

MINUTES OF THE DECEMBER 19, 2018, FACILITIES COMMITTEE MEETING

The Facilities Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) held a meeting on December 19, 2018, at the Smithsonian Castle in Washington, D.C. Participating were Committee Chair John W. McCarter, Jr. and Committee members Senator Patrick Leahy,* Representative Tom Cole,* Michael Govan,* Risa Lavizzo-Mourey,* Sakurako Fisher,* Robert P. Kogod,* and Lawrence C. Nussdorf.*

Also present by invitation of the Committee were Director of Smithsonian Facilities Nancy Bechtol; Chief of Staff to the Secretary Greg Bettwy; Associate General Counsel Craig Blackwell; Acting Deputy Director of the Office of Planning, Design, and Construction Maria Delsasi; Deputy Director for Smithsonian Facilities Walter Ennaco; Deputy Chief of Staff to the Regents Kate Forester; Office of the Regents Special Assistant Mallory Gianola (recorder); Inspector General Cathy Helm; Under Secretary for Finance and Administration/Chief Operating Officer Albert Horvath; Senior Adviser to Senator Leahy Kevin McDonald;* Deputy Under Secretary for Finance and Administration Mike McCarthy; and Director of the Office of Facilities Management and Reliability Rick Petito.

CALL TO ORDER

Committee Chair John W. McCarter, Jr., called the meeting to order at 2:03 p.m. Mr. McCarter noted that this meeting would be the last for Committee member Sakurako Fisher, as her term expires in January 2019. He thanked Ms. Fisher for her service on behalf of the Smithsonian, the Committee, and the Board of Regents.

APPROVAL OF THE JULY 17, 2018, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the minutes of the July 17, 2018, Committee meeting were approved without modification.

LEASE EXTENSION AGREEMENT FOR THE VICTOR BUILDING

Under Secretary for Finance and Administration/Chief Operating Officer Albert Horvath outlined Smithsonian managements’ request to execute a five-year lease extension agreement for the Victor Building. Currently, the Smithsonian leases approximately 133,984 square feet of administrative office, collections, and storage space for occupancy by the Archives of American Art (“AAA”), National Portrait Gallery (“NPG”), Smithsonian American Art Museum (“SAAM”), and Smithsonian Institution Libraries (“SIL”). The current lease for the space will expire on October 31, 2020. The proposed five-year lease renewal has a rental rate of \$7.18 million, and equates to an annual rental rate decrease of almost \$2.5 million beginning November 1, 2020.

Upon motion duly made and seconded, the Committee approved the following motion:

* *Participated by telephone*

VOTED that the Facilities Committee recommends that the Board of Regents approves the Secretary and Under Secretary’s request for authority to sign the contemplated lease extension for approximately 133,984 rentable square feet of administrative office, collections, and storage space for the Archives of American Art (“AAA”); National Portrait Gallery (“NPG”); Smithsonian American Art Museum (“SAAM”); and the Smithsonian Institution Libraries (“SIL”) in the Victor Building, at 750 Ninth Street, NW, Washington, DC.

INTRODUCTION OF NEW FACILITIES DIRECTOR

Director of Smithsonian Facilities Nancy Bechtol introduced the new Director of the Office of Facilities Management and Reliability Rick Petito. Mr. Petito joined the Smithsonian with an extensive background in facility management and leadership. As Director, he will oversee the day-to-day facilities operations and maintenance services of the Smithsonian.

FACILITIES UPDATE

Mr. Horvath presented the Facilities Capital and Maintenance programs and funding update. The report highlighted the Facilities Capital program for fiscal years 2018 through 2020, provided details on the anticipated fiscal year 2019 funding level; and outlined the fiscal year 2020 Facilities Capital and Maintenance funding request, which was submitted to the Office of Management and Budget (“OMB”) in August. Mr. Horvath noted that despite the current uncertainty with fiscal year 2019 final appropriations, Capital funding requirements continue to be concentrated on the National Air and Space Museum (“NASM”) revitalization. Planning priorities remain consistent and with limited federal funding due to budget challenges in Congress, the Smithsonian continues to use its resources accordingly to move projects forward based on established priorities.

Mr. Horvath also provided the Committee with an overview of the planning, design, and construction schedule for the South Mall Campus Master Plan, which establishes both short and long-term strategies to improve and expand visitor services and education, create clear entrances and connections between the museums and gardens, and restore and replace critical structural and building systems. Mr. Horvath outlined three near-term priorities for the plan, including projects at the Smithsonian Institution Building (“Castle”), Arts and Industries Building (“AIB”), and Hirshhorn Museum and Sculpture Garden (“HSMG”).

