

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Fiscal Year 2017 Budget Justification to Congress

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February 2016

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Introduction

Originally established in 1958 as the National Cultural Center and an independently administered bureau of the Smithsonian (P.L. 85-874), the John F. Kennedy Center for the Performing Arts was designated a living memorial to President Kennedy in 1964. The original act of 1958 charged the Board of Trustees with responsibility for constructing and administering the nation's center for the performing arts. The Kennedy Center was constructed with a combination of private contributions (\$34.5 million), federal matching funds (\$23.0 million), and long-term revenue bonds held by the U. S. Department of Treasury (\$20.4 million).

Construction began in 1964 and the facility opened to the public in 1971 with three major operating theaters. In 1972, the Board of Trustees requested assistance from Congress to meet the needs and interests of the millions of memorial visitors to the Center. Subsequently in 1972, Congress authorized funds through the National Park Service to provide the Board assistance with maintenance, security, and other services necessary to maintain the building. From fiscal year 1972 until fiscal year 1995, the National Park Service received direct appropriations for the operation and repair of the presidential monument.

Beginning with the George H.W. Bush administration, the Kennedy Center Board of Trustees sought a new and more efficient approach to management of the Kennedy Center building, with one entity responsible both for the physical plant and for the activities of the living presidential memorial. In 1994, with bipartisan support from Congress, OMB, and the Secretary of the Interior, Congress enacted P. L. 103-279, authorizing the transfer to the Board of all appropriated fund responsibilities, including 55 FTE, and all unexpended balances of funds previously appropriated to the National Park Service. The transfer of personnel occurred in mid-October, 1994.

Since the start of fiscal year 1995, the Board has been responsible for all operations of the Kennedy Center, including both the management and expenditure of appropriated funds for operation, maintenance, and capital repair of the presidential monument, and management of solely non-appropriated fund activities. The direct federal funding provided to the Kennedy Center is used for the operation, maintenance, and capital repair of the presidential monument.

The Center fulfills its obligation as a living memorial to the late President Kennedy through the presentation of performing arts programming and through education activities in the District of Columbia, all 50 states, and around the world. The building houses eight stages. Six of the theaters have approximately 7,200 seats. The two Millennium Stages in the Grand Foyer operate at 6:00 p.m. 365 days a year, hosting artists and performing arts groups from throughout the nation and across the globe. Funded privately, these stages provide free attendance for upwards of 500 visitors each night. The Center also presents several nationally televised programs each year, designed to enhance the public's understanding and appreciation for the performing arts. These programs include the Kennedy Center Honors and the Kennedy Center Mark Twain Prize for American Humor. The Kennedy Center presents over 80 percent of the more than 2,000 performances scheduled annually in the facility, with many of

the performances presented by the Center's resident orchestra and opera: the National Symphony Orchestra and the Washington National Opera. The other 20 percent of performances include rentals of the theaters to local performance groups such as Washington Performing Arts and other groups such as the Gospel Music Heritage Month Foundation. The Center receives in excess of three million patrons and visitors annually from every state and around the world.

Since it opened in 1971, the Center has come to symbolize our nation's heritage in and appreciation for the performing arts and it serves as a dynamic national resource contributing to the cultural enrichment of the United States. The 2015-2016 season includes the free performances, festivals, new productions, and world-class artists befitting stages in the nation's performing arts center and living memorial to President Kennedy. Throughout the 2015-2016 season, the Kennedy Center is showcasing the best in American and international dance, theater, opera, music and arts in education. The season also features new works for young people and families as part of the Center's education program.

The Kennedy Center is a national leader in arts education and arts integration, creating and disseminating innovative programs and resources in person, on-line, and in print. These programs and resources directly impact students, teachers and administrators from pre-kindergarten through college across the country as well as families and the general public. Program activities and resources reach all 50 states. The Kennedy Center Education Program receives support from the U.S. Department of Education for these programs. This funding is authorized in the Elementary and Secondary Education Act.

The Kennedy Center Building

The Kennedy Center building consists of 1.5 million square feet of usable floor space on 17 acres of land. The building contains eight theaters, two public restaurant facilities, nine function/special event rooms, five public galleries/halls/foyers, and approximately 50,000 square feet of administrative offices. In addition, the Kennedy Center Facility Management staff maintains complex HVAC systems, 27 elevators and 6 sets of escalators, 133 restrooms, more than 2,000 doors, 13 mechanical rooms, 108 crystal chandeliers, and 200 valuable paintings, sculptures, tapestries and textiles. Support systems in the building often operate at capacity in excess of 18 hours a day, 365 days a year.

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Fiscal Year 2016 Appropriation

The Kennedy Center's appropriation for fiscal year 2016 is \$36.40 million. Within this level, Operations and Maintenance is funded at \$21.66 million, and Capital Repair and Restoration is funded at \$14.74 million, the latter to remain available until expended.

Fiscal Year 2017 Budget Request

The Kennedy Center's funding request for fiscal year 2017 is \$35.26 million. Within this level, Operations and Maintenance is funded at \$22.26 million, and Capital Repair and Restoration is funded at \$13 million, the latter to remain available until expended.

The Kennedy Center's federal appropriations are dedicated to the maintenance, upkeep, security, and capital restoration of the memorial. No discretionary programs are included.

All sources of cost and expense described herein have been carefully prioritized within the budget request. The Center continues to prioritize among Operations and Maintenance needs in order to maintain a level of resources required to keep the presidential memorial open and provide critical maintenance and security services.

The Operations and Maintenance (O&M) request is a modest increase of \$600,977 or 2.8% more than the fiscal year 2016 appropriation. With this funding level, the Center will continue to prioritize among O&M needs in order to offset increases related to contracted services, and salaries. Keen funds oversight will help maintain the Minor Repair and Replacement Program in order to ensure long-term facility sustainment.

The Capital Repair and Restoration funding request is a decrease of \$1.74 million from the amount provided in the fiscal year 2016 appropriation as a result of the full funding for the Terrace Theater Renovation appropriated in fiscal year 2016. The renovation of the Terrace Theater shall commence, as scheduled, in June of 2016 with completion scheduled for October 2017.

Fiscal Year 2017 Budget Objectives

The Kennedy Center's fiscal year 2017 budget request reflects the following management objectives:

- Continue to improve accessibility for patrons with disabilities.
- Preserve and protect the presidential monument building.
- Ensure effective and efficient building operations and visitor services by maintaining comfortable, clean, and safe accommodations for three million visitors and patrons annually.
- Execute the Comprehensive Building Plan providing for necessary major repairs and restoration of the monument, with priority on life safety, accessibility, and building infrastructure improvements.
- Maintain the building and grounds in a manner consistent with other national presidential monuments.
- Continue prudent and efficient contracting and utilization of appropriated resources, in accordance with federal rules and regulations.
- Provide proactive approach to security for all patrons, visitors and employees.
- Provide for an interpretive program that helps visitors understand how the national cultural center conceived by President Eisenhower was later named a living memorial to President Kennedy.
- Educate visitors by providing a deeper knowledge and understanding of the performing arts in America and around the world.

