

# Board of Governors of the Federal Reserve System

## Fact Sheet on the Federal Reserve's Renovation of Two Historic Buildings

The Federal Reserve Board takes seriously the responsibility to be a good steward of public resources. The renovation of two historic buildings will reduce costs over time by allowing the consolidation of most operations. It involves a complete overhaul, modernization, and preservation of two historic buildings that have not been comprehensively renovated since their construction in the 1930s and includes:

- Remediation and updates to make the buildings safe, healthy, and effective places to work by removing asbestos and lead contamination.
- Complete replacement of antiquated systems such as electrical, plumbing, heating, ventilation, and air conditioning, and fire detection and suppression systems.
- Major structural work to bring the buildings up to modern code, including current accessibility, security, and safety standards.

The work will also restore and enhance space for the public along the National Mall.

### Factors Driving the Cost Increases

Various factors have resulted in increased costs. Key factors include:

- Due to consultation with multiple federal and state agencies, changes to the original building designs.
- The differences between original estimates and actual costs of materials, equipment, and labor over the course of the construction.
- Unforeseen conditions, for example, more asbestos than anticipated, toxic contamination in soil, and a sinkhole.

### Extensive Oversight of the Project

The project is overseen by the members of the Federal Reserve Board, all of whom are Senate-confirmed. It was first approved by Board members in 2017. It has been subject to annual budget approval by the Board members since then.

The independent Office of Inspector General for the Federal Reserve Board has had full access to the project information on costs, contracts, schedules, and expenditures. The independent Office of Inspector General conducted an audit in 2021 to assess the process for planning and managing multiple renovation projects as well as procuring services under various renovation-related contracts. Chair Jerome Powell has asked the independent Office of Inspector General to conduct a fresh review of the project.



FAQs



Board's Annual Budget

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## **The Federal Reserve's Substantial Consultation Process**

The Federal Reserve Board has consulted with multiple federal and state agencies as part of the project, including: the Commission on Fine Arts; the National Capital Planning Commission (NCPC); the DC Public Space Committee; the DC State Historic Preservation Office; the National Park Service; and the Ward 2A DC Advisory Neighborhood Commission. The Federal Reserve Board informed congressional oversight committee leadership of the plan to consolidate operations at an early stage.

Since the project started, the Federal Reserve Board has enjoyed a constructive, collaborative, and fruitful engagement with the NCPC. The Federal Reserve Board voluntarily submitted project designs for the project and sought and received NCPC approval for designs in both 2020 and 2021. The Federal Reserve Board welcomes and appreciates the NCPC's input and has worked collaboratively to address the issues they raised.

## **The Federal Reserve's Commitment to Accountability**

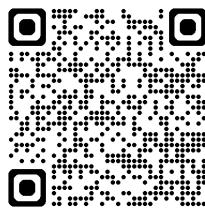
The Federal Reserve Board believes it is of the utmost importance to provide transparency for its decisions and to be accountable to the public through the Congress for its work. The Federal Reserve Board takes seriously its commitment to transparency and respects the critical importance of the constitutionally derived congressional oversight of our activities. The Federal Reserve Board works collaboratively and cooperatively with members of Congress to answer questions and to provide information on a broad range of issues.

## **More Details about the Renovation of Both Historic Buildings**

- The Eccles building has never been comprehensively renovated before.
- No new VIP dining rooms are being constructed as part of the project.
- There is no VIP elevator.
- There are no new water features.
- The “garden terrace” found in the 2021 submission to the NCPC refers to the ground-level front lawn of 1951 Constitution Avenue.
- The Eccles and 1951 Constitution Avenue buildings were originally built with marble in the façades and stonework.



FAQs



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