

## MINUTES OF THE MARCH 7, 2011, FACILITIES COMMITTEE MEETING

The Facilities Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on March 7, 2011, at 2:00 p.m. in the Regents’ Room of the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Robert Kogod and members George Hartman and Representative Sam Johnson\*. Committee member Senator Patrick Leahy was unable to participate. Also present were Chief of Staff to the Secretary Patricia Bartlett; Acting Chief Financial Officer Bruce Dauer; Office of Facilities Engineering and Operations (OFEO) Office of Planning and Project Management Acting Director Walter Ennaco; OFEO Deputy Director and Chief of Staff Clair Gill; Assistant to Representative Becerra Melody Gonzales\*; Assistant to Representative Johnson Dave Heil\*; Office of the Regents Program Officer Grace Jaeger (recorder); Chief of Staff to the Regents John K. Lapiana; Under Secretary for Finance and Administration Alison McNally; Director of Government Relations Nell Payne; Assistant to Senator Patrick Leahy Rachel Pelham; and Deputy General Counsel Marsha Shaines.

Mr. Kogod called the meeting to order at 2:02 p.m. and acknowledged that a quorum had been established. He asked for any comments on the minutes of the October 26, 2010 meeting. There were none and the minutes were approved.

### REPORT OF THE CHAIR

Mr. Kogod reviewed the meeting materials, Facilities Capital and Maintenance Investment Requirement FY 2008–2017. These charts are updated each October and April and use 2008, the year the Government Accountability Office issued its report on the state of Smithsonian facilities, as their benchmark. Future reviews will use 2011 figures to benchmark progress on the Smithsonian’s facilities.

Given the austere financial environment, Mr. Kogod asked the OFEO representatives to inform the Committee of any imminent facilities issues about which the Committee and, by extension, the Board of Regents needs to be aware. There were no issues identified by OFEO. Mr. Johnson asked about recent roof leaks and Mr. Gill said that there are leaks at the National Museum of African Art and the Donald W. Reynolds Center and that repairs are under way. Ms. McNally noted that there is a comprehensive roof repair section in the maintenance program that is reviewed on an annual basis and that all leaks are being addressed.

Mr. Kogod reported that an advance planning study is under way for programmatic uses for the Arts and Industries Building as well as the Castle. Given that the buildings are adjacent to each other, the Quadrangle may be included in the study. He will report back to the Committee as progress continues.

\* *participated by teleconference*

## **BUDGET IMPACTS ON FACILITIES**

### **Fiscal Year 2012 Request to Congress**

Ms. Ennaco discussed the Institution's fiscal year 2012 Federal budget request to Congress and the impact of anticipated funding cuts to the Institution's facilities capital and maintenance budgets. The Institution's "requirements" budget of \$136 million was reduced to a request of \$100 million per guidance from the Office of Management and Budget. Congress recently released \$25 million to the Institution from the Legacy Funds for the Arts and Industries Building. With this money, OFEO needed to make capital budget changes totaling \$13 million. Mr. Ennaco discussed specific measures to reach the \$13 million which involved delaying certain projects including the National Museum of Natural History's second floor West Wing renovation (\$4.1 million), a security project at Smithsonian Tropical Research Institute (\$1.5 million), Smithsonian Astrophysical Observatory's Giant Magellan Telescope (\$3.5 million), and various other smaller projects.

### **Rescission List**

In response to a question from Representative Johnson, Mr. Dauer explained that this rescission was unrelated to the cancelling balance issue discussed last year. This rescission was directed by Congress to reduce the Federal budget and the Smithsonian was required to participate. \$1.4 million of prior year facilities capital and \$.2 million of prior year salaries and expenses were identified for rescission. Staff said the Institution was fortunate the amount was not higher. Mr. Ennaco discussed the \$1.4 million in capital funds which were identified to be returned, mainly from funds held in contingency from ongoing prior year projects and projects which came in under budget. Upon completion of the projects, the funds would have been redistributed in the Capital Program and used to fund other out-year projects.

## **REAL ESTATE ISSUES**

### **Apollo Drive**

During the last Committee meeting, OFEO was asked to investigate a potential purchase vs. long-term lease of the Artex Apollo Drive facility in Landover, Maryland, which the Smithsonian American Art Museum and the National Portrait Gallery use for off-site collections storage. Using the services of a commercial real estate broker, OFEO Real Estate staff met with Artex ownership representatives, conducted an assessment of the facility, and looked at other potential purchase sites. Staff will issue a report shortly and plans to structure a lease agreement that maximizes the Smithsonian's future operational flexibility and, if possible, provides an opportunity to purchase the facility.

