

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Fiscal Year 2018 Budget Justification to Congress

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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 growing 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 operate and 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 memorial.

In the early 1990's, 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 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.

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 memorial as well as its artistic programming. The direct federal funding provided to the Kennedy Center is used for the operation, maintenance, and capital repair of the presidential memorial.

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 offer free performances at 6:00 p.m. every day of the year, hosting artists and performing arts groups from across the Nation and around the globe.

Funded privately, these stages provide free attendance for upwards of 500 visitors each night. The Center presents several nationally televised programs each year, designed to enhance the public's recognition 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 offered 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, national, and international performance groups such as Washington Performing Arts, the Washington Ballet and other groups such as the Gospel Music Heritage Month Foundation. The Center hosts in excess of 3 million patrons and visitors annually from every state and around the world.

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 through a competitive grant program most recently authorized in the Every Student Succeeds Act.

The Kennedy Center Building

The Kennedy Center building consists of approximately 1.5 million square feet of usable floor space on 17 acres of land. The building contains eight stages, two public restaurants, nine function/special event rooms, five public galleries/halls/foyers, and approximately 50,000 square feet of administrative offices. In addition, the Kennedy Center Facilities Management staff maintains complex HVAC systems, 27 elevators and six 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.

The Kennedy Center Expansion

The Kennedy Center Expansion Project will provide the first major renovation of the Center's campus. The design which was conceived by internationally acclaimed architect Steven Holl, will create new space for arts education classrooms, rehearsal space, and new and more intimate performance space. The design consists of three above-ground pavilions linked underground by a series of studios, classrooms, meeting rooms, a small auditorium, a covered passenger drop-off area and support spaces. It will also provide an urban greenspace for families and audiences to visit and attend performances. The project also includes a pedestrian access bridge, linking the Center's new landscape to the Rock Creek Trail and enabling patrons and visitors to connect with Georgetown and the National Mall.

The project site is 4.6 acres. The completed Expansion will have approximately 72,000 gross square feet of interior space on three levels plus 8,900 gross square feet of subgrade parking, 33,500 gross square feet of garage access roads, and approximately 130,200 square feet of landscaping. The new buildings are scheduled to be available in 2018 with full project completion, inclusive of landscaping in 2019. This project is currently on track to receive a LEED Gold rating.

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Fiscal Year 2017 Appropriation

The Kennedy Center's fiscal year 2017 Appropriation is \$36.40 million. Within this level, Operations and Maintenance is funded at \$22.26 million, and Capital Repair and Restoration is funded at \$14.14 million, the latter to remain available until expended.

Fiscal Year 2018 Budget Request

The Kennedy Center's funding request for fiscal year 2018 is \$36.74 million. Within this level, Operations and Maintenance is funded at \$23.74 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 an increase of \$1.48 million or 6.6% more than the fiscal year 2017 Appropriation. The main driver for this increase is additional Operations and Maintenance costs associated with the Kennedy Center Expansion, which is expected to be turned over to the Center for security and maintenance halfway through fiscal year 2018. The partial year cost increase related to the new Kennedy Center Expansion is approximately \$956,300 to cover expected operational and maintenance requirements for the new facility upon turn over in fiscal year 2018. In addition, the Center will enter into a new contract for security services in fiscal year 2017, which is expected to result in an increase in the base contract for the Center in addition to the added security requirements for the expansion.

The Capital Repair and Restoration funding request is a decrease from the amount provided in the fiscal year 2017 Appropriation.

Fiscal Year 2018 Budget Objectives

The Kennedy Center's fiscal year 2018 budget request reflects the following management objectives:

- Continue prudent and efficient contracting and utilization of appropriated resources, in accordance with federal rules and regulations.
- Preserve and protect the presidential monument building.
- Maintain the building and grounds in a manner consistent with other national presidential monuments.
- Provide proactive approach to security for all patrons, visitors and employees.
- Educate visitors by providing a deeper knowledge and understanding of the performing arts in America and around the world.
- Continue to improve accessibility for patrons with disabilities.
- 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.
- Ensure effective and efficient building operations and visitor services by maintaining comfortable, clean, and safe accommodations for three million visitors and patrons annually.
- Turn-over and operational start-up of the Kennedy Center's new Expansion facility for initial partial year operation.
- 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.

