

MINUTES OF THE SEPTEMBER 27, 2012, FACILITIES COMMITTEE MEETING

The Facilities Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution conducted a meeting on September 27, 2012, beginning at 2:00 p.m. Participating were Committee Chair Robert Kogod and members Representative Xavier Becerra and Representative Sam Johnson. Committee members George Hartman, Representative Steven LaTourette, and Senator Patrick Leahy were unable to participate.

Staff present in the Regents’ Room of the Smithsonian Castle in Washington, D.C., were Chief of Staff to the Secretary Patricia L. Bartlett; Director of the Office of Facilities Engineering and Operations (OFEO) Nancy Bechtol; Inspector General Scott Dahl; Deputy Director for OFEO Walter Ennaco; Under Secretary for Finance and Administration and Chief Financial Officer Albert Horvath; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; Assistant to Representative Becerra Grisella Martinez; Assistant to Senator Leahy Kevin McDonald; Acting Director for Planning and Project Management Debra Nauta-Rodriguez; Assistant to Representative Johnson Beth Nelson; and Director of Government Relations Nell Payne.

Mr. Kogod called the meeting to order at 2:05 p.m.

FACILITIES CAPITAL AND MAINTENANCE REQUIREMENTS UPDATE

Mr. Kogod directed the Committee to the Facilities Capital and Maintenance Requirements snapshot in the meeting materials. He explained that the charts were developed to allow the Committee to regularly track the Smithsonian’s facilities capital and maintenance requirements accounts over a 10-year period. Mr. Kogod observed that the charts were revised from the last meeting to include draft final input from fiscal year 2012.

Mr. Kogod noted that the updated charts were modified to project seven years into the future, rather than 10 years, which should increase the information’s accuracy. Mr. Kogod explained that the charts illustrate OFEO’s allocation of relatively scarce resources to priority capital and maintenance projects to avert any crisis or emergency. He underscored that the Smithsonian currently needs \$150 million annually for revitalization projects (not including new construction) and maintenance requirements of \$100 million annually. Because the Smithsonian does not receive appropriations to cover these requirements, Mr. Kogod stressed the need for active oversight to ensure that available funds are directed to areas with the highest critical needs.

UPDATES ON SPECIFIC INITIATIVES

Deferred Maintenance. Ms. Bechtol reviewed previously distributed maintenance assessments of major Smithsonian facilities by construction replacement value (CRV). She said OFEO’s goal is for every facility to score above 90 percent on the Facilities Condition Index (FCI). FCI scores are based on eight different factors ranging from the condition of a building’s roof and walls to equipment inside. FCI scores help OFEO prioritize capital projects in the annual budgeting

process. Ms. Bechtol noted that the Smithsonian benchmarks its FCI against other Federal agencies and that this benchmark is well understood by the Office of Management and Budget in making budgetary assessments.

Despite progress made on deferred maintenance, Ms. Bechtol said that the Smithsonian continues to “fall behind” as Federal support becomes scarcer. Mr. Kogod said that the FCI materials indicate that the Smithsonian does not receive adequate Federal funding and concurred with Mr. Becerra that efforts must continue to educate the Congress on the Smithsonian’s facilities challenges.

Continuing Resolution. Mr. Kogod reviewed the status of the six-month continuing resolution (CR) effective October 1, 2012. Ms. Nauta-Rodriguez noted that under the CR the Smithsonian will receive \$47.5 million for revitalization and \$37.5 million for construction of the National Museum of African American History and Culture (NMAAHC) for the period from October 1, 2012, to March 31, 2013. Because the Smithsonian did not receive any earthquake recovery appropriations in fiscal year 2012, there is no expectation under the CR that the Smithsonian will obligate fiscal year 2013 funding for those efforts. She added that plans are in place to ensure against interruption to ongoing “highest priority, highest risk” construction projects during the six-month CR: NMAAHC, National Museum of American History, Smithsonian Environmental Research Center Mathias Lab, and the National Zoological Park’s North Road/General Services Building.