The John F. Kennedy Center for the Performing Arts

Three-year Budget Comparison

(\$ millions)

	FY 2015 <u>Appropriation</u>	FY 2016 <u>Appropriation</u>	FY 2017 <u>Request</u>
<u>Annual Funds</u>			
Operations and Maintenance	22.00	21.66	22.26
<u>No-Year Funds</u>			
Capital Repair and Restoration	10.80	14.74	13.00
Total Kennedy Center	32.80	36.40	35.26

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Authorizing Legislation

The Kennedy Center Board of Trustees has received the Center's federal funds through direct appropriations since fiscal year 1995. Since that time, the Center's annual budget request for its two accounts: 1) Operations and Maintenance, and 2) Capital Repair and Restoration, has been guided by consecutive Congressional authorizations that include funding parameters and limitations, largely informed by the Center's Comprehensive Building Plan (CBP). The recently enacted fiscal year 2016 Omnibus Appropriations included an extension of authorization for the Kennedy Center activities through the end of 2016. Discussions are underway with the relevant Congressional Committees- House Transportation and Infrastructure and Senate Environment and Public Works- to seek a further extension of reauthorizing legislation.

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Fiscal Year 2017 Budget Request: Operations and Maintenance

The Kennedy Center's fiscal year 2017 budget request for Operations and Maintenance (O&M) is \$22.26 million, a modest increase of \$600,977 or 2.8% from the fiscal year 2016 President's Budget.

Within the fiscal year 2017 funding level, resource allocations to supply, material, and equipment purchases, services, maintenance activities, and projects are prioritized to offset the mandatory/uncontrollable increases relating to contracted services such as security and housekeeping, employee salary increases, and other items that experience escalation. Budgetary resource prioritization strategies are provided in detail in the body of this document.

The following pages provide a variance analysis by object class between the current fiscal year 2016 appropriation and the fiscal year 2017 budget request.

The John F. Kennedy Center for the Performing ArtsTotal Comparative Budgets, FY 2016 and FY 2017
(Dollars in Thousands)

Object Class	FY 2016 Appropriation	FY 2017 Request	Increase / (Decrease)
Compensation and Benefits			
Personnel Compensation	4,203	4,284	81
Personnel Benefits (Including Worker's Compensation)	1,207	1,251	44
Subtotal: Compensation and Benefits	5,410	5,535	125
Expenses			
Travel and Transportation of Persons	2	2	-
Communications, Utilities, and Misc. Charges	4,773	4,964	190
Printing and Reproduction	2	2	-
Other Services	10,997	11,242	245
Supplies and Materials	418	457	39
Equipment	59	61	2
Subtotal: Non-Salary Expenses	16,251	16,728	476
Total Budget	21,662	22,263	601

Totals may not add up due to rounding.

The John F. Kennedy Center for the Performing Arts

Total Comparative Budgets, FY 2016 and FY 2017

(Dollars in Thousands)

Object Class	FY 2016 Appropriation	FY 2017 Request	Increase / (Decrease)
<i>Compensation and Benefits</i>			
Personnel Compensation	4,203	4,284	81
Personnel Benefits (Including Worker's Comp)	1,207	1,251	44
<i>Compensation and Benefits Total</i>	5,410	5,535	125
<i>Non-Salary Expenses</i>			
Travel and Transportation of Persons	2	2	-
Communications, Utilities, and Misc. Charges			
Information Technology	870	870	-
Electricity	2,500	2,775	275
Energy Savings Performance Contract	-	-	-
Natural Gas	485	485	-
Water/Sewer	695	605	(90)
Telephone	79	79	-
Warehouse Storage	103	110	7
All Other	42	40	(2)
Communications, Utilities, and Misc. Charges Total	4,773	4,964	190
Printing and Reproduction	2	2	-
Other Services			
Legal Services	-	-	-
Housekeeping	2,240	2,307	67
Minor Repair Program	300	300	-
Production Projects	840	840	-
Security – Base Contract	4,700	4,841	141
Security – Additional Services	180	195	15
Trust Salary Reimbursement	360	360	-
Finance Services	601	601	-
Trash Services	55	60	5
Building Automation	61	63	2
Elevator/Escalator	300	300	-
Fire Alarm Services	195	201	6
Groundskeeping Services	280	265	(15)
All Other Services	885	909	24
Other Services Total	10,997	11,242	245
Supplies and Materials	418	457	39
Equipment	59	61	2
<i>Non-Salary Expenses Total</i>	16,251	16,728	476
Total Budget	21,662	22,263	601

Totals may not add up due to rounding.

The John F. Kennedy Center for the Performing Arts

Comparative Budgets: Personnel Compensation and Benefits
FY 2016 and FY 2017

Compensation and Benefits	Increase / (Decrease)	Description of Change	
Personnel Compensation	81,000	Includes the following changes:	
		Estimated increase assumes 1.6% increase, plus mandatory step increases.	81,000
Personnel Benefits (Including Worker's Compensation)	44,000	Includes the following changes:	
		Estimated increase due to increase in compensation plus increase in worker's compensation.	44,000

The John F. Kennedy Center for the Performing Arts

Comparative Budgets: Other Services

FY 2016 and FY 2017

Service	Increase / (Decrease)	Description of Change
Legal Services	-	No change.
Housekeeping	67,000	The Kennedy Center entered into a new housekeeping contract in FY 2015. This amount for FY 2017 is negotiated within the contract schedule.
Security – Base Contract	141,000	Includes projected increases for security personnel. Additional security measures recently added will fit into contract contingency.
Security-Additional Services	15,000	Includes anticipated staffing to support Terrace Theater renovation.
Trash Services	5,000	Includes increase due to cost escalation.
Building Automation	2,000	The Kennedy Center will enter into a new Building Automation System maintenance contract in 2016.
Elevator & Escalator	-	No change.
Fire Alarm Services	6,000	Includes increase due to cost escalation.
Groundskeeping	(15,000)	The Kennedy Center will enter into a new groundskeeping contract in FY 2017. Anticipated decrease due to south lot construction.
All Other Services	24,000	Includes increase due to cost escalation.

Total Change 245,000

Totals may not add up due to rounding.

The John F. Kennedy Center for the Performing Arts

Base Spending Descriptions by Object Class

FY 2017

Compensation and Benefits

Personnel Compensation	The fiscal year 2017 requested budget includes a total of 56 FTEs, consistent with the estimated level of FTEs for fiscal year 2016. New positions sourced will utilize existing, open FTEs.
Personnel Benefits	Includes all benefits related to the above and worker's compensation, which is based on actual numbers provided by OPM.

