

MINUTES OF THE NOVEMBER 16, 2021, FACILITIES COMMITTEE MEETING

The Facilities Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) conducted a videoconference meeting on November 16, 2021.

Participating were Committee Chair John Fahey and Committee members Representative Adrian Smith; Michael Govan; John W. McCarter, Jr.; and Mitchell N. Schear.

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; Supervisory Civil Engineer Michael Carrancho; Deputy Director of the Office of Planning, Design, and Construction Stephanie Felton; Deputy Chief of Staff to the Regents Kate Forester; Special Assistant to the Regents Mallory Gianola (recorder); Acting Under Secretary for Administration Doug Hall; Inspector General Cathy Helm; Associate Director of the Office of Business Administration and Technical Services Steve Hinz; Chief Financial Officer Janice Lambert; Senior Adviser to Senator Leahy Kevin McDonald; Program Management Specialist for Smithsonian Facilities Tiffany Myers; Deputy Secretary and Chief Operating Officer Meroë Park; Director of the Office of Facilities Management and Reliability Rick Petito; Acting Director for the Office of Planning, Design, and Construction Derek Ross; Director of the Office of Government Relations Vernon Simms; Civil Engineer Adam Stewart; Under Secretary for Science and Research Ellen Stofan; and Chief of Staff to the Regents Porter Wilkinson.

CALL TO ORDER

Committee Chair John Fahey called the meeting to order at 2:00 p.m. and reviewed the agenda. Mr. Fahey also welcomed new staff members from the Smithsonian Facilities team, including Supervisory Civil Engineer Michael Carrancho; Deputy Director of the Office of Planning, Design, and Construction Stephanie Felton; Associate Director of the Office of Business Administration and Technical Services Steve Hinz; and Civil Engineer Adam Stewart

APPROVAL OF THE JULY 21, 2021, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the minutes of the July 31, 2021, Committee meeting were approved without modification.

RESOURCE PLANNING

Director of Smithsonian Facilities Nancy Bechtol briefed the Committee on efforts to steward the Smithsonian’s buildings, gardens, and facilities with strategic use of the Institution’s resources. Ms. Bechtol reviewed the Smithsonian Facilities (“SF”) organization chart and operations, maintenance, and budget trends for fiscal years 2012 through 2021. The SF team is working to transform resource allocation and risk management operations to create equitable and streamlined processes for facilities capital, maintenance prioritization, and resource allocation. Ms. Bechtol reminded the Committee that the Smithsonian’s facilities foot print includes approximately 11,431,033 gross square feet, and SF maintains an additional 1.8 million square feet of leased space. Ms. Bechtol informed the Committee that Smithsonian Facilities

has built out a 10-year maintenance plan budgeted at \$180 million, and a capital plan requiring over \$300M per year, and an operations plan is in development. While the Smithsonian's portfolio has grown significantly over the years, federal appropriations and SF staffing needs have not kept pace. SF will be completing a comprehensive workforce plan to address hiring and retaining qualified staff while planning and preparing for future workforce needs, including the addition of two new Smithsonian museums.

SMITHSONIAN FACILITIES CAPITAL PROGRAM

Deputy Director of the Office of Planning, Design, and Construction Stephanie Felton updated the Committee on the facilities capital program and funding for fiscal years 2021 through 2023. In fiscal year 2021, the Smithsonian received \$214.5 million in capital funds and obligated 94 percent. The Smithsonian requested \$230 million in federal appropriations for facilities capital for fiscal year 2022, including \$56 million for the National Air and Space Museum revitalization, \$9 million for the Revitalize Historic Core project, and \$7.6 million for construction of the Pod 6 collections storage facility. Ms. Felton informed the Committee that Congress passed H.R. 5305, (Public Law 117-43), the Extending Government Funding and Delivering Emergency Assistance Act, on September 30, 2021. The bill is a short-term spending measure for fiscal year 2022 that funds the government through December 3, 2021. Similar to previous Continuing Resolutions, the bill provides funding for Smithsonian operations and facilities projects at the same rate as the prior year through the same period. The Committee also reviewed the breakdown of federal funding and projected timeline for major capital programs and projects for fiscal years 2022 through 2031. Priority projects include revitalization efforts at the National Air and Space Museum, the Historic Core, the Hirshhorn Museum and Sculpture Garden, Pod 6, the National Museum of American History East Wing, and the two new Smithsonian museums.

