

## **MINUTES OF THE JUNE 1, 2009, FACILITIES COMMITTEE MEETING**

The Facilities Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on June 1, 2009, 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 Representative Xavier Becerra\*, Representative Sam Johnson\*, and Senator Patrick Leahy\*. Also present were Secretary G. Wayne Clough; Chief of Staff to the Secretary Patricia Bartlett; Director of the Office of Facilities Engineering and Operations’ (OFEO) Office of Facilities Management and Reliability Nancy Bechtol; Director of External Affairs Virginia B. Clark; OFEO Acting Director Clair Gill; Assistant to Representative Becerra Melody Gonzales\*; Assistant to Representative Johnson David Heil\*; Office of the Regents Program Officer Grace Jaeger; Associate Director of the Office of Planning, Management, and Budget Ken Johnson; National Postal Museum Director Allen Kane; Director of the OFEO Office of Project Management Sheryl Kolasinski; Under Secretary for History, Art, and Culture Richard Kurin; Chief of Staff to the Regents John K. Lapiana; Assistant to Senator Leahy Kevin McDonald\*; Under Secretary for Finance and Administration Alison McNally; Director of Government Relations Nell Payne; OFEO Associate Director for Real Estate Ed Rynne; and Assistant General Counsel James Wilson.

Mr. Kogod called the meeting to order at 2:10 p.m. and noted that since Congressman Becerra and Senator Leahy had not yet joined by teleconference, a quorum was not established.

He asked if there were any questions or comments on the minutes from the February 23, 2009, Committee meeting. There were none and he noted that he would ask for their approval once a quorum was established.

### **Report of the Chair**

Mr. Kogod provided an update on the search for a permanent Director of OFEO. He reported that Ms. McNally, the selecting official, was working with the search committee chaired by Mr. Kane with the intention of attracting the widest possible pool of applicants. Ms. McNally said that the applicant pool would soon be narrowed to eight candidates and Mr. Kogod agreed to interview the final candidate before an offer is made.

As discussed in previous meetings, the Facilities Committee would like to increase its membership and, to that end, Mr. Kogod proposed George Hartman as a member. Mr. Hartman, whose biography was included in the meeting materials, is the principal emeritus of Washington, D.C.-based Hartman-Cox Architects. Mr. Kogod said Mr. Hartman had agreed to serve if asked. Mr. Johnson expressed his support for the proposed appointment and Mr. Kogod said that he would ask the Governance and Nominating Committee to recommend Mr. Hartman’s appointment for consideration by the full Board at its September 2009 meeting.

*\* present by teleconference*

## **Arts and Industries Building Update**

Ms. Kolasinski gave the Committee an update on the Arts and Industries Building. There are two aspects to the project: the building's infrastructure and its programmatic use. Funded by the American Recovery and Reinvestment Act (ARRA), OFEO is on track to award \$4.6 million worth of work on the building by June 15, 2009. An award for the roof and window replacement design will be announced in fiscal year 2009 with construction scheduled for fiscal years 2010 and 2011. Contracts for interior work and systems replacement design will be awarded in fiscal year 2011 with construction scheduled for fiscal years 2011 and 2012. An historic structures report is expected to be completed in August 2009 that will identify the architectural period towards which the building's features will be restored. The preservation of the building's historic fabric will include the use of modern materials that can better support the building's integrity, such as in its roof structure.

In March 2009 Secretary Clough formed a 15-member staff panel, chaired by National Museum of American History Curator David Allison, to determine the appropriate mission and function for the building and to present recommendations on programmatic plans and options. Panel members have been reviewing previously submitted staff input and visiting sites around the country and expect to present a draft report on their findings to the Secretary in June 2009, which will then be shared with the Committee.

Mr. Becerra joined the meeting by teleconference at this point. A quorum was established and the minutes of the February 23, 2009, Committee meeting were approved.

Returning to the discussion of the Arts and Industries Building, Mr. Johnson expressed his view that the building shouldn't become another museum that would require a director, staff, and additional resources. Ms. Kolasinski said that the building's temperature and humidity problems would not provide a suitable environment for a museum and that the panel would be looking at other ways to welcome the public to the building. She reiterated that her comments were a status update and that there would be many subsequent discussions about the building. She added that, to prevent further deterioration, fixing the building's roof remains the immediate priority.

## **Update on the Smithsonian's Facilities Capital and Maintenance Requirements**

Mr. Gill and Ms. Kolasinski then discussed the Facilities Capital and Maintenance Investment Requirement charts for fiscal years 2008–2017 and 2009–2018, which also were included in the meeting materials. The first was prepared at the request of the Government Accountability Office for its 2002 report and continues to serve as the benchmark from which subsequent reports are prepared. Mr. Kogod said he would discuss the charts at length with OFEO so that he can fully brief the Board on the progress of the Smithsonian's \$2.5 billion facilities capital and maintenance requirements.