The John F. Kennedy Center for the Performing Arts

Three-year Budget Comparison

(\$ millions)

	FY 2016 <u>Appropriation</u>	FY 2017 <u>Appropriation</u>	FY 2018 <u>Request</u>
<u>Annual Funds</u>			
Operations and Maintenance	21.66	22.26	23.74
<u>No-Year Funds</u>			
Capital Repair and Restoration	14.74	14.14	13.00
Total Kennedy Center	36.40	36.40	36.74

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 beginning in 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 John F. Kennedy Center is currently authorized in the 2017 Omnibus Appropriations bill PL115-31.

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Fiscal Year 2018 Budget Request: Operations and Maintenance

The Kennedy Center's fiscal year 2018 budget request for Operations and Maintenance (O&M) is \$23.74 million, an increase of \$1.48 million or 6.6% from the fiscal year 2017 Appropriation.

Within the fiscal year 2018 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 as well as the additional resource allocations for the Expansion Project. 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 2017 Appropriation and the fiscal year 2018 budget request.

The John F. Kennedy Center for the Performing Arts

Total Comparative Budgets, FY 2017 and FY 2018
(Dollars in Thousands)

Object Class	FY 2017 Appropriation	FY 2018 Request	Increase / (Decrease)
Compensation and Benefits			
Personnel Compensation	4,282	4,457	175
Personnel Benefits (Including Worker's Compensation)	1,251	1,304	53
Subtotal: Compensation and Benefits	5,533	5,761	228
Expenses			
Travel and Transportation of Persons	2	2	-
Communications, Utilities, and Misc. Charges	4,964	5,085	122
Printing and Reproduction	2	3	1
Other Services	11,242	12,355	1,114
Supplies and Materials	457	471	14
Equipment	61	63	3
Subtotal: Non-Salary Expenses	16,728	17,979	1,254
Total Budget	22,260	23,740	1,482

Totals may not add up due to rounding.

The John F. Kennedy Center for the Performing Arts

Total Comparative Budgets, FY 2017 and FY 2018

(Dollars in Thousands)

Object Class	FY 2017 Appropriation	FY 2018 Request	Increase / (Decrease)
<i>Compensation and Benefits</i>			
Personnel Compensation	4,282	4,457	175
Personnel Benefits (Including Worker's Comp)	1,251	1,304	53
<i>Compensation and Benefits Total</i>	5,532	5,761	228
<i>Non-Salary Expenses</i>			
Travel and Transportation of Persons	2	2	-
Communications, Utilities, and Misc. Charges			
Information Technology	870	727	(143)
Electricity	2,775	2,969	194
Natural Gas	485	490	5
Water/Sewer	605	612	7
Telephone	83	34	(48)
Warehouse Storage	110	145	35
All Other	36	109	73
Communications, Utilities, and Misc. Charges Total	4,964	5,085	122
Printing and Reproduction	2	3	1
Other Services			
Legal Services	-	-	-
Housekeeping	2,307	2,563	255
Minor Repair Program	300	300	-
Production Projects	840	974	134
Security – Base Contract	4,841	5,555	714
Security – Additional Services	195	188	(7)
Trust Salary Reimbursement	360	385	25
Finance Services	601	570	(31)
Trash Services	60	84	24
Building Automation	63	31	(32)
Elevator/Escalator	300	244	(56)
Fire Alarm Services	201	160	(41)
Grounds-keeping Services	265	439	174
All Other Services	909	861	(47)
Other Services Total	11,242	12,355	1,114
Supplies and Materials	457	471	14
Equipment	61	63	3
<i>Non-Salary Expenses Total</i>	16,728	17,979	1,252
Total Budget	22,260	23,740	1,480

Totals may not add up due to rounding.

The John F. Kennedy Center for the Performing Arts

Comparative Budgets: Personnel Compensation and Benefits
FY 2017 and FY 2018

Compensation and Benefits	Increase / (Decrease)	Description of Change	
Personnel Compensation	175,000	Includes the following changes:	
		Estimated increase assumes 1.9% increase, plus mandatory step increases.	175,000
Personnel Benefits (Including Worker's Compensation)	53,000	Includes the following changes:	
		Estimated increase due to increase in compensation plus increase in worker's compensation.	53,000

The John F. Kennedy Center for the Performing Arts

Comparative Budgets: Non-Salary Expenses
 FY 2017 and FY 2018

	Increase / (Decrease)	Description of Change
Travel and Transportation of Persons	-	Travel is held flat at a minimal level.

