

## MINUTES OF THE APRIL 24, 2017, FACILITIES COMMITTEE MEETING

The Facilities Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”) conducted a meeting on April 24, 2017, in the Secretary’s Parlor at the Smithsonian Castle in Washington, DC. Participating were Committee Chair John W. McCarter, Jr. and Committee members Representative Sam Johnson,\* Robert P. Kogod, Risa Lavizzo-Mourey,\* Robert MacDonald,\* and Lawrence C. Nussdorf.

Also present by invitation of the Committee were Secretary David Skorton; Director of Smithsonian Facilities Nancy Bechtol; 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; Deputy Chief of Staff to Representative Johnson, Amanda Hamilton;\* Inspector General Cathy Helm;\* Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath; Deputy Under Secretary for Finance & Administration John Lapiana; Senior Advisor to Senator Leahy, Kevin McDonald;\* General Counsel Judith Leonard; Deputy Director for Planning & Program Management Debra Nauta-Rodriguez; and Chief of Staff to the Regents Porter Wilkinson.

### CALL TO ORDER

Committee Chair John W. McCarter, Jr. called the meeting to order at 3:03 p.m.

### RECOGNITION OF ROBERT P. KOGOD

During the meeting, the Committee recognized retiring Regent and Committee Chair Robert P. Kogod for his many contributions to the Committee and to the Smithsonian during his Regent tenure. Mr. McCarter presented him with an honorary photo book on behalf of the Committee and management called *A Decade of Progress*, which catalogues the many notable facilities projects completed during his tenure.

### APPROVAL OF THE DECEMBER 1, 2016, COMMITTEE MEETING MINUTES

The Committee then reviewed the minutes of the December 1, 2016, meeting. Upon motion duly made and seconded, the draft minutes were approved without modification.

### FACILITIES UPDATE FOR FISCAL YEARS 2017-2018

Director of the Office of Facilities Management and Reliability Kendra Gastright and Deputy Director for Planning & Program Management Debra Nauta-Rodriguez presented the Committee with an update on the Facilities Capital and Maintenance programs and funding. The Smithsonian continues to prioritize its facilities capital and maintenance projects and effectively deploy the resources it does receive in spite of that funding being well below requested levels. The Smithsonian is currently formulating the Five-Year Capital Plan for fiscal years 2019 – 2023.

\* Participated by telephone

The Committee also discussed the Facilities Capital and Maintenance financial reports for fiscal year 2017 - 2018. Smithsonian Facilities is currently assembling capital projects planned for fiscal year 2019, refining scopes, verifying estimates, and vetting priorities with Smithsonian units and leadership.

#### **NATIONAL AIR AND SPACE MUSEUM REVITALIZATION UPDATE**

Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath provided the Committee with an update on the National Air and Space Museum (“NASM”) revitalization. In June 2017, construction is expected to begin on the Dulles Collections Storage Module 1, which is adjacent to the Udvar Hazy Center (“UHC”) in Chantilly, Virginia. The facility will provide collections storage space for artifacts that must be relocated out of NASM during the multi-year revitalization. Construction funding in the amount of \$40 million was included in the final fiscal year 2017 appropriation. An additional \$10 million will be required to complete the project metrics for fiscal year 2018. Several options for recladding are currently being considered, with a final decision is expected in the summer of 2017.

During the revitalization, the museum plans to simultaneously move forward with a complete refresh of the exhibitions and galleries inside of the museum building. Director General Jack Dailey is leading the effort to raise \$250 million in private funds to support the revitalization of the museum’s interior.

#### **SOUTH MALL CAMPUS MASTER PLAN**

The Committee was updated on recent developments related to the South Mall Campus Master Plan. The Smithsonian and the consultant master planning team have recently developed a revised concept (“Alternative F”), in response to concerns raised by public consulting parties, external stakeholders, and review authorities. The concept reduces the amount of excavation needed beneath the Smithsonian Castle (“Castle”), retains a flat grade and signature components (such as the central parterre) for the Haupt Garden, and improves views of the site’s historic and iconic buildings, including the Castle, Arts and Industries Building (“AIB”), and the Freer Gallery of Art. Under Alternative F, all of the Smithsonian’s original goals for the master plan, such as improving access and circulation, centralizing utilities and loading facilities, maximizing garden spaces, and restoring the Castle will still be achieved. Initial reactions to the new plan are positive.

