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EBAP/83/268

November 1, 1983

To: Members of the Executive Board
From: The Secretary
Subject: Leasing of Office Space

Attached for consideration by the Executive Directors is a paper on the lease of office space. Unless an Executive Director objects to the proposal in this paper by the close of business on Wednesday, November 9, 1983, the proposal will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

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INTERNATIONAL MONETARY FUND

Leasing of Office Space

(Prepared by the Administration Department)

November 1, 1983

Approximately one year ago, a review of the Fund's anticipated space needs over the next five years led to a recommendation to the Executive Board for the Fund to lease two floors at International Square Phase III (EBAP/82/348, 9/30/82). Accordingly, in EBM/82/132 (10/6/82), the Executive Board took the following decision:

The management is authorized to enter into a lease for approximately 67,500 square feet of commercial office space at the International Square building (1825 I Street, N.W.) as outlined in EBAP/82/348. The lease could, if necessary, include a waiver of the Fund's immunity from suit on matters arising under it, as has been done in the case of previous leases.

The review of space needs was based upon the premise that International Square initially would be used to accommodate overflows of staff from headquarters work units and, as such, it was anticipated that, with modest annual increases in the staff ceiling, the 67,500 square feet would take care of the Fund's requirements until fiscal year 1986. Subsequently, however, the larger than anticipated increase in the staff ceiling for fiscal year 1984, coupled with a desire to keep entire work units intact in the interests of efficiency and morale, prompted a decision on the management's part to move two complete work units, rather than overflow segments, outside the Fund. Consequently, the leased space, comprising the 5th and 6th floors of the Phase III portion of the International Square building, has been fitted out for the occupancy of the Bureau of Statistics and the Bureau of Language Services. The Bureau of Statistics occupied the 5th floor over the weekend of August 26-28, 1983 and the Bureau of Language Services occupied the 6th floor space over the weekend of September 30/October 1-2, 1983.

The decision to move two large work units to International Square has resulted in the utilization of the entire space leased at International Square rather than a portion of the space as was envisioned

in the scheme presented to Executive Directors last year. In the headquarters building, small pockets of vacant space will remain, following completion of all the moves and renovation work currently taking place, but they will be widely dispersed and, in most cases, not large enough to accommodate full work units, such as divisions. Consequently, the staff of the Administration Department have been investigating ways to procure reserve space at reasonable cost in case the need for some additional space should arise in the course of the next year or so.

An important advantage in the acquisition of space in International Square was that it offers the possibility for future expansion into contiguous space in the building. In that respect, a small bloc of space (2,641 square feet) has recently become available which would connect the space the Fund currently leases and the space which might be available in the future. In view of its key location, the acquisition of this space would enable the Fund to keep open the option of obtaining additional contiguous space at International Square should the need arise.

The Fund has been presented with a proposal by the Oliver T. Carr Co. to sublease this "bridging" space from the current tenant, Stone & Webster Engineering Corporation, at the same rate the Fund is paying for its leased space in Phase III, for a term extending through July 31, 1989, which is the term remaining in the current lease between Stone & Webster and the Oliver T. Carr Co. The remaining terms of the proposal to sublease the space are essentially the same as those contained in the Fund's lease with the Oliver T. Carr Co., for the 5th and 6th floors of Phase III. The representatives of the Oliver T. Carr Co., as agents for Stone & Webster, have advised that their client would be agreeable to the proposed arrangements.

The Fund's need for additional space over the next few years is not precisely clear at this time but prudent planning suggests that it would be advisable for the Fund to be in a position to acquire additional leased space contiguous to that already held. It should be noted that the next blocs of office space within reasonably close proximity to the Fund's existing space at International Square will not become available until 1989 (on the 4th floor of Phase III) and 1991 (on the 5th floor of Phase II). It is recommended, therefore, that the Fund agree to sublease the space, as proposed, in order to preserve the maximum degree of flexibility with respect to future space arrangements. It is felt that the cost (\$5,722 per month or \$68,664 per annum) of obtaining this small parcel of "bridging" space in order to preserve the prospect of contiguous additional space later is modest when compared to the inconveniences and duplication of essential services which would accompany the occupancy of scattered blocs of space in a large office building.

It is proposed that for the shorter term, the space would be put to use for groups visiting the Fund for periods of time (consultants, university professors, etc.), furthermore it would allow for some minor changes

necessary to bring all the offices in the Bureau of Statistics space up to Fund standard. Its longer-term use will depend upon the Fund's needs and whether adjoining space is acquired in International Square over the next few years.

In light of the foregoing, the following draft decision is proposed for adoption by the Executive Board:

The management is authorized to enter into a sublease for approximately 2,641 square feet of commercial office space at the International Square building (1875 I Street, N.W.) as outlined in EBAP/83/268. The sublease could, if necessary, include a waiver of the Fund's immunity from suit on matters arising under it, as has been done in the case of previous leases.