Communications, Utilities, and Miscellaneous Charges

IT/IS Services	(143,000)	A reduction of \$161,000 based on actual expenditures in fiscal year 2016 and an increase of \$18,000 for the Expansion facility.
Electricity	194,000	The increase is associated with estimated electricity changes in the amount of \$169,000 for the Expansion facility. The cost increase in the amount of \$25,000 is based on minimal increase in energy rates.
Gas	5,000	Minimal increase based on rate prediction from the Defense Logistics Agency.
Water	7,000	Estimated moderate reduction in water consumption yielded a decrease of \$4,000, which was offset by an increase of \$11,000 associated with the Expansion facility.
Telephone	(48,000)	Reduction in costs based on current and projected usage of desk telephones and cell phones. Cost of radios moved to Security.
Warehouse Storage	35,000	The increased is based on fiscal year 2016 actual lease costs projected to fiscal year 2018.
All Other	\$73,000	Even though there were cost reductions achieved in Center operations, this increase is associated with additional requirements for the Expansion facility plus water and fire hydrant fees for the new facility.

Total Comm., Util., Misc. 123,000

Printing and Reproduction	1,000	Minimal increase due to inflation.
Supplies, Materials, and Equipment	14,000	Includes increase due to cost escalation and the ability to fund deferred operations and maintenance requirements.
Equipment	3,000	Periodic small equipment replacement.

Total Expense Changes 141,000

Totals may not add up due to rounding

The John F. Kennedy Center for the Performing Arts

Comparative Budgets: Other Services
FY 2017 and FY 2018

Service	Increase / (Decrease)	Description of Change
Legal Services	-	No change.
Housekeeping	255,000	An increase of \$46,000 based on the current contract plus \$209,000 associated with partial year cleaning for the Expansion facility.
Production Projects	134,000	Includes increase due to the maintenance of education, rehearsal, and training spaces and systems for the Expansion facility.
Security – Base Contract	714,000	The Center will enter into a new security contract in fiscal year 2017 the increase of \$468,000 will be negotiated within the contract schedule. The additional \$246,000 is associated with partial year security services for the Expansion facility.
Security-Additional Services	(7,000)	Includes anticipated reduction of memorial usher services (\$10,000) partially offset by an increase of \$3,000 associated with the Expansion facility.
Trust Salary Reimbursement	25,000	The increase is required to sustain the management, administrative services, and maintenance of appropriated fund activities.
Finance Services	(31,000)	A reduction based on actual expenses through FY 2016.
Trash Services	24,000	Includes an increase of \$5,000 on trash services negotiated within the contract schedule. The additional \$19,000 is associated with trash services for the Expansion facility.
Building Automation	(32,000)	Reduction of \$33,000 in BAS technical support and an increase of \$1,000 for partial year technical support for the Expansion facility.
Elevator & Escalator	(56,000)	Reduction of \$68,000 for the elevator and escalators based on adjusted contractual levels of service and an increase of \$12,000 for contract PM services for the elevators in the Expansion facility.
Fire Alarm Services	(41,000)	Reduction of \$51,000 for the fire alarm system testing due to adjusted requirements and an increase of \$10,000 for contract services for the Expansion facility.
Grounds-keeping	174,000	The increase of \$137,000 is negotiated within the contract schedule with an Ability One program contractor. An additional \$37,000 will provide 6 months of grounds-keeping services for the Expansion facility.
All Other Services	(47,000)	Net decrease related to miscellaneous services such as artifacts cleaning, pest control, vehicle maintenance, and general operation services.

Total Change **1,114,000**

Totals may not add up due to rounding.

The John F. Kennedy Center for the Performing Arts

Base Spending Descriptions by Object Class

FY 2018

Compensation and Benefits

Personnel Compensation The fiscal year 2018 requested budget includes a total of 55 FTEs, consistent with the estimated level of FTEs for fiscal year 2017.

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.

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.