#### **CONSOLIDATED ADMINISTRATIVE HEADQUARTERS INITIATIVE**

Deputy Director for Smithsonian Facilities Walter Ennaco briefed the Committee on the Consolidated Administrative Headquarters Initiative and reviewed the Smithsonian’s next steps in the process. The Smithsonian currently occupies a significant amount of administrative office space dispersed in several buildings located in Washington, DC and in Northern Virginia. The current aggregate occupancy cost for these leased spaces is high and is projected to cost even more by 2021. For the past several years, the Smithsonian has systematically aligned the lease

termination dates in order to facilitate the Institution's ability to pursue an effective consolidation strategy. 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 the summer of 2015, a short list of six offers was derived from the initial sixteen responses. Since that time, an offeror from the short list has been identified and discussions are underway with that offeror and with the remaining short-listed entities.

## **MAJOR CAPITAL PROJECT UPDATES**

Ms. Nauta-Rodriguez, Mr. Ennaco, and Director of Smithsonian Facilities Nancy Bechtol, briefed the Committee on the status of the Smithsonian's major Capital Projects, including the (1) humidification systems upgrade at the Freer Gallery of Art; (2) construction of the National Museum of Natural History's Paleo Halls, which just reached its 92 percent completion rate in planning and design; (3) a number of renovations and new construction at the National Zoological Park; and (4) the New Gatun Lake elevation at the Smithsonian Tropical Research Institute in Panama.

## **STATUS OF ARTS AND INDUSTRIES INTERIM PROGRAMMING AND LONDON OPPORTUNITY**

Next, Mr. Horvath briefed the Committee on the Smithsonian's two major strategic projects: interim programming for AIB and the Smithsonian's opportunity in London.

### ***Interim Programming at AIB***

AIB has been closed for daily public use since 2004 in response to the deteriorating condition of the facility and the lack of funding to address structural issues. Following a 12-year closure, federal capital funding was secured to renovate and stabilize the building envelope, including replacement of the roof and all of the windows in the building. AIB reopened for special events in the fall of 2015 and has since hosted several activities, including the 2016 Folklife Festival Marketplace and the Asian Pacific American Center's "Crosslines Culture Lab." A significant amount of additional funding will be necessary to complete the interior renovation, including the installation of new building systems in order to ultimately restore the building to a full, long-term use.

Due to the lack of funding for the building's long-term use, Smithsonian leadership has focused on the development of an interim program for the space to span the next five to seven years. Director of AIB Rachel Goslins has been leading the effort to develop a program for the space, determine additional work necessary in the facility to support the contemplated activities, develop a business plan for content creation and building operations, and to facilitate fundraising. Currently, two simultaneous, programmatic spaces for the building are being considered: (1) an innovation themed offering that would be highly interactive and would employ a variety of technologies and delivery approaches; and (2) a gallery that would house content focused on the Latino American experience that is being developed by the Smithsonian's Latino Center.

### **Update on London Opportunity**

In June 2016, the Smithsonian and the Victorian and Albert Museum (V&A) announced plans to pursue an international collaboration as part of the redevelopment of the Queen Elizabeth Olympic Park in London. Since then, teams from each organization have worked together to develop the programmatic strategies, business model, and terms of a formal agreement. The V&A and the Smithsonian would jointly curate content for a significant portion of a new V&A facility on the East London site. A joint business plan is being developed by the teams and asserts that the Smithsonian's resources allocated for the project would be focused on content and program delivery, not on building or operational costs. The project is moving through the master planning stages with a current target opening date slated for 2022.

### **ADJOURNMENT**

There being no further business to consider, the meeting was adjourned at approximately 4:40 p.m.

### **EMAIL BALLOT**

Via email ballot completed on May 30, 2017, the Committee voted to approve the following motion and recommend that the Executive Committee, on behalf of the full Board of Regents, approve the proposed lease agreement for administrative office space in support of the National Air and Space Museum ("NASM") revitalization project.

**VOTED** that the Facilities Committee recommends that the Executive Committee, on behalf of the full Board of Regents pursuant to Board Bylaw 3.01, approves of the proposed lease agreement for administrative office space in support of the National Air and Space Museum ("NASM") revitalization project.

Respectfully submitted,

John W. McCarter, Jr., Chair