

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





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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"

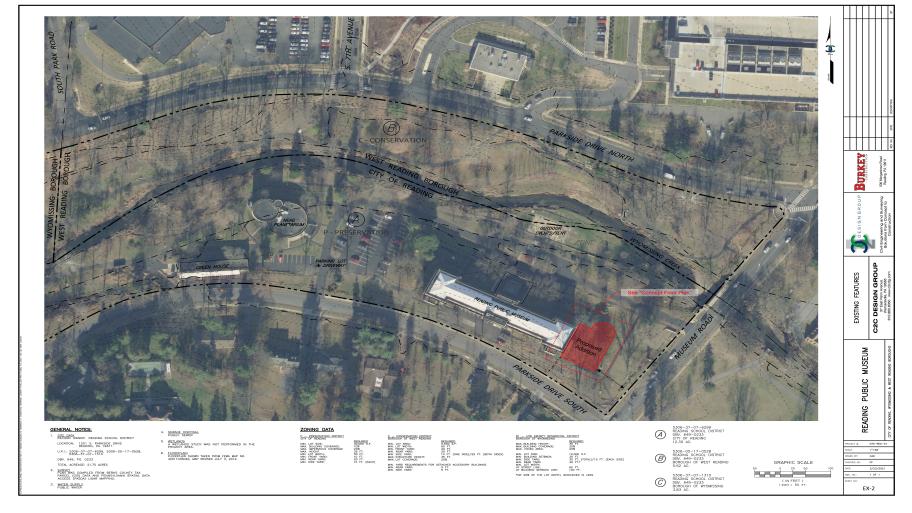


Review current compliance/code issues

- 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
- 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



Burkey Conceptual Expansion





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?