POD 6 AND NATIONAL GALLERY OF ART AGREEMENT

Deputy Director for Smithsonian Facilities Walter Ennaco presented a proposed collections storage collaboration with the National Gallery of Art (“NGA”) at the Smithsonian Suitland Collections Center. In August 2018, the Smithsonian and NGA completed a feasibility study to expand collections storage with the construction of a sixth pod at the Smithsonian’s Museum Support Center in Suitland, MD. Mr. Ennaco highlighted primary advantages of a shared Pod 6, and outlined the projected Capital costs and preliminary timeline. Pod 6 design and contracting

is expected to begin in fiscal year 2020, with a projected construction start in fiscal year 2023. Mr. Ennaco noted that the proposed start dates are predicated on Capital funding requests and approvals from OMB.

NATIONAL AIR AND SPACE MUSEUM REVITALIZATION UPDATE

Mr. Horvath updated the Committee on the NASM revitalization efforts. Construction of the Dulles Collections Storage Module 1 at the Udvar-Hazy Center (“UHC”) in Chantilly, Virginia, is in the final stages, and is on schedule for January 2019 completion. Planning and design for the NASM building on the National Mall is completed and onsite construction mobilization has begun. Mr Horvath briefed the Committee on the incremental work sequence approach, with construction beginning in the West Galleries beginning January 1, 2019. The Committee was also briefed on options for restaurant renovation and possible expansion.

Mr. Ennaco called the Committee’s attention to the final report from the Government Accountability Office (“GAO”) audit, which was provided to Congress and the Smithsonian on October 25, 2018. The report describes the status of the NASM revitalization project, and found that the Smithsonian’s cost estimates substantially met three of the four best practices outlined in GAO’s Cost Estimating and Assessment Guide. The report identified that the Smithsonian is taking steps to institute GAO’s best practices to ensure the NASM revitalization cost estimates are comprehensive, well documented, accurate, and credible.

MAJOR CAPITAL PROJECT UPDATES

Director of Smithsonian Facilities Nancy Bechtol gave an update on major capital projects at the National Museum of Natural History (“NMNH”). Construction for the Fossil Hall renovation is almost complete. The exhibit fabrication phase is approximately 64 percent complete and the project is on track for the exhibit opening in June 2019. Ms. Bechtol also shared the progress of the South Entrance improvements and West Court renovation, which include the addition of and ADA accessible entrance and expanded restaurant space, respectively. Construction on both projects is nearing 50 percent completion.

Ms Bechtol also provided an overview of the gallery lighting replacement project at the Donald W. Reynolds Center, which houses the Smithsonian American Art Museum and the National Portrait Gallery. The Smithsonian hired in-house staff to replace all of the track lighting in the Reynolds Center with state of the art LED lighting. Ms. Bechtol noted that this pilot project is the first time the Smithsonian has utilized an internal work staff to perform construction.

Acting Deputy Director of the Office of Planning, Design, and Construction Maria Delsasi briefed the Committee on major capital projects at the National Zoological Park (“NZP”). Phase one of the project to renew the police station and replace the public restrooms, pavilion, and utilities is complete and phase two has begun, with an expected completion date in April 2019. Exhibit design for the Bird House and Great Flight Aviary projects has also been completed with construction beginning in December 2018. The Committee was reminded that the Central

Parking Facility project at NZP was put on hold in July. Ms. Delsasi also updated the Committee on the status of the major infrastructure renewal of Building 1 for bio-repository at the National Zoo's Conservation Biology Institute in Front Royal, VA, which is still in the beginning stages of construction.

Mr. Ennaco updated the Committee on planning, design, and construction at the Smithsonian Astrophysical Observatory Chandra Operations Control Center. Lease negotiation, design, and buildout have been completed. Test operations on the Chandra X-ray Observatory telescope have begun and are expected to continue through March 2019.

Mr. Horvath provided a brief update on the Consolidated Administrative Headquarters Initiative ("Initiative"). In November 2014, the Smithsonian issued a Request for Proposal ("RFP") to identify and acquire 500,000 square feet of suitable space for the potential consolidation of Smithsonian administrative staff through purchase and/or lease. In early 2018, a second RFP was submitted. Next steps will include a comprehensive evaluation of each of the proposals and preliminary consideration and analysis of the implementation process, estimated by mid-2019.

Mr. Horvath also informed the Committee that due to the level of construction required for three planned projects at the Anacostia Community Museum ("ACM") and the potential impact on staff and public safety and accessibility, the museum will close to the public for a portion of the project. A public announcement is expected to be made in January with the public closure beginning in March 2019.

ADJOURNMENT

There being no request for an executive session and with no further business to discuss, the meeting was adjourned at approximately 3:11 p.m.

Respectfully submitted,

John W. McCarter, Jr., Chair