

MINUTES OF THE MAY 10, 2016, FACILITIES COMMITTEE MEETING

The Facilities Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”) conducted a meeting on May 10, 2016, in the Regents’ Room of the Smithsonian Castle in Washington, DC. Participating were Committee Chair Robert P. Kogod and Committee members Representative Sam Johnson*, Bob MacDonald*, Risa Lavizzo-Mourey*, and Roger Sant.

Also present by invitation of the Committee were Secretary David Skorton; Director of Smithsonian Facilities Nancy Bechtol; Acting Chief of Staff to the Secretary Greg Bettwy; Office of the Regents Senior Researcher & Writer Jennifer Ehlinger (recorder); Deputy Director for Smithsonian Facilities Walter Ennaco; Director of the Office of Facilities Management and Reliability Kendra Gastright; Inspector General Cathy Helm*; Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath; General Counsel Judith Leonard; Senior Advisor to Senator Patrick Leahy Kevin McDonald*; Deputy Director of the Office of Planning, Design, & Construction Debra Nauta-Rodriguez; Deputy Chief of Staff to the Regents Rachel Parker; and Director of Government Relations Nell Payne.

CALL TO ORDER

Committee Chair Robert Kogod called the meeting to order at 3:01 p.m.

APPROVAL OF THE MINUTES OF THE DECEMBER 3, 2015, COMMITTEE MEETING

Upon motion duly made and seconded, the draft minutes of the December 3, 2015, Committee meeting were approved without modification.

FACILITIES CAPITAL AND MAINTENANCE REPORT

The Committee reviewed the Facilities Capital and Maintenance financial reports. Mr. Kogod explained that the charts reflect the final fiscal year 2016 appropriation levels for Capital and Maintenance funding, as well the fiscal year 2017 request currently before Congress. The reports also showed the anticipated requirement levels for fiscal year 2018 – fiscal year 2022. The Committee discussed the impact that the Smithsonian’s next major project, the revitalization of the National Air and Space Museum (“NASM”), will have on requirement levels, recognizing that the Smithsonian may need to prioritize and possibly postpone other planned capital projects during that time-frame. Other Capital Investment requirements continue to focus on the Smithsonian’s older museums located on the National Mall, including the National Museum of American History, the National Museum of Natural History, and NASM. In addition, the National Zoological Park and the Collections Space program both have significant funding needs.

* *Participated by telephone*

CONSOLIDATED ADMINISTRATIVE HEADQUARTERS INITIATIVE

The Committee was updated on the status of the Consolidated Administrative Headquarters Initiative (“Initiative”). Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath reported that the six shortlisted proposals have been evaluated and ranked, and the Smithsonian intends to explore three different scenarios with one of the Offerors including various combinations of lease consolidation with purchase options. Next steps will include initiating detailed discussions with the Offeror; working with the Office of Management and Budget (“OMB”) to resolve leasing authority issues; and exploring the potential of a purchase alternative with OMB and congressional staff. Management will deliver a status update to the Committee at its next scheduled meeting.

NATIONAL AIR AND SPACE MUSEUM REVITALIZATION UPDATE

The Committee was briefed on the current status of the NASM Revitalization project. Deputy Director of the Office of Planning, Design, & Construction Debra Nauta-Rodriguez provided background on the proposed scope, schedule, and preliminary budget for the project. She explained that a critical first step for enabling the revitalization to move forward will be construction of the Dulles Collections Storage Module 1, adjacent to the NASM Udvar-Hazy Center in Virginia, which is needed to safely store collection items during the phased renovation. Ms. Nauta-Rodriguez also provided a summary of the detailed zone activities, as aligned with the year-by-year appropriations request strategy. Finally, the Committee was briefed on the exterior cladding selection and stone evaluation process.

FACILITIES CAPITAL AND MAINTANENCE PLANNING

Ms. Nauta-Rodriguez and Director of the Office of Facilities Management and Reliability Kendra Gastright presented the Facilities Capital and Maintenance planning for fiscal years 2016 through 2017, fiscal years 2018 through 2022, and the ten-year plan outlook. The Committee was informed about the process for gathering, analyzing, estimating, and prioritizing facility requirements. The ten-year Capital requirement outlook is based upon the requirements forecast in studies of existing conditions, deferred maintenance and repairs, and strategic facility master plans. The Facilities Maintenance Program is based on an incremental increase strategy in the annual appropriation request that aims to address the Smithsonian’s increase in footprint, new items of increase, and its back-log in deferred maintenance and repairs.

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE: PATH TO OPENING

Director of Smithsonian Facilities Nancy Bechtol briefed the Committee on the substantially complete construction effort for the National Museum of African American History and Culture (“NMAAHC”), including the ramp-up of activities for exhibitions, operations, and the staff transition into building support spaces. The Committee was also provided with a list of upcoming milestone dates and activities for the grand opening of NMAAHC that will culminate in the public opening ceremony on September 24, 2016.

MAJOR CAPITAL PROJECT UPDATES

Deputy Director of the Office of Facilities, Engineering, and Operations Walter Ennaco updated the Committee on the status of the Smithsonian's Major Capital Projects, including the interim use plan for the Arts & Industries Building. The building, which was completed for interim use in March 2016 is currently being used as a special events' venue, and a number of possibilities for future-use of the space are still being considered.

Mr. Horvath briefly updated the Committee on plans to construct a parking facility at the National Zoological Park. Currently, management is exploring financing and delivery methods for construction of the facility. Construction of a centralized parking facility would serve a number of purposes, including the facilitation of a centralized, accessible, and modern point of arrival; expansion of on-site parking; improvement to pedestrian safety; the re-purposing of existing surface lots to expand animal habitat and exhibit space; and the consolidation of access points for increased security.

The Committee was also provided with informational materials on the current status of the Smithsonian's additional Major Capital Projects that are currently underway.

ADJOURNMENT

There being no further business to consider, the meeting was adjourned at approximately 4:21 p.m.

Respectfully submitted,

Robert P. Kogod, Chair