SMITHSONIAN FACILITIES MAINTENANCE PROGRAM

Next, Director of the Office of Facilities Management and Reliability Rick Petito presented the facilities maintenance plans and funding requirements for fiscal years 2021 through 2023. In fiscal year 2021, the Smithsonian received \$115.3 million for the maintenance program, including funds to continue addressing the Institution's deferred maintenance backlog. The Smithsonian requested \$116.9 million in facilities maintenance for fiscal year 2022. The Committee then received an overview of the deferred maintenance plan for fiscal year 2022 and discussed the maintenance budget by system and facility. Mr. Petito highlighted two recent maintenance projects: replacement of the condensate line at the National Museum of Natural History, which was completed in August 2021, and trail repairs at the Smithsonian Environmental Research Center, which was completed in September 2021.

DEFERRED MAINTENANCE

Mr. Petito also briefed the Committee on the Smithsonian's deferred maintenance backlog. Mr. Petito explained the Institution's calculation for deferred maintenance, its Facility Condition Index, and critical trends in both areas. In fiscal years 2020 and 2021, the Smithsonian received

\$70 million in federal appropriations to specifically address the deferred maintenance backlog; the Smithsonian completed a total of 456 projects and obligated \$68.9 million. The Smithsonian is proposing a \$13 million per year increase in maintenance funding, based on Current Replacement Value (“CRV”) funding targets, to achieve a \$180 million per year goal by fiscal year 2027.

NEW SMITHSONIAN MUSEUMS

Acting Director for the Office of Planning, Design, and Construction Derek Ross led the Committee’s discussion on the status of site selection for the two new Smithsonian museums: National Museum of the American Latino and Smithsonian American Women’s History Museum. Mr. Ross reminded the Committee that in August 2021, the architectural engineering firm Ayers Saint Gross and Moya Design Partners, as a subconsultant, were selected to assist with site evaluation. Current next steps include completing research for programs, conducting outreach meetings, recommending an initial list of sites to move forward, and conducting informational briefings with the National Capital Planning Commission (“NCPC”) and the U.S. Commission of Fine Arts (“CFA”). Initial presentations to the SAWHM Advisory Council and the NMAL Board of Trustees took place in September and October 2021, respectively. The Committee will complete a preliminary review of site selection at its meeting in March. Subsequently, the April meeting of the Board of Regents will include an initial review and visitations to potential new museum sites.

SPACE PLANNING

Ms. Bechtol then updated the Committee on space planning for the Smithsonian’s consolidated administrative headquarters at the Capital Gallery Building. Smithsonian Facilities is undertaking various space planning pilot programs related to hybrid office space that will inform low-cost and minor modifications as well as major renovations.

CAPITAL COST STUDY

The Committee had an opportunity to ask questions related to the read-ahead information provided on a 3rd party capital cost study that recently commenced and will analyze historic construction and design costs against those of peers outside of the Smithsonian. The analysis will be conducted over four categories: new construction of museums, major renovation of museums, new construction of archival storage facilities, and new construction of research laboratories.

REVITALIZE HISTORIC CORE

The Committee also had an opportunity to ask questions about the read-ahead information provided on the revitalization of the Historic Core. The total current working estimate for capital infrastructure is \$650 to \$750 million. Approval of the program and concept was received from the Capital Board in July 2019, and schematic design is expected to be completed in April 2022.

MAJOR CAPITAL PROJECT UPDATES

The Committee also received updates on the Smithsonian's major capital projects, specifically the planning of the National Air and Space Museum Integrated Bezos Learning Center ("BLC"); revitalization of the building envelope and infrastructure at the National Air and Space Museum on the National Mall; construction of Pod 6 at the Suitland Collections Center; repair of the GSB column capitals at the National Zoological Park; and revitalization of the Sculpture Garden at the Hirshhorn Museum and Sculpture Garden.

EXECUTIVE SESSION

The Committee then moved into an executive session at approximately 3:30 p.m. to discuss confidential business matters.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at approximately 3:46 p.m.

Respectfully submitted,
John Fahey, Chair