Ms. Kolasinski reviewed progress on the ARRA spending to date. The \$25 million received has been spread over 23 contracts and, in compliance with the Act's requirements, all contracts but two at the National Zoo are expected to be awarded by June 15, 2009. The

obligation target is \$21.63 million or 85% of the total amount received. She reported that, because some bids are coming in lower than anticipated, the sum amount of the contracts was less than the \$25 million in designated funds. She added, however, because of the structure of the contracts and project contingencies that are set aside for use during construction, options may be added from the approved project list should the remaining funds be available.

Mr. Becerra asked whether spending of the ARRA funds has been monitored. Ms. McNally reported that she meets regularly with the Smithsonian's Inspector General and OFEO staff members who oversee use of the ARRA funds. Ms. Kolasinski and Ms. Payne assured him that both the funding and the number of created jobs are being closely tracked. Ms. Payne added that the Smithsonian reports monthly to the Office of Management and Budget and to two Congressional committees with the goal of being transparent and accountable.

Ms. Kolasinski then referred members to the major construction projects updates included in the meeting materials. The projects include:

1. Greenhouse Complex, Suitland, Maryland
2. Museum Support Center, Pod 3, Suitland, Maryland
3. National Museum of African American History and Culture
4. Smithsonian Environmental Research Center Mathias Lab, Edgewater, Maryland
5. Smithsonian Tropical Research Institute Gamboa Lab, Panama
6. National Air and Space Museum Udvar-Hazy Center, Phase 2, Dulles, Virginia
7. National Museum of American History: Garage Infill, Public Space Renewal (Packages II and III), and Security Barriers

Ms. Kolasinski provided a budget document, photograph, and mission/scope statement for each update. She noted that energy-efficient, "green" buildings are a Smithsonian goal and that, according to the Leadership in Energy and Environmental Design (LEED) Green Building Rating System, two of the projects (the National Museum of African American History and Culture and the Smithsonian Environmental Research Center's Mathias Lab) will be the Smithsonian's first LEED gold-rated buildings.

Mr. Gill discussed the Federal Facilities Capital Program Summary chart, which included revitalization, anti-terrorism, and construction projects. Mr. Kogod asked whether the funding for the Arts and Industries Building renovation will be Federal or Trust. Secretary Clough said that he hoped that the Federal government would provide the \$75 million needed for the building's structure but acknowledged that private funds will also need to be raised. Mr. Kogod suggested using a 50/50 model (Federal/Trust) that is similar to what was used to renovate the Donald W. Reynolds Center.

### **Smithsonian Maintenance Program**

Ms. Bechtol explained that facilities maintenance is the day-to-day upkeep and minor repair of property and equipment that is necessary to realize the originally anticipated useful life of a fixed asset. Ms. Bechtol noted that she oversees the Smithsonian's

maintenance program, which uses in-house staff and contractors and totals approximately \$50 million per year. Approximately 350 in-house staff use over 12,000 pieces of equipment in 10 million square feet of space to maintain eight critical systems: roofs, walls, windows, HVAC, electrical, plumbing, vertical transportation, and interior finishes. Staff is augmented by contractors for large scale work, e.g., elevators, roofs, and building automation.

She then explained that maintenance and minor repair funding requirements are categorized as urgent (emergency needs in fiscal years 2009 and 2010), essential (identified needs in fiscal years 2011 through 2014), and emergent (expected projects in fiscal years 2015 through 2018). She also gave examples of maintenance costs (using 2008 figures) for an older building (National Air and Space Museum) and a newer building (Reynolds Center), which are estimated at approximately \$9 million and \$5 million per year, respectively.

### **Lease Approval for the National Postal Museum**

The meeting discussion turned to the proposed lease of approximately 9,200 square feet of space at 2 Massachusetts Avenue NE in Washington, D.C., for the expansion of the National Postal Museum (NPM). The space is on the first floor of the United States Postal Service (USPS) building that currently houses the Museum, among other tenants. The new space would increase the Museum's footprint, make it more accessible for visitors, and be used primarily for the exhibition of the Museum's philatelic collection. The Committee was told that a sizeable donation had been offered to the Museum to address some of the anticipated expenses and that NPM Director Allen Kane had asked OFEO to negotiate the terms of a lease agreement with the USPS.

Mr. Kane said that, in exchange for a permanent reduction in rent, the Museum had tentatively agreed that it would assume, conserve, curate, and digitize a valuable collection of stamps from the USPS. He added that the amount of the reduction was under negotiation. Mr. Kane noted that design and construction costs were estimated to be \$18 million and that the Museum had already identified approximately \$14 million in funding for that purpose. Funding has not been identified yet for ongoing lease, utilities, operations, and maintenance costs, which are estimated at up to \$600,000 per year. Noting that the proposal would be brought to full Board at its June 22, 2009, meeting, Mr. Kogod said that his support would be contingent upon receiving more information about anticipated costs, both initial and ongoing, and funding for the project.

### **Adjournment**

The meeting was adjourned 3:40 p.m.

Respectfully submitted,

Robert P. Kogod  
Committee Chair