

## **MINUTES OF THE MAY 15, 2019, FACILITIES COMMITTEE MEETING**

The Facilities Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) held a meeting on May 15, 2019, at the Smithsonian Castle in Washington, D.C. Participating were Committee Chair John W. McCarter, Jr. \* and Committee members Representative Lucille Roybal-Allard,\* Representative John Shimkus,\* Michael Govan,\* 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; Chief of Staff to Representative Roybal-Allard Victor Castillo;\* Provost and Under Secretary for Museums, Education, and Research John Davis; Deputy Director for Smithsonian Facilities Walter Ennaco; Deputy Chief of Staff to the Regents Kate Forester; Special Assistant to the Regents Mallory Gianola (recorder); Inspector General Cathy Helm;\* Assistant Secretary for Communications and External Affairs Julissa Marengo; Acting Under Secretary for Finance and Administration/Chief Operating Officer Mike McCarthy; Senior Adviser to Senator Leahy Kevin McDonald;\* Program Management Specialist for Smithsonian Facilities Tiffany Myers; Chief of Staff to Representative Shimkus Craig Roberts;\* and Director of the Office of Facilities Management and Reliability Rick Petito.

### **CALL TO ORDER**

Committee Chair John W. McCarter, Jr., called the meeting to order at 2:01 p.m.

### **APPROVAL OF THE DECEMBER 19, 2018, COMMITTEE MEETING MINUTES**

Upon motion duly made and seconded, the minutes of the December 19, 2018, Committee meeting were approved without modification.

### **DEFERRED MAINTENANCE BACKLOG**

Director of the Office of Facilities Management and Reliability Rick Petito outlined the Smithsonian maintenance program, with a focus on the backlog of deferred maintenance projects. Progress has been made on large revitalization projects at individual facilities across the Smithsonian; however, the backlog of deferred maintenance and repairs continues to grow at other facilities. Funding for deferred maintenance and repairs has not kept pace with the increase in Smithsonian space and needs of the aging facilities. The recommendation is that the Smithsonian seek funding at an additional investment of two percent of the current replacement value, for proper maintenance and repair of the Institution’s aging infrastructure, which would extend the lifecycle of the Smithsonian’s physical plant and reduce the deferred maintenance backlog.

\* *Participated by telephone*

## FACILITIES CAPITAL AND MAINTENANCE REPORT

The Committee reviewed the Facilities Capital and Maintenance financial reports. Deputy Director for Smithsonian Facilities Walter Ennaco reported on the final fiscal year 2019 appropriation levels for Capital and Maintenance funding, as well the fiscal year 2020 request currently before Congress. Mr. Ennaco briefed the Committee on the planned capital programs and projects, and the anticipated requirement levels for fiscal year 2020 through fiscal year 2030. The Committee discussed the remaining funding required for the revitalization of the National Air and Space Museum (“NASM”), along with other capital investment requirements at the Smithsonian’s older museums, including the Smithsonian Institution Building (“Castle”), Arts and Industries Building (“AIB”), Hirshhorn Museum and Sculpture Garden (“HSMG”), National Museum of Natural History (“NMNH”), and National Zoological Park (“NZP”).

## REVITALIZATION OF THE HISTORIC CORE

Next, Director of Smithsonian Facilities Nancy Bechtol gave an update on revitalization efforts at the Castle and AIB, which make up the Smithsonian’s Historic Core. Ms. Bechtol listed the work planned for the two buildings, which will include new, efficient heating, air conditioning, and ventilation systems; new electrical and plumbing systems; and new telecommunications, security, and life safety systems. In addition, an underground Central Utility Plant will provide mechanical and electrical infrastructure and a Consolidated Loading Facility will improve the efficiency and safety of materials handling for the South Mall Campus. Planning and design is scheduled to begin in fiscal year 2020 following review by the Capital Board in July 2019.

## CONSOLIDATED ADMINISTRATIVE HEADQUARTERS

Acting Under Secretary for Finance and Administration/COO Mike McCarthy led the Committee’s discussion on a proposed space for consolidated administrative headquarters. Mr. McCarthy noted that five leased assets, in addition to the Castle, are under consideration for consolidation into one Smithsonian headquarters location. Smithsonian management’s request to move forward with a consolidated headquarters building took into account cost savings, improved efficiency of essential functions, minimum employee impact, transportation costs, and real estate trends. The Committee was asked to review and authorize the Smithsonian Institution to negotiate and purchase a space for consolidated administrative headquarters. Mr. McCarthy noted that the recommendation requires joint approval by the Facilities Committee and Finance Committee. Upon motion duly made and seconded, the Committee approved the following motion:

**VOTED** that the Facilities Committee and the Finance Committee jointly recommend that the Board of Regents authorize the Smithsonian to negotiate and effect the purchase and acquisition of Capital Gallery (“Building”), a building to be used primarily for purposes of administrative office space, subject to the following conditions: (1) that the Congress enact legislation authorizing the Smithsonian to deposit into the general trust funds of the Institution Federal appropriations designated for lease or rent payments, to the

extent that federally supported activities will be housed in the Building, for use for expenses associated with the purchase of the Building; (2) that the Institution secure financing for the costs of acquiring the Building and other expenses associated with the purchase of the Building; and (3) that the Secretary consult with the Facilities Committee and the Finance Committee after final terms of the purchase are negotiated and before the purchase is effected. The Committees further recommend that the Secretary be authorized to secure financing up to a level approved by the Committees, such financing to be inclusive of the costs for moving to, and building out, the newly acquired space.

## **MAJOR CAPITAL PROJECT UPDATES**

Next, Ms. Bechtol gave an update on major capital projects at the National Museum of Natural History (“NMNH”). Construction progress of the South Entrance improvements and West Court renovation, which include the addition of an ADA accessible entrance and expanded restaurant space, are nearing 75 and 90 percent completion, respectively.

Ms. Bechtol also provided an overview of the major capital projects at the National Zoological Park (“NZP”). Phase two of the project to renew the police station and replace the public restrooms, pavilion, and utilities is 90 percent complete, with an expected use and occupancy date of September 2019. Construction for the Bird House and Great Flight Aviary, which is the most historic structure at NZP, has also begun, with complete demolition planned for fall 2019. Ms. Bechtol also updated the Committee on the status of the major infrastructure renewal of Building 1 for bio-repository at the National Zoo’s Conservation Biology Institute in Front Royal, VA, which is nearing 70 percent construction completion.

Mr. Ennaco updated the Committee on construction of the Dulles Collections Storage Module 1 at the Udvar-Hazy Center (“UHC”) in Chantilly, Virginia, which is now complete and providing artifact swing space during the revitalization of the National Air and Space Museum (“NASM”). A ribbon cutting for Storage Module 1 is planned for June 28, 2019.

Mr. Ennaco also informed the Committee that construction at the Anacostia Community Museum (“ACM”), which closed to the public on March 15, is underway. The project will enhance the museum’s accessibility and make major improvements to the parking lot and entrance. The reopening is planned for mid–October 2019.

The Committee received an update on the NASM revitalization. Mr. Ennaco reviewed the seven building zones and incremental work sequence, which will allow visitors to continue to access a significant portion of the museum throughout the project. Mr. Ennaco also walked the Committee through the de-installation process for large artifacts, including the inventory of objects that will remain in the building for public viewing during the renovation.

## ADJOURNMENT

There being no request for an executive session and with no further business to discuss, the meeting was adjourned at approximately 3:17 p.m.

Respectfully submitted,

John W. McCarter, Jr., Chair