



# Capital Needs Assessment, October 2021

1. Understanding the 1991 agreement
2. Pressing CapEx needs
3. Ongoing structural/operational issues
4. SmithGroup report review
5. Local codes/compliance report review
6. Burkey conceptual museum-building addition
7. Capital campaign feasibility
8. Further discussions, next steps



# Understanding the 1991 Agreement

- Collections ownership vs. real property ownership
- Museum Corp/RSD/Foundation
- Other definitions: 500/600/1210/Arb, Planetarium vs. building
- Orphan's Court case timeline, capital projects timeline
- Strategic planning and AAM reaccreditation timeline
- Prior offers to remedy, public understanding of issues
- Current climate



# CapEx Needs: Today and tomorrow

- \$10m in leasehold improvements currently on Foundation books
  - Building reface, Planetarium roofs, Arboretum lights/paths
- Pressing CapEx needs totaling \$4m over next 2-3 years
  - Mechanicals replaced in 1995 campaign, 500 roofs, Arb maintenance
- Future considerations could total \$5-8m on unknown timeline
  - Creekbank reconstruction est. \$2-3m
  - Parking addition est. \$2-4m
  - Planetarium building viability, flood damage/sinkholes
  - Code compliance and 3<sup>rd</sup> party suit concerns



## “Structural” Issues with current site

- 100 year-old Museum building, 50 year-old Planetarium building
- 100 year-old Arboretum with dying trees, increased liability/vandals
- Inaccessible loading dock, floor load limits
- Flood plain and changing access/climate concerns
- Landlocked/parking limits, changes by municipalities
- 5 buildings to maintain, staff spread



# Watershed: Time to act, move, or die



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## 2020 SmithGroup Report (1 of 2)

- Flood mitigation/site maintenance truly unfixable
- Loading dock/parking issues costly and challenging
- Current use deviates from original design, visitor experience impacted
- Systems upgrades and renovations are inevitable (AAM)
- Renovations trigger major compliance issues, collections relocation?
- + Arboretum improves visitor experience/community impact
- + Historic location, easily identifiable as “museum”



## 2020 SmithGroup Report (2 of 2)

- Renovations = potential temporary closure/relocation
- Relocation = normal operations until site ready
- Potential sites are plentiful, more easily accessible
- All/most issues addressed with relocation
- Costs for renovation vs. relocation comparable
- Future fate of current property not a “museum issue”



# Review current compliance/code issues

- Any major renovations trigger ADA/codes compliance = \$\$\$\$\$\$
  - Elevators, ramps, bathrooms, parking, egress, stair towers
- Planetarium building clearly non-compliant
  - Not financially sound to make improvements
  - 3<sup>rd</sup> Party claim triggers out of our control
- Current electrical transformer outdated and out-of-code
  - Any improvement requires major investment to relocate outside
- 1991 Agreement allows for museum closure – 2021 transformer damage







# Possible Scenarios

- RSD replacement of transformer = \$600k+, 10/28 deadline
- County/City of Reading proposal to RSD =
  - Possible COVID funds to maintain/improve property
  - Requires agreement from RSD to sign over real estate to Foundation
  - 10/28 deadline, includes funds for expansion & creek remediation
- Lease agreement on new collections storage facilities in West Reading
  - 11/1 effective date, potential for additional public space