Earthquake Recovery Projects. Mr. Ennaco briefly reviewed the 17 projects under way to repair damages from the August 2011 earthquake. Approximately \$4.1 million of Federal and Trust funding has been shifted from other projects to these projects, with an additional \$17.5 million needed in fiscal year 2013. Of the latter, \$11.25 million is targeted for seismic upgrades at the Museum Support Center in Suitland, Maryland. Mr. Kogod urged Mr. Ennaco and his team to bring any structural issues caused by the earthquake to the Committee’s attention. Mr. Horvath added that these preventative seismic upgrades will be prioritized in upcoming internal budget discussions.

National Museum of African American History and Culture. Ms. Nauta-Rodriguez directed the Committee’s attention to the Committee materials describing the current status of construction of the NMAAHC facility. Design is 65 percent complete, she said, and construction — which is occurring simultaneously with design — is “on track” for a November 2015 opening. Mr. Kogod said that NMAAHC Director Lonnie Bunch recently briefed him on the construction status and that the Committee will closely monitor progress toward the completion date and efforts to ensure continued funding for the project.

Campus Master Planning. Mr. Ennaco provided an update on recent progress on the campus master planning effort. He said that OFEO anticipates that an architect/engineering (AE) firm will be under contract to assist in the effort by December 2012. Mr. Kogod reminded the Committee that the initiative’s scope will include the Arts and Industries Building, the Castle, the Quadrangle, the Enid A. Haupt Garden, the Freer and Sackler Galleries, the Hirshhorn Museum and Sculpture Garden, and the National Museum of African Art. Mr. Kogod noted that

the master planning process will be one of the more important initiatives that the Committee will oversee over the next few years. In that regard, the Committee will be provided with regular updates as the plans develop.

Arts and Industries Building/Castle Interim Use. Mr. Ennaco explained that as a supplement to the campus master planning effort, interim use plans are also being developed for the Arts and Industries Building and the Castle. The scope of the plans will include the possibility of interim public use of the Arts and Industries Building and improvements to public services at the Castle beginning in 2013. [NOTE: The Smithsonian announced in January 2013 that the Arts and Industries Building will reopen to the public in 2014.]

MAJOR CONSTRUCTION PROJECTS UPDATE

Ms. Nauta-Rodriguez provided brief updates on six major capital projects: the Arts and Industries Building; the National Zoological Park's American Trail; the Smithsonian Environmental Research Center's Mathias Lab; Cooper-Hewitt, National Design Museum; the education facility at the Smithsonian Conservation Biology Institute; and the National Postal Museum.

Arts and Industries Building (Shell Construction). Ms. Nauta-Rodriguez reported that the current Arts and Industries Building shell construction project is approximately 80 percent complete, and is expected to be completed by April 2013.

National Zoological Park' American Trail. Ms. Nauta-Rodriguez briefed the Committee on the Zoo's \$42 million construction of the "American Trails" exhibition, which includes a "wonderful restoration" of the seal and sea lion facility and the reconfiguration of trails in the Zoo's "valley" to improve accessibility. "The American Trail" opened on September 1, 2012.

Smithsonian Environmental Research Center (SERC)'s Mathias Lab. The Smithsonian is "taking a very aggressive approach to sustainability" in constructing the new SERC Mathias Lab, Ms. Nauta-Rodriguez said. The project is 42 percent and "well on its way to a LEED Gold Certification," she added.

Smithsonian Conservation Biology Institute/George Mason University (GMU) Education Facilities (Front Royal, Virginia). Ms. Nauta-Rodriguez reported that "classes are under way" at the recently completed Smithsonian-GMU campus at the Zoo's Front Royal Facility. Remaining landscaping and "other finishing touches" are expected to be completed in spring 2013.

Cooper-Hewitt, National Design Museum. Cooper-Hewitt improvements are on budget and on schedule for completion by early 2014. Upon completion, the project will increase the amount of exhibition space at the Carnegie Mansion by 70 percent and upgrade outdated electrical and mechanical systems. The museum is closed to the public during the renovations.

National Postal Museum, Gross Exhibition Gallery. The \$18.8 million project will convert former restaurant space above the current museum into exhibition space at the Main Post

Office Building. It is currently in its demolition phase and is 14 percent complete.

EXECUTIVE SESSION and ADJOURNMENT

The Committee conducted an executive session. Mr. Kogod adjourned the meeting at 3:00 p.m.

Respectfully submitted,

Robert P. Kogod
Committee Chair