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 2018 will be the third option year.
Minor Repair Program	The Center's Minor Repair program will be funded at \$300,000 in fiscal year 2018.
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. Fiscal year 2018 will represent the first option year.
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. Fiscal year 2018 will represent the first year option.
Building Automation	Services are provided via contract for maintenance of the facility's automated control system for HVAC operations. In fiscal year 2017, the Kennedy Center entered into a new maintenance contract.
Elevator/Escalator	Maintenance is provided through a service contract. Fiscal year 2018 is the second of four option years for the current contract.
Fire Alarm Services	Contracted maintenance services for the fire alarm system under a multi-year contract. Fiscal year 2018 is the third year in the competitively awarded contract. The scope includes fire alarm testing and maintenance, as well as upkeep of interface between fire alarm and fire suppression systems.
Grounds keeping Services	Contracted services are provided by a grounds keeping company under the Ability One 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.
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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 2018, \$23.74 million is requested for the Operations and Maintenance of this presidential memorial as well as the new Kennedy Center Expansion. 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. For a portion of fiscal year 2018, this division will assume maintenance responsibilities for the Kennedy Center Expansion with 72,000 gross square feet of interior space, 42,400 square feet of replaced parking and access roads and 130,000 square feet of replaced and new landscaping. 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 2018 request represents the Center's continued efforts to employ energy savings initiatives in order to achieve 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: \$11.11 million

Increase of \$447,353, or 4.2%, above FY 2017 Appropriation

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: \$2.86 million

Increase of \$213,002, or 8.0%, above FY 2017 Appropriation

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 experienced an increase from fiscal year 2017 to 2018 due to additional requirements associated with the Center's expansion.

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

Security and Fire/Life Safety: \$7.25 million

Increase of \$717,159, or 11.0%, above FY 2017 Appropriation

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 2018 is due to the increases anticipated related to salaries, increases in the unionized security labor force wage rates, other contracted service increases due to escalation and the expansion of security services for the Center's expansion spaces.

Minor Repair and Replacement: \$.30 million

No change from FY 2017 Appropriation

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 2017 Appropriation

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: \$2.22 million

Increase of \$102,486, or 4.8%, above FY 2017 Appropriation

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 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 \$7.25 million and represent 30.5% 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 to achieve better coverage throughout the facility. We continue to utilize with high frequency, the bomb-detection dog teams for 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 24% 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 \$5.76 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 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 \$4.07 million, or 17% of the total Operations and Maintenance budget request. A portion of this increase is associated with the utility costs for the new Expansion for a partial year. 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 and new demands.

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 will be initiating 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.
- Complete shutdown or night setback mode of Air Handling Units (AHU) when theaters are not in operation.
- Systematic replacement of restroom fixtures with motion sensor faucets and flush valves in public facilities. The installation of motion sensors in all restroom facilities to control lighting levels when not occupied.
- The completion of the Terrace Theater Renovation in fiscal year 2018 will include the replacement of two Air Handling Units with one energy efficient unit; all-LED

- performance lighting in the theater; new restrooms fixtures with water conservation features and motion sensor faucets and flush valves; and state-of-the art temperature and humidity controls.
- Complete waterproofing of all exterior water fountains to eliminate significant water leaks and sustain water conservation measures.
 - Achieving a LEED Gold rating for the Expansion facility.

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 \$3.71 million, or 16% of the total Operations and Maintenance budget request.

The John F. Kennedy Center for the Performing Arts

Federal Operations and Maintenance

FY 2017 and FY 2018

BUDGET CATEGORY	FY17 Appropriation	FY18 Request	Variance Increase/ (Decrease)
FACILITY OPERATIONS	10,657,406	11,104,759	447,353
FACILITY MAINTENANCE	2,651,874	2,864,876	213,002
SECURITY/LIFE SAFETY	6,529,420	7,246,579	717,159
MINOR REPAIR/REPLACEMENT	300,000	300,000	-
MEMORIAL INTERPRETATION	-	-	-
PROGRAM DIRECTION	2,121,300	2,223,786	102,486
TOTALS	22,262,000	23,742,000	1,480,000

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 April 2017 CBP update was completed in-house without the use of an outside team of consultants. The Center will continue the practice of periodically engaging consultants to survey and assess the facility approximately every five years in order to update the planning basis for capital repair and restoration. Previous consultant-based CBPs were published in 2002, 2007, 2011 and 2015. 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 2018, to be available until expended. The primary component of this request includes new building Wayfinding signage, Upgrades to Exhibit and Event Spaces, Upgrades to the Grand Foyer, and continued Repair of the Parking Garage.

The latest implementation plan summary by category is provided on the next page for fiscal year 2018.

