

MINUTES OF THE DECEMBER 1, 2016, FACILITIES COMMITTEE MEETING

The Facilities Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”) conducted a meeting on December 1, 2016, in the Secretary’s Parlor at the Smithsonian Castle in Washington, DC. Participating were Committee Chair Robert P. Kogod and Committee members Sako Fisher,* Representative Sam Johnson,* Senator Patrick Leahy,* and Roger Sant. Board and Executive Committee Chair John W. McCarter, Jr.* also participated in the meeting.

Also present by invitation of the Committee were Secretary David Skorton; Government Relations Officer Greg Abbott; Director of Smithsonian Facilities Nancy Bechtol; Interim Deputy Under Secretary for Finance & Administration John F. Benton; Chief of Staff to the Secretary Greg Bettwy; Director of the National Air and Space Museum General John (“Jack”) R. Dailey; Associate General Counsel Farleigh Earhart; 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; Director of the National Zoo and Conservation Biology Institute Dennis W. Kelly; Senior Advisor to Senator Leahy, Kevin McDonald; Deputy Director for Planning and Program Management Debra Nauta-Rodriguez; Deputy Chief of Staff to the Regents Rachel Parker; and Chief of Staff to the Regents Porter Wilkinson.

CALL TO ORDER

Committee Chair Robert P. Kogod called the meeting to order at 9:56 a.m.

FACILITIES CAPITAL AND MAINTENANCE REPORT

The Committee reviewed the Facilities Capital and Maintenance financial reports. With the government currently operating under a Continuing Resolution (“CR”) and Smithsonian management awaiting action on the fiscal year 2017 appropriation bills, there have been no substantive updates to the report since the Committee’s last meeting in September. As reported in September, the charts reflect the final fiscal year 2016 appropriation levels for Capital and Maintenance Funding, as well as the fiscal year 2017 request currently before Congress. The charts also demonstrate the anticipated requirement levels for fiscal year 2018 – fiscal year 2022, including the financial impact of the National Air and Space Museum (“NASM”) revitalization project.

Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath provided the Committee with a brief status update regarding the fiscal year 2017 appropriation bills currently before Congress and planning for the fiscal year 2018 submission to the Office of Management and Budget (“OMB”). The fiscal year 2017 appropriation bills are pending before

* *Participated by telephone*

Congress, with action expected in the near-term; and the Smithsonian is awaiting guidance from OMB regarding the fiscal year 2018 budget submission.

FACILITIES UPDATE FOR FISCAL YEARS 2016 - 2018

The Committee was presented with an update on the Facilities Capital and Maintenance programs and funding. Deputy Director for Planning and Program Management Debra Nauta-Rodriguez highlighted some accomplishments for fiscal year 2016, including the re-opening of the Renwick Gallery of Art in November 2015, the opening of the Smithsonian Tropical Research Center's Gamboa Lab, and the grand opening of the National Museum of African American History and Culture ("NMAAHC") at the close of fiscal year 2016. Ms. Nauta-Rodriguez noted that three capital projects have achieved LEED certifications and the National Museum of the American Indian has renewed its LEED for Existing Buildings at the Gold level. In addition, the Smithsonian received planning, design, and construction awards from industry organizations for excellence on several capital projects.

With regard to funding, Facilities Capital is proceeding in fiscal year 2017 with a CR. For fiscal year 2017, \$89.2 million for Maintenance Funding has been included in the federal budget request. The Facilities Capital request for fiscal year 2018 is \$300 million, with a full requirements level for Facilities Maintenance funding in fiscal year 2018 is \$171.5 million.

The Committee was briefed on the status of Facilities Maintenance by Director of the Office of Facilities Management and Reliability Kendra Gastright. Great progress has been made with regard to large revitalization projects at individual facilities across the Smithsonian; however, the backlog of deferred maintenance and repairs continues to grow at other facilities. Behind the scenes functions that are vital to daily operations and keeping staff and visitors safe in each of the facilities needs to be addressed before costly repairs and replacements are required for a number of aging systems. Maintenance funding has not kept pace with the increase in Smithsonian space and aging facilities' needs.