Expenses

Travel and Transportation

Travel & Transportation of Persons	Includes local transportation for off-site meetings and training as necessary. No travel outside of the Washington, D.C. area is budgeted.
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Communications, Utilities, and Miscellaneous Charges

IT/IS Services	Includes costs associated with IT services required for the mission of the Facilities Management Office, Security, and Contracting. Includes computers for all federal employees, as well as network services, software licenses, printers, an emergency notification system, etc.
Electricity	Includes all costs for electrical utility service. A procurement arrangement is in place with GSA.
Natural Gas	Cost is for natural gas utility service, which is used for domestic hot water and gas boiler operation during the heating season. Assumptions in gas use are developed by the Center and assistance with gas rate predictions has been provided by Defense Logistics Agency.
Water/Sewer	Cost is water and sewer charges from DC Water; all assumptions for budgeted amount are provided by DC Water.
Telephone	Includes costs related to desk telephones, cell phones, and radios.
Warehouse Storage	Warehouse storage space is leased from GSA due to on-site space constraints.
All Other	Includes subscriptions, professional dues, training, tort claim settlements, and postage.

Printing and Reproduction

Printing and Reproduction	Includes cost of printing the Memorial Interpretation brochures and reproduction services for such publications as Operations Committee notebooks, annual budget justifications, etc.
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Other Services

Legal Services	Costs are related to contracted attorney fees for personnel claims and tort claims, as well as legal services related to federal contracting.
Housekeeping	Work includes all janitorial services to maintain the facility. FY 2015 was the first year of a new contract and FY 2017 will be the second option year.
Minor Repair Program	The Center's Minor Repair program will be funded at \$300,000 in FY 2016 and at \$300,000 in FY 2017.
Production Projects	General and periodic maintenance of the theater spaces and systems, including theater safety systems and theater infrastructure.
Security: Base Contract and Additional Services	The uniformed security services contract is a multi-option-year contract. FY 2017 will represent year one of the new contract re-solicitation.
Trust Salary Reimbursement	Apportionment of salaries of trust positions partially dedicated to management, administrative services, and maintenance of appropriated fund activities.
Finance Services	Accounting, budget, payroll and accounts payable services for appropriated funds.
Trash Services	Services are provided via contract. FY 2017 will represent year one of a new contract re-solicitation.
Building Automation	Services are provided via contract for maintenance of the facility's automated control system for HVAC operations. In FY 2017, the Kennedy Center will enter into a new maintenance contract.
Elevator/Escalator	Maintenance is provided through a service contract. FY 2017 is the first of four option years for the current contract.
Fire Alarm Services	Contracted maintenance services for the fire alarm system under a multi-year contract. FY 2016 is the first year in a new competitively awarded contract. The scope includes fire alarm testing and maintenance, as well as upkeep of interface between fire alarm and fire suppression systems.
Groundskeeping Services	Contracted services are provided by a groundskeeping company under the AbilityOne program.
All Other Services	Includes miscellaneous maintenance and service contracts for mechanical equipment upkeep, indoor air quality monitoring, artwork maintenance, brass/bronze polishing, pest control, and maintenance of automatic doors, small equipment, switchgears, mechanical security bollards, and the electronic security system. These are a combination of single-year and multi-year contracts.

Supplies and Materials

Supplies and Materials	Includes supplies for operation and maintenance of the facility, such as paint, doors, hardware, drywall, wood, pipe, fittings, HVAC maintenance supplies, water treatment chemicals, conduits, receptacles, and fuses. Also includes office supplies, uniforms, building flags, and employee transit subsidy program.
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Equipment

Equipment

Includes equipment for operation and maintenance of the facility, such as plumbing equipment, building automation system components, aerial lifts and related equipment, lighting dimming equipment, and equipment for the cleaning and upkeep of the exterior granite and marble.

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Budget Justification – Operations and Maintenance

Overall Program Summary

Operations, routine maintenance, and capital repair of the Kennedy Center monument building are authorized under 20 U.S.C. 76r, as amended, and are funded through direct federal appropriations to the Board of Trustees.

In fiscal year 2017, \$22.26 million is requested for the Operations and Maintenance of this presidential memorial. These functions are carried out through a combination of in-house appropriated fund staff and trust fund staff: some on a reimbursable basis, some partially reimbursed, and some without reimbursement. Also, the Center holds contracts with other government agencies, such as GSA for utilities, and private-sector contractors, such as for uniformed security officers.

The Facilities Management and Operations Division maintains and repairs 1.5 million square feet of theater, administrative, garage, and storage space, as well as 17 acres of facility grounds. It handles fire-protection systems, elevator and handicapped lift systems, and all electrical, mechanical, HVAC, and plumbing systems. It also handles office space management, small renovations, furniture requests, garage and transportation management, and the administration of 20,000 square feet of off-site warehouse space. A significant portion of the budget is composed of expenses such as personnel, security and utilities.

The fiscal year 2017 request represents the Center's continued efforts to employ energy savings initiatives in order for cost avoidance below previous fiscal year's levels. The focus continues to be the identification of efficiencies and budget reductions necessary to offset the ongoing increases related to cost escalation. Below is a brief description of the six budget categories within Operations and Maintenance, followed by a detailed review of the major cost components and the efforts taken to reduce and control costs.

Operations and Maintenance Budget Categories

The Kennedy Center Operations and Maintenance budget comprises six categories: Facility Operations; Facility Maintenance; Security and Fire/Life Safety; Minor Repair and Replacement; Memorial Interpretation; and Program Direction/Support.

Facility Operations: \$10.66 million

Increase of \$298,143, or 2.9%, above FY 2016 enacted

Facility Operations includes the routine activities required for the daily operation of the physical facility and building systems. The expenses include skilled trade workers such as electricians and HVAC mechanics, as well as utilities and service contracts. Expenses for utilities include electricity, natural gas, and water. Service contracts included in this

category provide critical maintenance services for elevators and escalators, boilers, chillers, and other HVAC equipment, as well as housekeeping and trash removal.

Facility Maintenance: \$2.65 million

Increase of \$78,299, or 3.0%, above FY 2016 enacted

Facility Maintenance includes preventive and predictive maintenance performed by in-house staff and service contractors to ensure the Center is fully functional on a daily basis. The expenses include trades workers such as plumbers, carpenters, painters, and masons, as well as materials, supplies, equipment, and service contracts.

Materials and supplies consist of a variety of items, such as tools, light bulbs, air filters, valves, pipes, fittings, wire, paint, carpet, and miscellaneous needs for the various skilled trades, and equipment purchases. Costs associated with these supplies, materials, and equipment required for building maintenance will be held to a minimal increase from fiscal year 2016 to 2017.

Cost increases associated with salaries and service contracts will increase moderately due to escalation.

Security and Fire/Life Safety: \$6.53 million

Increase of \$185,920, or 2.9%, above FY 2016 enacted

The Security and Fire/Life Safety function includes all aspects of maintaining a safe and secure building. This includes a minimal staff of federal employees supervising a variety of contractors, including a uniformed contract security force. The proposed funding increase for fiscal year 2017 is due to the increases anticipated related to salaries, increases in the unionized security labor force wage rates, and other contracted service increases due to escalation.