Fiscal Year 2018 Capital Repair Budget Request

1.	Exterior Building Envelope No work is planned in this category for fiscal year 2018.	\$0
2.	Life Safety and Security This funding is for the annual maintenance and abatement of asbestos-containing materials.	\$125,000
3.	Interior Repair, Accessibility, and Egress This funding is for continued construction of the Concert Hall Upgrades, completion of Office and Storage Space Renovations, and the design and installation of new Wayfinding and building signage.	\$1,600,000
4.	Building Systems This amount includes the annual repair/replacement of technical stage systems. Funding is also included for design of MEP Systems Modernizations Phase 3 and Concert Hall Climate Control projects.	\$1,540,000
5.	Memorial Interpretation This funding is for the start of construction for the Exhibit/Event Space Upgrades and Upgrade Grand Foyer projects.	\$6,045,000
6.	Parking and Site Circulation This includes funding to complete structural and concrete repairs in the parking garage, primarily the wall along the garage's Rock Creek Parkway overhang.	\$2,500,000
7.	Comprehensive Planning and Project Management 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.	\$1,190,000
FY 2018 Budget Request		\$13,000,000

The John F. Kennedy Center for the Performing Arts
 Capital Repair and Restoration Budget
 FY 2018

Building System Code	FY 2018 Budget
Exterior Building Envelope	\$0
Life Safety and Security	\$125,000
Interior Repair, Accessibility, and Egress	\$1,600,000
Building Systems (Non-Production)	\$540,000
Building Systems (Production)	\$1,000,000
Memorial Interpretation	\$6,045,000
Parking and Site Circulation	\$2,500,000
Comprehensive Planning and Project Management	\$1,190,000
Total	\$13,000,000

The John F. Kennedy Center for the Performing Arts
 Capital Repair and Restoration Budget by Object Class
 FY 2018

Object Class **FY 2018
Budget**

Compensation and Benefits

Personnel Compensation	\$354,000
Personnel Benefits	\$124,000
Subtotal: Compensation and Benefits	\$478,000

Expenses

Travel and Transportation of Persons	\$200
Communications, Utilities, and Miscellaneous Charges	\$39,000
Printing and Reproduction	\$9,000
Other Services	\$12,469,300
Supplies and Materials	\$4,500
Equipment	\$0
Subtotal: Non-Salary Expenses	\$12,522,000

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 – began renovation in June 2016 and is scheduled to be completed in October 2017.

With ADA and life safety improvements largely complete and building infrastructure improvements in progress, the focus of the 2017 Comprehensive Building Plan is on Memorial Interpretation and Visitor Services.

In summary, the project implementation plan for fiscal year 2018 focuses on the following major efforts:

- Continued construction of the Concert Hall Improvements
- Design and installation of new Wayfinding building signage
- Design and construction planning for the first phase of the JFK Memorial Interpretation, Upgrade Grand Foyer, and Exhibit/Event Space Upgrade projects
- Continued repairs to the parking garage concrete structure, focusing on repairs of the wall of the parking garage that runs along 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, the Vice President, Facilities, and the Director of the Project Management Office 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, one being the Director of the Project Management Office. In prior years, project management staffing also included a Financial Management Specialist; this position has been moved and is now 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 mitigates the recurrence of severe deterioration of the facility and, ultimately over the long term, reduces 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, 2011, and 2015 have provided the basis and overall scope for the Center's capital implementation plan. The current CBP was completed in-house in April 2017. It provides a roadmap for projects through fiscal year 2022.

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 2018 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 & INFRASTRUCTURE;**
- 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 current 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 5 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 year 2018:

- 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.

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 theaters to meet universal design standards.

Past work in this category is discussed in detail in the 2017 Comprehensive Building Plan.

The following project is planned for implementation in fiscal year 2018:

- i) *Concert Hall Improvements.* The Concert Hall was last comprehensively renovated in 1998, and is in need of attention in the form of a limited 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 address acoustical issues. Initial design funding was received in fiscal year 2016. Additional design funding and the first portion of construction funding are anticipated in fiscal year 2017. The second segment of construction funding is requested for 2018.

- ii) *Office and Storage Space Renovations.* The lack of sufficient office and storage space is an on-going problem for the Kennedy Center. The Office and Storage Space Renovations project will implement the best and most cost effective recommendations from the Space Use Study.
- iii) *Wayfinding Installation.* The Kennedy Center building serves many functions and includes a variety of spaces, making detailed wayfinding signage vital. The Center's current system was installed in 2001 and features various designs and font styles, contributing to a sense of visual disharmony throughout the building. Many signs are in poor condition. This project will create and install uniform signage to improve the function and aesthetic of the wayfinding system. Design of the new wayfinding system is being paid for using Trust funds through the Expansion project.

