and the Administration should facilitate access to additional details and materials as necessary.

To encourage cooperation by the U.N. and the Administration, Congress should:

- **Inform the Administration, the United Nations, and the government of New York that it has questions relating to the financial implications of the real estate deal and the proposed new tower for the U.S. federal budget.** Congress should insist on detailed analysis of the project's expenses and the anticipated financial implications for the U.S. federal government resulting from the property deal and new U.N. building and related costs through the U.N. budget.
- **Hold hearings to determine the direct or indirect costs associated with the new U.N. tower and whether they are justified.** Congress should examine (1) why the U.N. believes that the new tower is necessary; (2) the projected cost of constructing the new tower and compensating New York for the property; (3) the design and plans for a new tower; (4) the financial implications of abrogating current leases and negotiating new leases for the new building through the United Nations Development Corporation; (5) the projected cost of moving to the new tower and any other projected or likely expenses; and (6) how the U.N. expects to pay for those costs and expenses.
- **Require the Administration to provide a detailed assessment of the financial implications of the prospective deal for the U.N. regular budget percent over the next 10 years.** Congress is currently deciding how to reduce America's budget deficit over the next 10 years. This project has financial implications for that effort. Since Congress cannot compel U.N. offi-

cial to testify or require the organization to provide specific documents or other financial data, it must seek information from the State Department or other U.S. officials with knowledge of the project.

- **Prohibit the use of any federal funds to support, either directly or indirectly, the preparatory efforts for or construction of the new U.N. tower until this information is provided.** This prohibition should also extend to all New York City projects involving the Robert Moses Playground or the waterfront esplanade along the East River.

## Conclusion

Negotiations to sell or otherwise transfer the Robert Moses Playground property to the United Nations for the construction of a second tower have proceeded quickly over the summer, and a final deal appears to be imminent. Regrettably, these negotiations have not included robust congressional consultation even though the associated costs of the project for the U.S. federal government would likely be significant.

The Administration and Congress should immediately announce their interest in this issue and request all relevant details, plans, and cost estimates related to the transfer of the Robert Moses Playground to the U.N. and the construction of a new U.N. tower. Congress should prohibit the use of any federal funds to support this project until relevant information is provided to the appropriate committees.

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