Capital Assessment Sub-Committee Report, May 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 3rd 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
- 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”
• 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
• Current electrical transformer outdated and out-of-code
  • Any improvement requires major investment to relocate outside
• 3rd Party claim triggers out of our control
• 1991 Agreement allows for museum closure
If not here, then where?

• Developer conversations
  • Knitting Mills
  • Berkshire Mall/Blvd. properties
  • Reading Post Office
  • Reading Eagle building

• Other considerations
  • Rent/lease vs. own
  • Finance vs fundraise
  • Temporary relocation

• Capital Campaign - $10-15 million?