4. BUILDING SYSTEMS AND INFRASTRUCTURE

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 2017 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.

Ongoing and Future Work

The following projects are ongoing or planned for implementation in fiscal year 2018:

- 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. Funds are requested annually for this line item; \$1 million is requested for fiscal year 2018.
- 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 included improvements to additional mechanical, electrical and plumbing components. This work addressed aging systems and provided further energy efficiency improvements. Work was initiated in fiscal year 2012 and continued through fiscal year 2015. The 2015 CBP identified additional necessary work to these building systems. This work will be performed as part of 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; \$150,000 in funding is requested for fiscal year 2018.

- iii) *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 in the amount of \$390,000 is requested for fiscal year 2018.

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 2017.

Ongoing and Future Work

The following projects are planned for implementation in fiscal year 2018:

- 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 anticipated for fiscal year 2017. Design for this project will be performed in conjunction with the following two projects. A total of \$3,545,000 in construction funding for this project is requested in fiscal year 2018.

- 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 anticipated for fiscal year 2017. Design for this project will be performed in conjunction with the Exhibit/Event Space Upgrades and JFK Memorial Interpretation projects. A total of \$2,500,000 in construction funding for this project is requested in fiscal year 2018.
- 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 anticipated 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. PARKING AND SITE CIRCULATION

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 2017 Comprehensive Building Plan.

Ongoing and Future Work

The following is an ongoing effort 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 2019. 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 2014-2017 funded additional construction; the fiscal year 2018 request includes funds to continue with the next phase of work which is the repair of the wall of the parking garage that runs alongside the Rock Creek Parkway overhang. Recently completed work along Rock Creek Parkway shows promise that current methods of preserving existing concrete will allow time to accumulate sufficient funds for major structural repairs in the future.

Appendix I

The John F. Kennedy Center for the Performing Arts Comprehensive Building Plan Implementation Schedule

	FY2015 Actual	FY2016 Actual	FY2017 Budget	FY2018 Projected
Life Safety & Security				
2.1 Hazardous Materials Abatement	129,093	(8,896)	28,896	125,000
2.2 Electronic Security Upgrades	42,497	588,449	19,054	
2.3 Fire Security Upgrades			805,000	
2.4 Fire, Life Safety & Environmental			150,000	
2.5 CCTV in Theaters & Parking Garage			165,000	
Interior Repair, Accessibility & Egress				
3.1 Terrace Theater Renovations	11,276	17,842,070	757,904	
3.2 Concert Hall Improvements			2,650,000	500,000*
Handrail Replacements	183,565			
3.3 Space Use Study			625,000	
3.4 Office & Storage Space Renovations				100,000
3.5 Wayfinding				1,000,000
Building Systems				
4.1 Technical Stage Systems	993,801	1,096,830	903,170	1,000,000
4.2 MEP Systems Modern. Phase 2	796,946	(89,619)		
4.3 MEP Systems Modern. Phase 3			1,477,000	150,000*
4.4 Hydronic Systems Optimization			570,000	
4.5 Concert Hall Climate Control			1,200,000	390,000
4.6 Escalator Replacements	12,511	72,254		
4.7 Production Communications			300,000*	
4.8 Computerized Maintenance Mgmt. System			300,000	
Memorial Interpretation				
5.1 Exhibit/Event Space Upgrades			1,955,000	3,545,000*
5.2 Upgrade Grand Foyer			550,000	2,500,000*
5.3 JFK Memorial Interpretation			600,000*	
Parking & Site Circulation				
6.1 Parking Garage Repair	535,659	1,229,914	1,000,000	2,500,000*
6.2 Garage/Plaza Water Management			695,000	
Comprehensive Plan & PMO				
7.1 Project Management Office, Plan Development & Minor Capital Repair	1,267,541	474,075	1,945,925	1,190,000
Totals				
Total	3,972,889	21,205,077	16,696,949	13,000,000
Annual Appropriation	10,800,000	14,740,000	14,140,000	13,000,000
Prior Year Carryover (Includes Recoveries)	3,051,071	9,878,250	3,413,173	856,156
Balance	9,878,182	3,413,105	856,156	856,156

Totals may not add up due to rounding. *These projects will extend beyond 2018.