Minor Repair and Replacement: \$.30 million

No change from FY 2016 enacted

Minor Repair and Replacement, including Emergency Repair and Replacement, involves the non-routine repair and replacement of building components as required. Work is performed either by in-house staff or by contractors, depending on the level of complexity involved with the particular project. Minor Repair projects address deferred maintenance, minor renovations, and unplanned or emergency needs that may arise during the course of the year. The Kennedy Center's annual target for this category is \$500,000. Due to other funding priorities, the Minor Repair program remains funded at \$300,000.

Memorial Interpretation: \$0

No change from FY 2016 enacted

The Memorial Interpretation component supports the mission of the Kennedy Center and augments the memorial component of the institution. The Center does not

anticipate Operations and Maintenance costs for this fiscal year (flag replacement), though funds will be allocated within the Capital Repair and Restoration fund for new memorial interpretation initiatives.

Program Direction and Support: \$2.12 million

Increase of \$38,685, or 1.9%, above FY 2016 enacted

Program Direction and Support includes management of the Center's federal appropriations under the direction of the Vice President of Facilities, a Trust fund employee. This category contains the support functions of Contracting and Procurement, Facility Services, Finance (budgeting, accounting, payroll, and audit), and Human Resources. Many administrative duties are assumed by Trust fund personnel as a way to maximize efficiencies within the organization. Compensation and benefits for some of these positions are partially reimbursed from appropriated funds.

Costs in this category are projected to increase moderately due to increases associated with salaries, financial services, and the Center's warehouse lease with the U.S. General Services Administration.

Operations and Maintenance Cost Reduction Strategies

Several critical elements of the Center's facility management program constitute nearly the entirety of the Operations and Maintenance budget request. These categories – security, personnel, utilities, and service contracts – make up nearly 90% of the Center's request.

The remaining 10% consists of other miscellaneous costs that are similarly critical to the operation, including building supplies and materials, information technology, financial services, audit services, and the lease of warehouse space.

Efforts to defray costs in Operations and Maintenance have touched all of these areas. As an illustration, the following information describes cost reductions and efficiencies that have been implemented or are proposed in the major categories of security, personnel, utilities, and service contracts.

Major Cost Element: Security and Fire/Life Safety

The costs associated with the Center's Office of Security and Life Safety are \$6.53 million and represent 29% of the total Operations and Maintenance budget.

The Center's on-site security is accomplished through a contract security force that provides coverage 24 hours a day, 365 days a year. In addition, one full-time position is dedicated to building fire and life safety issues, including relevant building inspections, remediation of safety hazards, and code application issues.

The Office of Security is supported by service contracts for the following needs: alarm transmission, bomb-detection dog teams, card access systems, defibrillator inspection and maintenance, fire extinguisher inspection and maintenance, security cart

maintenance and repair, communications system maintenance, service tunnel bollard system maintenance, electronic security system maintenance, fire alarm and fire suppression system maintenance, and security supplies. An agreement with the U.S. Park Police provides supplemental support to the security office in the areas of traffic control, emergency services, and parking and law enforcement.

Efforts have been made to maximize security effectiveness through various enhancement measures. For example, upgrades to the electronic security system will allow for more efficient placement of security cameras allowing for better coverage throughout the facility. Recently, the bomb-detection dog teams have increased their frequency of detection runs throughout the facility.

Major Cost Element: Federal Personnel (Non-Security)

The costs associated with the Center's non-Security federal personnel are distributed in various categories, including Facility Operations, Facility Maintenance, Program Direction, and reimbursement for stagehand labor to maintain theatrical spaces. These federal personnel costs represent 25% of the total Operations and Maintenance budget.

Federal non-Security personnel include skilled trade workers such as plumbers, electricians, and HVAC mechanics, as well as contract specialists, a human resource specialist, and several facility managers, contract managers, and support staff.

The total cost associated with these employees is approximately \$5.57 million, including overtime, bonuses, benefits, training, and worker's compensation. These positions are essential to the operation of the facility; nevertheless, the Center makes every effort to control costs.

Personnel cost management strategies include the following:

- Ongoing efforts to reduce overtime will continue, with all overtime costs now approved in advance through two layers of supervision.
- Federal personnel will be strategically augmented with service contractors in order to avoid the cost of additional permanent personnel when the service needed is unpredictable, variable, or temporary.

Major Cost Element: Utilities

All utility costs are contained within the Facility Operations budget category. Utilities constitute critical operational expenses that cannot be curtailed. Utilities consist of electricity, natural gas, and water.

The budget request for utilities includes \$3.86 million, or 17% of the total Operations and Maintenance budget request. Because utility costs are not discretionary, significant efforts have been made to control both energy consumption and energy rates in order to offset mandatory escalation.

Utility cost reduction strategies have included the following:

- Installation of LED lighting in all appropriate areas. LED lights are four to five times more energy-efficient than incandescent lighting and last more than sixty times longer. The Kennedy Center has initiated a comprehensive LED retrofit effort across the facility. The nearly 12,000 incandescent bulbs in the Kennedy Center's Grand Foyer represent a considerable opportunity for energy savings. Current funding levels have precluded any major upfront investments, but LED conversion continues as funds become available.
- Installation of a centralized lighting control system as part of the completed Building-Wide Electrical Renovations project. This reduces the number of hours of lighting by eliminating manual control and improving existing automated lighting control. Further efforts to reduce lighting through careful scheduling of use and 'daylighting' of lobbies will continue.
- Participation in GSA's group buying program for electricity, leveraging enhanced buying power by partnering with other agencies to take advantage of buying electricity in bulk.
- The Mechanical Systems Modernization and MEP Systems Modernization Phase 2 projects eliminated numerous inefficient stand-alone HVAC units and converted all multi-zone air-handling units to high-efficiency variable air volume units to reduce energy consumption.
- The completion of the Theater Lab Renovations in 2012 included all-LED performance lighting in the theater, the first such theater in the Washington area. In addition, selected LED installations will be implemented in other theaters over time as lighting is cyclically replaced.
- Completion of the payment schedule for the Energy Savings Performance Contract, with the last payment on the contract made in fiscal year 2015 as a partial year payment.

Major Cost Element: Non-Security Contracted Services

The Center accomplishes a variety of non-security-related maintenance activities through contracted services, including theater maintenance efforts through the Office of Production. These costs are contained within the Facility Operations and Facility Maintenance categories. Service contracts include a variety of efforts that in many cases allow the Center to strategically provide maintenance services only when and where needed, without carrying full-time staff and associated benefits that would be necessary to support federal employees to accomplish these specialized needs. The majority of the non-security contracted services costs relate to housekeeping, landscaping, and elevator maintenance.

The budget associated with the total non-security contracted services contracts is approximately \$3.77 million, or 17% of the total Operations and Maintenance budget request. This represents a moderate increase from the fiscal year 2016 budget for these contracts, providing for the salary increases and general escalation associated with the

costs of contracts. At this level of funding, the Center will maintain similar levels of service provided in fiscal year 2016.

