

MINUTES OF THE JULY 18, 2023, FACILITIES COMMITTEE MEETING

The Facilities Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) conducted a videoconference meeting on July 18, 2023.

Participating were Committee Chair John Fahey and Committee members Representative Adrian Smith, Michael Govan, Risa J. Lavizzo-Mourey, and Mitchell N. Schear.

Also present by invitation of the Committee were Chief of Staff to the Secretary Greg Bettwy; Associate General Counsel Craig Blackwell; Under Secretary for Administration Ron Cortez; Director for the Office of Facilities Management and Reliability Tony Edmonds; Deputy Director for the Office of Planning, Design, and Construction Stephanie Felton; Deputy Under Secretary for Administration Rick Flansburg; Deputy Chief of Staff to the Regents Kate Forester; Special Assistant to the Regents Mallory Gianola (recorder); Under Secretary for Museums and Culture Kevin Gover; Director of the Office of Government Relations Rachelle Graves; Assistant Secretary for Communications and External Affairs and Chief Marketing Officer Julissa Marengo; Director of Federal Resources for the Office of Planning, Management, and Budget Andrew Mosley; Deputy Secretary and Chief Operating Officer Meroë Park; Assistant Secretary for Advancement Rob Spiller; and Under Secretary for Science and Research Ellen Stofan.

CALL TO ORDER

Committee Chair John Fahey called the meeting to order at 1:00 p.m. and reviewed the agenda. Mr. Fahey welcomed two new Smithsonian staff members: Rachelle Graves, Director of the Office of Government Relations and John Lynskey, Deputy Chief Financial Officer and Controller.

APPROVAL OF THE MARCH 10, 2023, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the minutes of the March 10, 2023, Committee meeting were approved.

COMMITTEE CHARTER REVIEW

The Committee reviewed its Charter per its mandate to annually review and assess the Charter and evaluate the Committee’s performance with respect to the requirements of the Charter. No modifications to the Charter were proposed.

REAL ESTATE UPDATE

Under Secretary for Administration Ron Cortez updated the Committee on the Smithsonian’s real estate portfolio, specifically the upcoming opportunity to purchase more of the Capital Gallery building. The Capital Gallery partial acquisition in June 2020 was part of a plan to consolidate five office spaces in the Washington, D.C. area into a single consolidated administrative headquarters. Since the purchase, financial and administrative staff from offices located in Crystal City, L’Enfant Plaza, and the Castle have relocated. The Smithsonian is

analyzing a Right of First Offer to purchase more of Capital Gallery, which includes two alternatives: (1) floors 7 and 8 in the East Tower; or (2) floors 1, 2, 7, 8, and the parking garage – which is the balance of the building. The offer must be exercised between December 26, 2023, to June 26, 2024. To provide decision support to Smithsonian leadership, the Office of the Under Secretary for Administration has commissioned two studies that will help inform decision making. A formal recommendation will be brought to the Facilities Committee and then the full Board once framework planning and due diligence analysis have been completed.

FEDERAL BUDGET UPDATE

Director of Federal Resources for the Office of Planning, Management, and Budget Andrew Mosley briefed the Committee on the Facilities Capital and Maintenance Programs for fiscal years 2023 and 2024. The Smithsonian received \$251.6 million for Facilities Capital and \$119.3 million in Facilities Maintenance in Fiscal Year 2023. The President’s Budget for FY 2024 was released to Congress on March 9, 2023. The Institution requested \$265 million for Facilities Capital and \$131 million for Facilities Maintenance in fiscal year 2024. Mr. Mosley noted the discrepancies between the House and Senate FY 2024 appropriations bills and reminded the Committee that Members of Congress will adjourn for recess on July 27 and likely resume discussions related to the budget in September. The Committee discussed the potential implications to the deferred maintenance program and major capital projects if budgets are reduced to less than the fiscal year 2023 enacted amount or if the Smithsonian begins fiscal year 2024 operating under a Continuing Resolution (“CR”).

FACILITIES CONDITION ASSESSMENTS

Director of the Office of Facilities Management and Reliability Tony Edmonds led a discussion on the Facilities Condition Assessment Program, which identifies the conditions of buildings and systems in the Smithsonian’s physical plant. The Institution has implemented process improvements and will perform a full on-site assessment of every asset approximately every four years, to include utilities and infrastructure. The Committee reviewed the current Facilities Condition Index by property and discussed the impact of maintenance funding levels on deferred maintenance projects. The Smithsonian’s overall Facilities Condition Index has slightly increased in fiscal year 2023 to 75.3% (Fair), thanks to recent levels of Capital and Maintenance funding. However, several Smithsonian properties, including the Hirshhorn Museum and Sculpture Garden, the National Museum of American History, and the National Zoo remain in poor condition and will require greater investment to recover.

MAJOR CAPITAL PROJECTS UPDATE

The Committee had an opportunity to ask questions related to the read-ahead information provided on the Smithsonian’s major capital projects, specifically the National Air and Space Museum Integrated Bezos Learning Center (“BLC”). This project will replace the existing restaurant built in 1988, and demolished in March 2023, with an Education Center as identified in the 2013 NASM Master Plan. The Architecture Engineering (“A/E”) firm Perkins & Will was selected to design the BLC, the observatory and astronomy park, and make improvements to

the loading dock. A design kick-off meeting was held on June 6, 2023, and the concept design submission is targeted for late September 2023. Approval by the National Capital Planning Commission (“NCPC”), DC State Historic Preservation Office (“DC SHPO”), and Commission of Fine Arts (“CFA”), of the building exterior and landscape design is an important component of the project. Early meetings with the external agency staff have gone well, in part because of the responsiveness of the Smithsonian and A/E project teams. As the design progresses, and as part of the Section 106 process, the Institution will conduct a series of consulting parties meetings. The first meeting on August 9, 2023, introduced the project, and the second meeting is planned for early November 2023 to review the concept design. In addition, Smithsonian Enterprises (“SE”) released a request for proposal (“RFP”) in April 2023 for a restaurant vendor. The vendor proposals were received in July 2023 and are being evaluated. The target is to award by October 30, 2023, and have the restaurant vendor on board early in the design process.

EXECUTIVE SESSION

The Committee then moved into an executive session at approximately 2:00 p.m. to discuss confidential business matters.

ADJOURNMENT

With no further business to consider, the meeting was adjourned at approximately 2:04 p.m.

Respectfully submitted,

John Fahey, Chair