### **Capital Gallery East**

The Institution has negotiated a Letter of Intent for a 10-year lease of 8,621 square feet of space on the sixth floor of the Capital Gallery East Building, 600 Maryland Avenue, SW, Washington, D.C. Office of Advancement (OA) staff will begin moving into the space in April 2011 as little space build-out is required.

## **Real Estate Strategic Plan**

Mr. Ennaco noted that the OA space lease term is coterminous with other leases at that building, as well as with other leases in the area, most of which will be expiring in 2020 and 2021. In an effort to consolidate administrative spaces around the Mall, OFEO will continue to pursue an overall leasing strategy in an attempt to consolidate operations and target a strategic office building acquisition in the 300-400,000 square feet range in fiscal years 2018–2019 time frame. Mr. Kogod reiterated that this long-term plan will ensure the Smithsonian is well-positioned in 2021 to consider its real estate options.

## **MAJOR CAPITAL PROGRAMS UPDATE**

Mr. Ennaco provided updates on five major capital projects: the Arts and Industries Building; Cooper-Hewitt, National Design Museum; the National Museum of African American History and Culture; the National Postal Museum; and the education facility at the Smithsonian Conservation Biology Institute.

### **Arts and Industries Building**

Mr. Ennaco said that demolition work on the building has been completed and that construction work is starting. The project is now 3 percent complete and is on schedule. Discussions continue regarding programmatic uses for the building upon its completion.

### **Cooper-Hewitt, National Design Museum**

Work on the Miller and Fox Houses, which are adjacent to the Carnegie Mansion, is 50 percent complete and is scheduled to finish on time. Completion of this work will allow staff to be relocated there from the mansion so that a construction contract can be awarded for work on that building. The design work for the mansion is complete. The third phase of the project will be to outfit collections storage space at the Miller and Fox Houses and in off-site spaces.

### **National Museum of African American History and Culture**

Both the National Capital Planning Commission and the Commission of Fine Arts have approved the submission and the required environmental impact statement has been filed. The schematic design development is almost complete and OFEO will award a pre-construction services contract in April 2011. Some site excavation work will start shortly.

### **National Postal Museum**

OFEO hopes to advertise a bid solicitation for the expansion work in May 2011 and award a contract by September 2011. The overall project completion goal is October 2012. Of the total estimated project cost of \$18 million, \$14 million has been identified.

### **Smithsonian Conservation Biology Institute in Front Royal, Virginia**

Design work for the institute's facilities is complete and OFEO hopes to award a construction contract in May 2011.

On behalf of the Committee, Mr. Kogod commended the OFEO staff for their work on real estate and construction projects.

## **OTHER FACILITIES UPDATES**

### **Winter Weather Preparations**

OFEO developed a snow closure and preparation plan in advance of the winter of 2010–2011. Mr. Ennaco said that so far, it has not been necessary to implement it this winter. The Arts and Industries Building construction contract provides for additional roof bracing should there be a heavy snowfall. After the collapse of Building 21 at the Garber Facility in February 2010, other buildings were examined, and some have required strengthening.

### **Collections Space Planning**

Mr. Ennaco is leading a team of collections staff from across the Institution to assess the condition of collections storage areas in the Institution's buildings and to develop a short- and long-term collections space plan. The goal is to produce a plan that will provide for the enhanced maintenance of the collections by being more efficient, less costly, and more environmentally controlled. Ms. McNally praised Mr. Ennaco's work with the team and cited its collaborative spirit.

### **National Museum of Natural History Cooling Tower Fire**

There was a fire in the National Museum of Natural History's cooling tower, part of the museum's HVAC chiller plant renovation project, on February 7, 2011. Like all Smithsonian contractors, the construction contractor is bonded and has assumed responsibility for the repair costs, as well as for completing the project on time. OFEO's Office of Safety, Health, and Environmental Management is conducting an investigation of safety plans, procedures, and emergency response.

## **ADJOURNMENT**

The meeting was adjourned 2:45 p.m.

Respectfully submitted,

Robert P. Kogod  
Committee Chair