



SAME Executive Committee Meeting Notes

1700, Thursday, Feb. 13, 2020

Attended			
Mike Darrow	Marv Fisher	Dave Howe	Bob Keyser
Sharon Krock	Miro Kurka	Victoria Mechtly	Charlie Perham
Hal Rosen*	Heather Wishart-Smith	Neal Wright	Roy Ayers (Realtor)*
Joe Schroedel*	Will Hoffman*	Natasha Rocheleau*	Kathy Off*
Did Not Attend			
**Buddy Barnes	**Mark Handley	**Tony Higdon	Amanda Jones
Rich Khalil*	**Cindy Lincicome		

*Non-voting

**Sent in vote

Call to Order: 1700 hrs

A quorum was established. Heather Wishart-Smith was acting Chair of the XC for this call; she called the meeting to order. Heather commended Joe for incorporating safety moments in his Friday notes, many being safety issues with the Century House. She also noted the overwhelming support for the relocation of the National Office staff as expressed by the XC at SBC.

Joe summarized the intent of the relocation:

- Primarily: Provide safe, healthy, productive and legally compliant environment for the staff, while eliminating the lost productivity of owning and maintaining the building (not a core competency).
- Leverage (maximize) member investments made in the Century House 40 years ago by taking advantage of the seller's real estate market and the ongoing redevelopment of adjacent properties into hotel venues that are interested in purchasing the Century House.
- Leverage the opportunity to join NSPE and other professional societies in the "Washington Engineering Center" to demonstrate the impact of collaboration.
- Take advantage of the opportunity to lease space from NSPE at a bargain rate (\$26.50 per square foot; average lease cost is over \$40.00 per sf).

Washington Engineer Center Lease

The XC approved the lease agreement with NSPE for the Washington Engineer Center.

(See enclosed presentation and lease agreement.) Joe will sign lease on February 14, 2020. He also noted that NSPE had a former Executive Director, BG Donald Weinart, USA (Ret.), who had the "Washington Engineer Center" vision which is now coming to fruition. He introduced realtor, Roy Ayers, who has 40 years of experience with similar organizations and working in the Old Town Alexandria market. Questions and discussions were as follows:

- The cash flow difference would annually be approximately \$86K per year which doesn't include equity gains from the proceeds of the sale of the Century House. All proceeds will be committed to benefit members (e.g. Foundation, member management system, etc...), depending on the XC decision.
- There is an opportunity to purchase part of the Washington Engineering Center later. Mark Golden, NSPE XD, and Joe have agreed in principle on the opportunity – no decision would be made without XC/BOD approval. The entire building is 5 floors and worth \$13M.

- NSPE is financially sound with their own Foundation and equity.
- Rent escalation rates are squarely in the middle of the market norms and very reasonable for the location.
- To account for the 14% over baseline rent, there was an exhaustive list of possible overhead costs added to the lease.
- Property tax is included.

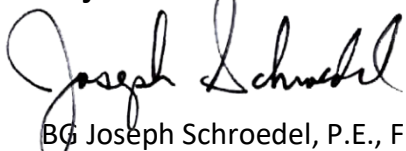
Century House Sale

The XC also approved the immediate listing and ultimate sale of the Century House. Discussion for both items occurred simultaneously.

- Any money made on the sale of the Century House will be invested in members, not the lease. The national office is financially capable of funding the lease from operating funds.
- Mr. Ayers stated that the projected sale of \$2.2M is safe, but we may be able to do better.
- He also stated that the deterioration of the building would present unrecognizable costs in the next five years.

Neal Wright, NSPE Fellow and board member stated that all concerned feel that this is a great outcome. One XC member asked if we should be concerned that this is too good to be true and asked if there were any “catches.” Joe reiterated the fact that he has been the biggest skeptic of the process and was in fact, looking for reasons to turn down the offer. Finding none, he feels comfortable and confident that this is a solid deal. Heather stated that the office move should be incorporated into a communication campaign using several different mediums to inform our members and Posts.

Adjourn: 1745 hrs.



BG Joseph Schroedel, P.E., F.SAME, USA (Ret.)
Executive Director

- Encl 1: Relocation Decision Presentation
- Encl 2: Redline Lease
- Encl 3: Relocation Proposal
- Encl 4: 607 Prince Street Offer
- Encl 5: Final Test Fit