The John F. Kennedy Center for the Performing Arts

Federal Operations and Maintenance

FY 2016 and FY 2017

BUDGET CATEGORY	FY16 Appropriation	FY17 Request	Variance Increase/ (Decrease)
FACILITY OPERATIONS	10,361,840	10,659,983	298,143
FACILITY MAINTENANCE	2,573,645	2,651,874	78,229
SECURITY/LIFE SAFETY	6,343,500	6,529,420	185,920
MINOR REPAIR/REPLACEMENT	300,000	300,000	-
MEMORIAL INTERPRETATION	-	-	-
PROGRAM DIRECTION	2,082,615	2,121,300	38,685
TOTALS	21,660,000	22,262,577	600,977

Totals may not add up due to rounding.

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Budget Request - Capital Repair and Restoration

The Kennedy Center has pursued a systematic and comprehensive approach to capital projects since the initiation of the Capital Repair and Restoration program in 1995, an approach that is documented through the annual updates of the Center's Comprehensive Building Plan (CBP). The CBP is the Center's seven-year capital plan and includes a detailed description of all building system elements and components, as well as an analysis of operational and functional facility issues.

The 2015 CBP was developed utilizing an outside team of consultants and provides a roadmap through 2022. The team of consultants included a variety of professionals with backgrounds in architecture and engineering. This continues the Center's practice of periodically engaging consultants to survey and assess the facility in order to obtain a planning basis for capital repair and restoration. Previous consultant-based CBPs were published in 2002, 2007, and 2011. In interim years, the CBP is updated annually by internal staff.

As described in the CBP, significant upgrades to the facility and its systems are necessary on an annual basis. The Kennedy Center is requesting \$13 million for Capital Repair and Restoration in fiscal year 2017, to be available until expended. The primary component of this request is for the replacement of theatrical seating and stage lifts in the Concert Hall and continuing work on improving the mechanical, electrical and plumbing (MEP) systems in the facility.

The latest implementation plan summary by category is provided on the next page for fiscal year 2017.

Fiscal Year 2017 Capital Repair Budget Request

1. Exterior Building Envelope	\$0
No work is planned in this category for fiscal year 2017.	
2. Life Safety and Security	\$905,000
This funding is to perform an upgrade to the electronic security system and to make improvements to fire safety and suppression systems, as well as the annual maintenance and abatement of asbestos-containing materials.	
3. Interior Repair, Accessibility, and Egress	\$5,650,000
This funding is primarily for construction of the Concert Hall Upgrades.	
4. Building Systems	\$2,650,000
This amount includes the annual repair/replacement of technical stage systems. Funding is also included for design of MEP Systems Modernizations Phase 3 and Hydronic Systems Optimization (chilled water and heating hot water).	
5. Memorial Interpretation	\$1,300,000
Memorial interpretation exhibits throughout the Center are outdated and in poor repair. This funding is for the integrated design of three closely related projects.	
6. Parking and Site Circulation	\$1,325,000
This includes structural and concrete repairs in the parking garage, primarily at the Rock Creek Parkway overhang.	
7. Comprehensive Planning and Project Management	\$1,170,000
This category includes the cost of project management, such as salaries, supplies, equipment, and consulting studies related to capital planning. Staffing for project management includes a portion of the Vice President of Facilities' salary, plus up to three project managers.	
FY 2017 Budget Request	\$13,000,000

The John F. Kennedy Center for the Performing Arts
Capital Repair and Restoration Budget
FY 2017

Building System Code	FY 2017 Budget
Exterior Building Envelope	\$0
Life Safety and Security	\$905,000
Interior Repair, Accessibility, and Egress	\$5,650,000
Building Systems (Non-Production)	\$1,650,000
Building Systems (Production)	\$1,000,000
Memorial Interpretation	\$1,300,000
Parking and Site Circulation	\$1,325,000
Comprehensive Planning and Project Management	\$1,170,000
Total	\$13,000,000

The John F. Kennedy Center for the Performing Arts
 Capital Repair and Restoration Budget by Object Class
 FY 2017

Object Class **FY 2017
Budget**

Compensation and Benefits

Personnel Compensation	\$351,000
Personnel Benefits	\$108,000
Subtotal: Compensation and Benefits	\$459,000

Expenses

Travel and Transportation of Persons	\$100
Communications, Utilities, and Miscellaneous Charges	\$7,000
Printing and Reproduction	\$8,000
Other Services	\$12,522,900
Supplies and Materials	\$3,000
Equipment	\$0
Subtotal: Non-Salary Expenses	\$12,541,000

Total **\$13,000,000**

Totals may not add up due to rounding.

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Budget Justification – Capital Repair and Restoration

Overview

The John F. Kennedy Center for the Performing Arts, a national presidential monument and living memorial, is one of the busiest performing arts venues in the world, annually presenting more than 2,000 performances and hosting approximately three million patrons and visitors each year. Deterioration since the building opened in 1971, as well as functional and technical obsolescence of building systems due to rapid advancement of technology, is being addressed so the building may continue to function efficiently and cost effectively. The organization is working to achieve substantial cost savings by maintaining up-to-date energy and work-efficient systems.

A major continuing impetus for the Center's capital program has been the need to maintain the facility at current standards for life safety and accessibility. When the Center opened in 1971, the codes and standards for building construction were significantly different. Most notably, fire sprinkler systems were not required and disability access was lacking. The Center has long been committed not only to complying with current codes and standards, such as the Americans with Disabilities Act (ADA), but exceeding them where feasible. Similarly, the Center has proceeded with bringing the facility into compliance with all relevant life safety codes. For more than the past decade, the implementation plan for capital improvements has included a systematic approach to upgrade the entire building in consideration of the priorities of life safety and accessibility. At present, all major life safety projects and almost all theater ADA improvements have been completed. One smaller theater – the Terrace Theater – will begin its major renovation in fiscal year 2016.

Refurbishment in the Terrace Theater will include compliance upgrades to accessibility in dressing rooms, the green room, seating, restrooms, and circulation. Stage and backstage upgrades will be implemented as well, including upgrades to instrument storage, and theatrical lighting and equipment. Design work was completed through construction documents in early 2015. The construction phase contract award is scheduled for fiscal year 2016, with construction planned to commence in June 2016, completing October 2017.

With ADA and life safety improvements largely complete, capital efforts have been focused on building infrastructure. As significant work in MEP Systems Modernization, Handrail Replacements, and Escalator Replacement has now been completed, the focus of the 2015 Comprehensive Building Plan changed to Memorial Interpretation and Visitor Services.

In summary, the project implementation plan for fiscal year 2017 focuses on the following major efforts:

- Completion of the Terrace Theater Renovations project
- Continued integrated design of the JFK Memorial Interpretation, Upgrade Grand Foyer, and Exhibit/Event Space Upgrade projects
- Commencement of Concert Hall Improvements, including replacement of Concert Hall

- seating and design of Concert Hall Climate Controls
- Continued repairs to the parking garage concrete structure, focusing on repairs at the Rock Creek Parkway overhang,
- Continuing upgrades to technical stage systems.

