

MINUTES OF THE JULY 18, 2017, FACILITIES COMMITTEE TELECONFERENCE MEETING

The Facilities Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”) conducted a meeting on July 18, 2017, in the Regents’ Room of the Smithsonian Castle in Washington, D.C. Participating were Committee Chair John W. McCarter, Jr., and Committee members Michael Govan, 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, Associate General Counsel Craig Blackwell, Office of the Regents Senior Officer for Operations & Programs Jennifer Ehlinger (recorder), Deputy Director for Smithsonian Facilities Walter Ennaco, Deputy Chief of Staff to the Regents Kate Forester, 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, Senior Advisor to Senator Leahy Kevin McDonald, 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 1:02 p.m.

APPROVAL OF THE APRIL 24, 2017, COMMITTEE MEETING MINUTES

The Committee then reviewed the minutes of the April 24, 2017, meeting. Upon motion duly made and seconded, the draft minutes were approved without modification.

FACILITIES UPDATE

Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath provided 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 its resources, despite receiving funding that is well below requested levels. For fiscal year 2017, the Smithsonian requested \$163 million in facilities capital, but received final appropriations of \$133.9 million; for fiscal year 2018, the Smithsonian’s budget request to Congress for facilities capital is \$228 million, which is the level necessary to fund facilities capital and maintenance programs. The Smithsonian is still awaiting the President’s final proposed budget for fiscal year 2018.

The Smithsonian is currently formulating the five-year capital plan for fiscal years 2019 – 2023, which is based on the President’s fiscal year 2018 requested levels, with the largest portion of capital funding directed to the National Air and Space Museum (“NASM”) Revitalization.

Smithsonian Facilities is working to assemble 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

Next, Mr. Horvath and Deputy Director for Planning & Program Management Debra Nauta-Rodriguez provided the Committee with an update on the National Air and Space Museum (“NASM”) revitalization. The construction contract for the Dulles Collections Storage Module 1, which is adjacent to the Udvar-Hazy Center (“UHC”) in Chantilly, Virginia, was awarded to Hensel Phelps Construction in June 2017. 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 planned project funding for fiscal year 2018.

The pre-construction services effort for the NASM Revitalization continues with construction firm Clark Smoot Consigli (“CSC”). CSC is currently coordinating plans for procurement of long-lead items and cladding of the museum’s exterior façade by erecting full-size mock-ups, which will be evaluated by internal and external stakeholders. The Smithsonian finalized its decision on the recladding material in May 2017, with the selection of colonial rose granite, which best fit the criteria for recladding in terms of technical performance, longevity, aesthetic, low production risk, and cost. Colonial rose granite was approved by the U.S. Commission of Fine Arts in June 2017 and by the National Capital Planning Commission in July 2017. While colonial rose granite is compatible in color and texture to the original Tennessee pink marble (Holston limestone), it is yet to be determined whether the complete replacement of the original façade material will compromise the building’s eligibility for individual listing in the National Register of Historic Places.

During the revitalization, the museum plans to simultaneously move forward with a complete gallery transformation of the exhibitions currently located 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. The gallery transformation will incorporate and feature approximately 1600 artifacts, which are currently in storage or on display at other locations or institutions.

UPDATE ON EXISTING LEASES AND SAO CHANDRA TELESCOPE CONTROL CENTER RELOCATION

Deputy Director for Smithsonian Facilities Walter Ennaco briefed the Committee on the Smithsonian’s leased property portfolio, including the Smithsonian Astrophysical Observatory (“SAO”) Chandra Telescope Control Center Relocation. Currently, the Smithsonian leases approximately 1.47 million square feet for both collections storage and office/administrative use at an annualized cost of \$51 million, of which \$42.5 million is supported through Federal appropriations.

Mr. Ennaco reported that the current lease for the space in Cambridge, Massachusetts, which houses SAO's Chandra X-Ray Control Center will expire in the near-term. The Smithsonian is currently evaluating properties in the Cambridge, Massachusetts area that would adequately house the relocated Chandra X-Ray Control Center, which must be up and running by September 30, 2019. The new space must be leased, fitted-out, and functioning prior to shut-down at the current location. The new lease will require approval from the Board in the fall of 2017.

Mr. Ennaco also provided an update on the Consolidated Administrative Headquarters Initiative. The Smithsonian currently occupies a significant amount of administrative office space dispersed in several buildings located in Washington, DC and 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. Mr. Ennaco noted that internal review of the Consolidated Administrative Headquarters Initiative is ongoing, with the next decision expected by the end of fiscal year 2017.

MAJOR CAPITAL AND MAINTANENCE PROJECT UPDATES

Mr. Ennaco, Ms. Nauta-Rodriguez, 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 ("NMNH") History's Paleo Halls, which are expected to have a Certificate of Occupancy by August 2017; (3) the West Court revitalization at NMNH; (4) a number of renovations and new construction at the National Zoological Park, including a new central parking facility and renovations to the police station, restrooms, and other utilities; (5) the New Gatun Lake elevation at the Smithsonian Tropical Research Institute in Panama; and, (6) the revitalization planning for the Smithsonian Institution Building ("Castle") and interim repairs.

Director of the Office of Facilities Management and Reliability Kendra Gastright reported on the status of the Smithsonian's maintenance projects, to include roof replacement and gutter repair at the Smithsonian Conservation Biology Institute, roof membrane and drain replacement at the Museum Support Center in Maryland, and complete replacement of the west loading dock at NMNH.

ADJOURNMENT

There being no further business to consider, the meeting was adjourned at approximately 2:01 p.m.

Respectfully submitted,

John W. McCarter, Jr., Chair