APPROVAL OF THE SEPTEMBER 21, 2016, COMMITTEE MEETING MINUTES

The Committee then reviewed the minutes of the September 21, 2016, meeting. Upon motion duly made and seconded, the draft minutes were approved without modification.

PROPOSED CONGRESSIONAL AUTHORIZATION FOR CONSTRUCTION OF THE NATIONAL ZOOLOGICAL PARK'S CENTRAL PARKING FACILITY

The Committee was briefed on the initiative to construct a new Central Parking Facility at the National Zoo & Conservation Biology Institute ("Zoo") by Zoo Director Dennis W. Kelly and Mr. Horvath. The proposed project would consolidate public parking into a multi-level garage located on the site of current Parking Lot C. Construction of the facility is planned to be designed, built, financed, operated and maintained for up to 40 years, without any federal funding, and limited, to no, funding from the Smithsonian's Trust. The implementation and

financing for the new facility would be through a public-private partnership, in accordance with applicable Smithsonian policies, risk management best practices, and directives.

The benefits of building a Central Parking Facility include a reduction of vehicular traffic flow throughout the Zoo, increasing safety and security; a conversion of current surface parking lots into animal and exhibit areas; improvement to the visitor experience by providing easier vehicle access; and additional revenue generated to support the Zoo's mission in conservation and saving species. The Committee voted to recommend that the Board approve the Secretary's request for Congressional Authorization to construct a new Central Parking Facility at the Zoo in Washington, DC.

Upon motion duly made and seconded, the following action was approved for recommendation to the Full Board of Regents:

VOTED that the Facilities Committee recommends that the Board of Regents approves the Secretary's request for Congressional authorization to construct a new Central Parking Facility at the National Zoological Park.

NATIONAL AIR AND SPACE MUSEUM REVITALIZATION UPDATE

Mr. Horvath then provided the Committee with an update on the NASM revitalization. The detailed design of the renovation by architect Quinn Evans is approximately 50 percent complete. The current plan calls for construction to begin sometime in 2018, with projected costs estimated at \$675 million. Construction will be phased so that visitors can continue to access a significant portion of the museum during the entire six-year length of the project. Before the renovation can begin, additional storage space for artifacts must be constructed at the Museum's Udvar-Hazy Center near the Dulles Airport in Virginia. Construction on the storage facility will begin in the next few months and is slated for completion in 2018.

Management is also considering several options for recladding the museum, including Tennessee Pink marble at a three-inch thickness, two other stone options, and a man-made panel alternative. A final decision on the cladding is expected in the summer of 2017.

During the revitalization, the museum plans to simultaneously move forward with a complete refresh of the exhibits and galleries inside the 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.

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE POST-OPENING UPDATE

Director of Smithsonian Facilities Nancy Bechtol briefed the Committee on the status of NMAAHC following its September 24, 2016, grand opening. The museum hosts approximately 8,000 visitors each day on the weekends and approximately 6,000 guests each day during the week. With such a high level of visitorship, the museum has been working to refine certain

logistical elements in order to improve the visitor experience. NMAAHC has reconfigured the cafeteria to reduce wait times; reduced initial bottlenecks inside the museum by routing entering visitors to the upper floors as well as the bottom floor; increasing the number of visitor services volunteers; and provided additional wheelchairs to accommodate visitors with mobility issues. The museum has also added more x-ray machines and magnetometers in order to improve wait times for interior security screenings.

MAJOR CAPITAL PROJECT UPDATES

Mr. Horvath, Ms. Nauta-Rodriguez, and Deputy Director for Smithsonian Facilities Walter Ennaco briefed the Committee on the status of the Smithsonian's major Capital Projects, including the South Mall Campus Master Plan, the National Museum of Natural History's Paleo Halls, and the Consolidated Administrative Headquarters Initiative.

ADJOURNMENT

There being no further business to consider, the meeting was adjourned at approximately 10:51 a.m.

Respectfully submitted,

Robert P. Kogod, Chair