Other efforts such as asbestos abatement and administrative costs are also included in the budget request. The Detailed Project Description by Comprehensive Building Plan Category provides the history and justification for all requested project funding.

Personnel and Outside Services

The capital repair function at the Kennedy Center is executed under the direction of the Senior Vice President, Operations and the Vice President, Facilities, who are responsible for overall management of the planning, design and construction work, including funds management and oversight of agreements with other government agencies. Current full-time staffing for project management includes up to three Project Managers. In prior years, project management staffing also included a Financial Management Specialist; this position has been moved under the Vice President of Facilities and is funded with Operations and Maintenance appropriations.

The Center's project managers possess the needed professional skills and experience for Kennedy Center projects. Given these in-house capabilities, the Center directly contracts and manages its capital projects.

Comprehensive Building Plan

The Kennedy Center's first Comprehensive Building Plan (CBP) was submitted to Congress in 1995 and is updated annually. The CBP identifies planning efforts and design and construction projects to be undertaken. Annually updating and implementing the CBP provides the opportunity to prioritize projects based on anticipated levels of funding and updates project schedules and budgets as a result of the most current economic conditions and detailed project planning and design. Such frequent and diligent review of the conditions of the facility will mitigate the recurrence of severe deterioration of the facility and, ultimately over the long term, reduce the public costs of operating and maintaining the monument.

In keeping with typical industry practices and horizons for capital planning, approximately every five years the Center implements a full re-survey of the facility by an outside architectural/engineering consulting firm in order to provide a new look at the facility and its systems, assess progress against previous capital plans, identify any code deficiencies, and identify efforts needed to maintain or renew the building. Accordingly, professional surveys conducted in 1995, 2002, 2006, and 2011 have provided the basis and overall scope for the Center's capital implementation plan. The current CBP, reflecting a new consultant survey of the building, was completed in 2015. It provides a roadmap for projects through fiscal year 2022. In the years between consultant-provided surveys, the CBP is updated by internal staff.

Project Budgeting

The Center's program for Capital Repair and Restoration includes a robust project budgeting process to ensure that resources are utilized efficiently and effectively.

The development of a project budget is an evolving and iterative process, beginning with the initial identification of need and a corresponding broad-based concept budget based on very general parameters. The construction budget in most cases cannot be accurately estimated until the preliminary design and investigation is complete. Therefore, when costs are first estimated for the purposes of capital planning, the Center labels those figures as the Estimate of Probable Cost. The construction costs are further refined during the final design work and as the construction documents are developed, leading to a final Project Budget. The Project Budget figure, when published, is the basis for future comparison to determine the budget performance of a project.

Other outside factors may also affect project costs over its planning lifetime, such as construction market conditions or availability of materials. For example, in 2004, due to a worldwide shortage in steel availability, steel prices rose by 46.5%, an increase of approximately 10 times the typical escalation factors previously applied to construction throughout the industry. Subsequently, since that time, overall construction escalation rates have ranged from 15.2% to 5%. These increases were higher than other inflation indexes, reflecting the fact that the DC metropolitan area experienced overall construction escalation at rates well above and beyond any predictable values. The impact of current economic conditions on the construction market continues to be monitored by the Center's staff and cost estimators.

Given these factors, as design and construction progress on a project, the estimates are continually tested and revised as necessary, with the use of expert construction estimating, budgeting and scheduling consultants. It is therefore fully expected that the estimates for most projects will change as the projects evolve, until such time as the Project Budget is established during the design. These ongoing updates are included in the updates of the CBP. In the event that funding levels necessitate a re-sequencing of projects that causes a significant delay, budgets will be updated to reflect the impact of increased cost due to escalation that must be assumed.

Despite the many challenges to the program, some of which are specific to the Center and some of which are endemic to the industry, the Center works to minimize project funding increases and control costs. The Center strives to accomplish work in accordance with the original project funding requests by ensuring that all designs are simple, efficient, cost-effective and contain no unnecessary scope elements, thereby minimizing changes to the CBP that may occur over time. In cases where these steps cannot achieve an acceptable reduction in the project cost, a commensurate adjustment in other project budgets is required, including reprioritization of other projects and potential adjustment of their schedule and scope.

Furthermore, changes to the Center's programming schedule may affect implementation timing of certain projects. As major capital projects necessitate disruptions in availability in certain theaters, these disruptions need to be carefully planned so as not to materially disrupt

important programming initiatives.

Thus, the financial information presented herein represents the current assessments and project estimates for fiscal year 2017 in various stages of pre-planning, planning, design, or construction. The Center has made every effort to include appropriate factors for escalation and contingency so as to maximize the accuracy of the figures. The project budgets will continue to be updated in order to provide the maximum construction value for all appropriated funds.

Detailed Project Description by CBP Category

The Kennedy Center has completed dozens of projects during the course of the capital repair program, and many more are in progress or planned for future implementation. As part of the strategy to address the many facility issues over time, each project is categorized according to its major focus within the building components. The categories for capital projects are as follows:

- 1. EXTERIOR BUILDING ENVELOPE;**
- 2. LIFE SAFETY AND SECURITY;**
- 3. INTERIOR REPAIR, ACCESSIBILITY, AND EGRESS;**
- 4. BUILDING SYSTEMS;**
- 5. MEMORIAL INTERPRETATION AND VISITOR SERVICES;**
- 6. PARKING AND SITE CIRCULATION; AND**
- 7. COMPREHENSIVE PLANNING AND PROJECT MANAGEMENT.**

Within each category, the Center has taken the approach of developing master plans and strategic studies to systematically address the deficiencies and translate the work into discrete capital projects that can then successfully be implemented over time.

This budget request follows the implementation plan set forth in the Center's Comprehensive Building Plan. The projects ongoing and planned for the various categories are detailed in the following activity descriptions.

1. EXTERIOR BUILDING ENVELOPE

Projects in this category involve repairing and, where necessary, replacing elements on the exterior of the building to ensure the long-term preservation and integrity of the structure. Projects have been implemented over the past decade to replace exterior windows, restore the marble cladding, and perform other miscellaneous repairs and maintenance. With the completion of the Marble Cladding Restoration project in 2012, the exterior envelope is in excellent condition and no work is identified in this category in the CBP planning period.

2. LIFE SAFETY AND SECURITY

Projects in this category involve work to bring the Kennedy Center into compliance with current life safety codes, including fire and environmental standards, and to bring the building in line with security standards appropriate for a national memorial and public facility.

The Center has expended significant effort to address life safety deficiencies throughout the building primarily because governing regulations have changed since the building was designed and constructed more than 40 years ago. At present, all major life safety projects have been completed and the facility is in compliance with all life safety codes.

Regarding security, when the building was designed in the 1960s, little attention was given to security concerns. Consequently, access to the facility was controlled only by

manning or manually locking the approximately 80 exterior doorways. The key system provided only limited means for controlling access to backstage and other non-public spaces. In the past, the garage could not be securely closed during hours when the building was closed to the public, and minimal surveillance equipment was installed or operational. These issues have been addressed through a number of projects, some of which were implemented more than a decade ago through supplemental anti-terrorism appropriations.

Ongoing and Future Work

The following projects in this category are ongoing or anticipated for fiscal years 2016 and 2017:

- i) *Hazardous Materials Abatement.* The Kennedy Center removes or encapsulates asbestos or other hazardous materials when they are encountered in the course of construction work. An annual amount is carried for this purpose.
- ii) *Electronic Security Systems Upgrade.* The Kennedy Center's electronic security system consists of a network of card readers, cameras, motion detectors, video recording devices, and other equipment that play a key role in the safety and security of the facility. This system is ten years old and in need of upgrade to keep abreast of advances in technology and avoid obsolescence issues. Design and specification development was completed in 2015. Funding was received for fiscal year 2016 to implement this upgrade.
- iii) *Fire Safety & Suppression.* This project includes improvements in the Fire Command Center for remote elevator and emergency generator control by emergency response personnel, and installation of sprinkler heads in rooms that were not included in previous projects (about 10 locations). Funding is requested for fiscal year 2017.

3. INTERIOR REPAIR, ACCESSIBILITY, AND EGRESS

Projects in this category include repair and renovation of the interior elements of the Kennedy Center. The goal is to meet or exceed current accessibility statutory and regulatory requirements and standards.

Because the building was designed and constructed before federal statutes established standards for accessibility, interior spaces within the building do not all conform to current standards designed for accommodating persons with disabilities in new buildings. Whereas past standards for accessibility merely required that a route into a given space be provided for persons with disabilities, the Americans with Disabilities Act (ADA) requires that the route be essentially the same as that used by the non-disabled. While the major theaters were accessible to persons with disabilities, access required the use of side doors and assistance from a companion or a Kennedy Center staff person. Accessible seating in the theaters was not available or was limited and often required extraordinary effort and considerable personnel time in order to achieve minimal accessibility. Through consistent and ongoing efforts, the Center has addressed accessibility throughout the facility, including the renovation of all but one theater to meet universal design standards.

Past work in this category is discussed in detail in the 2015 Comprehensive Building Plan.

The following projects are ongoing or planned for implementation in fiscal years 2016 and 2017:

- i) *Terrace Theater Renovations.* The next capital project in this category will be to renovate the Terrace Theater to improve accessibility, seating, restrooms, finishes, and circulation. Planning was initiated in spring 2010, and project design continued through fiscal year 2012. Due to the constrained fiscal environment, the project construction was deferred and is now scheduled to begin in 2016. Note that some 2015 funds were deliberately carried over to 2016 in order to compile adequate resources to make an award for the construction contract in 2016.
- ii) *Concert Hall Upgrades.* The Concert Hall was last comprehensively renovated in 1998, and is in need of attention in the form of a minor renovation. A portion of the project was pursued in 2013 to address painting in coordination with the installation of a new pipe organ. Additional work will replace worn seating, repair the stage floor, replace the stage risers which have reached the end of their useful life, and begin to address acoustical issues. Funding was received in fiscal year 2016 to perform design activities, with construction funding requested for 2017.

4. BUILDING SYSTEMS

Projects in this category involve the building's structural, HVAC, plumbing, electrical, fire protection, vertical transportation systems and theatrical stage systems.

By the mid-1990s, virtually all of the building's electrical and mechanical systems were past their useful lives. Since that time, a number of significant efforts have been implemented to improve the infrastructure of the Center. The 2006/07 CBP identified the need for a shift towards capital project work that focuses on improvements to building infrastructure, and the 2011 CBP confirmed that further work is necessary within the subsequent planning period. Thus, a series of projects were implemented beginning in 2009. The 2015 CBP confirmed the need for continued work with a third phase. To date, these projects have included two phases of mechanical systems upgrades, plus electrical modernizations and major improvements to the Center's heating hot water systems, with the third phase additional work planned to begin in 2017.

Ongoing and Future Work

The following projects are ongoing or planned for implementation in fiscal years 2016 and 2017:

- i) *Technical Stage Systems.* The capital plan continues to request an annual appropriation for use in upgrading audiovisual systems, rigging components, and other technical and infrastructure elements to ensure updated equipment for performance production. For example, in 2015, projects included Opera House pit floor replacement, and partial (phase 2 of 3 phases) installation of a fiber optic backbone

between all theaters and the audio recording room. Funds are requested annually for this line item; \$1 million is requested for fiscal year 2017.

- ii) *Mechanical, Electrical, and Plumbing (MEP) Systems Modernization.* The 2006/07 CBP identified the need for comprehensive updates to the facility's mechanical, electrical, and plumbing infrastructure. Consequently, capital projects addressing these systems were created and implemented from 2010 – 2012. The 2011 CBP identified the need to invest further in modernizations of this nature. The MEP Systems Modernization Phase 2 project includes improvements to additional mechanical, electrical and plumbing components. This work addresses aging systems and will provide further energy efficiency improvements. Work was initiated in fiscal year 2012 and continued through fiscal year 2015. While no further funding was requested for fiscal year 2016, the 2015 CBP identified additional necessary work to these building systems. This work will be performed as the MEP Systems Modernization Phase 3 project. Phase 3 will include improvements to increase efficiency of various air handlers and fans, upgrade sump pumps to improve their reliability in flood conditions and reduce maintenance expense, replace aging electrical transformers, as well as plumbing upgrades to comply with current building code; \$350,000 in funding is requested for fiscal year 2017.
- iii) *Escalator Replacements.* The Kennedy Center's six escalators are original to the facility and have been in daily operation for more than 40 years. This project included the removal and replacement of all non-structural parts and pieces, increasing reliability and maintainability, and bringing the escalators up to current technology and code standards. In addition, one stop on a lower floor will be added to Elevator 2E-7 to provide improved accessibility for performers and staff in the Eisenhower block. Escalator refurbishment was completed in 2015. The elevator work was deferred to 2016 to coincide with Terrace Theater construction. The construction contract was awarded in fiscal year 2014. No further funding is requested.
- iv) *Hydronic Systems Optimization.* This project improves various components of the building's hydronic systems (chilled water and heating hot water), with upgrades phased throughout the planning period as funding becomes available. Specifically, the project includes improvements to chemical treatment and air/water separation systems, replacement of the condenser water filtration system, and replacement of two of the four existing chillers. Funding is requested in 2017 for design of the overall project.
- v) *Concert Hall Climate Control.* Temperature and humidity control are critical in the Concert Hall, as symphony orchestra instruments are extremely sensitive to environmental conditions. In addition, there are significant patron comfort issues in the auditorium. Funding is requested for fiscal year 2017.

5. MEMORIAL INTERPRETATION AND VISITOR SERVICES

Projects in this category are designed to provide services for the over three million patrons and visitors who annually visit the Kennedy Center and to inform the visitors of the purpose and objectives of this living memorial.

Prior to 1995, accommodation of the visitors to the monument had not been addressed in a comprehensive manner. There was little inter-relationship between the use of spaces and the interpretive programs that visitors expect when they come to a federal building that memorializes President Kennedy. Memorial interpretation was addressed in the Interpretive Master Plan completed in fiscal year 1996, which included a survey of visitor expectations and a phased plan for implementation of facilities and exhibits to provide improved interpretation for all visitors. This plan was further developed in fiscal year 1999 and implemented in 2001 to incorporate the opportunities for improved exhibit space and visitor circulation and orientation generated by the Space Use Master Plan.

The Level A Visitors Center project, completed in 2012, provided a new tour desk, photo exhibit, and interpretive display materials to enhance the visitor experience.

Displays installed in 2001 included then-current interactive technology which is now outdated and in poor repair. New permanent exhibits of museum quality would allow the Kennedy Center to more effectively serve its purpose as a living memorial for President John F. Kennedy. In addition, the Center's public spaces lack the permanent power and audio-visual infrastructure required to host the numerous temporary educational exhibits and occasional performance that occur there. Three Memorial Interpretation projects are designated in the CBP; they will be executed under an integrated design effort which will begin in fiscal year 2016.

Ongoing and Future Work

The following projects are planned for implementation in fiscal year 2017:

- i) *Exhibit/Event Space Upgrades.* This project will provide alterations to the Hall of States, Hall of Nations, Terrace Atrium and Atrium Foyers to enhance memorial interpretation, visitor services, and overall infrastructure. Included in the project is replacement of the worn carpet and provision of a means to mitigate energy loss caused by the single doors between conditioned space and the outdoors. Funding for design is requested for fiscal year 2017. Design for this project will be performed in conjunction with the following two projects.
- ii) *Upgrade Grand Foyer.* This project will provide alterations to the Center's Grand Foyer to enhance memorial interpretation, visitor services, and overall infrastructure. Included in the project is replacement of the worn carpet and provision of a means to mitigate energy loss caused by the single doors between conditioned space and the outdoors. Funding for design is requested for fiscal year 2017. Design for this project will be performed in conjunction with the Exhibit/Event Space Upgrades and JFK Memorial Interpretation projects.

- iii) *JFK Memorial Interpretation*. This project will provide up-to-date museum quality exhibits throughout the Center’s public spaces which will educate visitors about the life and legacy of President Kennedy, and the Center’s role as a “living memorial”. Funding for design is requested for fiscal year 2017. Design for this project will be performed in conjunction with the Exhibit/Event Space Upgrades and Upgrade Grand Foyer projects.

6. SITE CIRCULATION AND PARKING

The intense use of the facility since 1971 was not anticipated when the building was designed in the 1960s. Each year, the Kennedy Center hosts more than 2,000 performances, educational programs for hundreds of thousands of children, and millions of visitors. As a consequence, prior to the initiation of the capital repair program, provision for the orderly circulation of pedestrians and vehicles, in addition to signage to and at the site, was inadequate. On a daily basis, buses were parked on the plaza, adding to the congestion. With the volume of programs, performances, and visitors far exceeding original estimations, the limited availability of both bus and car parking was a major deficiency and contributed to neighborhood congestion. Efforts in this area have improved access for pedestrians, bicyclists, vehicles and tour buses and improved site circulation and public safety. Past work in this area is described in detail in the 2015 Comprehensive Building Plan.

Ongoing and Future Work

The following are the ongoing efforts in this category.

- i) *Parking Garage Concrete Repair*. The Kennedy Center’s parking garage structure has a long history of concrete deterioration issues arising from problems with the concrete mix from the original 1960s construction. A capital project was completed in 2010 which addressed areas most in need of repair. However, more recent structural surveys and reports have concluded that further work is necessary over multiple years to perform additional pressing repairs; therefore, this project was created in the 2011 CBP with funding needs projected to extend through 2018. The project was initiated in fiscal year 2013 with all design activities completed and the first phase of construction awarded. Work completed to date includes repairs of extensive spalling throughout the overhead slabs of all three levels of the garage. Resources from fiscal years 2014-2016 will fund additional construction; the fiscal year 2017 request includes funds to continue with the next phase of work: design and execution of repairs to spalled concrete in the slab which overhangs the Rock Creek Parkway.

Appendix I

The John F. Kennedy Center for the Performing Arts

Comprehensive Building Plan Implementation Schedule

	FY2014 Actual	FY2015 Actual	FY2016 Projected	FY2017 Projected
1 Exterior Building Envelope				
2 Life Safety & Security				
2.1 Hazardous Materials Abatement	115,943	129,093	150,000	100,000
2.2 Electronic Security Upgrades		42,497	500,000	
2.3 Fire Safety & Suppression				805,000*
3 Interior Repair & Accessibility				
3.1 Terrace Theater Renovations	696,960	11,276	17,543,849	200,000
3.2 Concert Hall Improvements	(22,819)		500,000	5,650,000*
3.3 Handrail Replacements	37,697	183,565		
3.4 Theater Lab & Access Corridor	(3,919)			
3.5 Rehearsal Room Modernizations	37,528	(68)		
4 Building Systems				
4.1 Technical Stage Systems	988,160	993,801	1,000,000	1,000,000*
4.2 MEP Systems Modern. Phase 2	3,754,422	796,946	527,165	
4.3 MEP Systems Modern. Phase 3				350,000*
4.4 Hydronic Systems Optimization				100,000*
4.5 Concert Hall Climate Control				1,200,000*
4.6 Escalator Replacements	3,666,970	12,511		
4.7 Mechanical Systems Modernization	(82,741)			
5 Memorial Interpretation				
5.1 Exhibit/Event Space Upgrades				550,000*
5.2 Upgrade Grand Foyer				550,000*
5.3 JFK Memorial Interpretation			400,000	200,000
6 Parking & Site Circulation				
6.1 Pedestrian Access Improvements				
6.2 Hardscape Repair	(11,055)			
6.3 Parking Garage Repair	191,378	535,659	2,022,962	1,600,000*
7 Comprehensive Plan & PMO				
7.1 Project Management Office, Comprehensive Plan Development, and Independent oversight	758,758	1,267,541	1,250,000	1,170,000
Total	10,127,282	3,972,821	23,893,976	13,475,000
Annual Appropriation	12,205,000	10,800,000	14,740,000	13,000,000
Carryover (Includes Recoveries)	973,353	3,051,071	9,878,250	724,274
Balance	3,051,071	9,878,250	724,274	249,274
Designated for Terrace Theater	1,500,000	6,750,000	200,000	
Designated for Parking Garage Repair			275,000	
Final Balance	1,551,071	3,128,250	249,274	249,274

Totals may not add up due to rounding. *These projects will extend beyond 2017.