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# TO AMEND THE JOHN F. KENNEDY CENTER ACT OF 1972

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THE  
KANSAS  
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HEARING  
BEFORE THE  
COMMITTEE ON BUILDINGS AND GROUNDS  
OF THE  
COMMITTEE ON PUBLIC WORKS  
UNITED STATES SENATE  
NINETY-FOURTH CONGRESS

SECOND SESSION  
ON

**H.R. 14360**

AN ACT TO AMEND THE JOHN F. KENNEDY CENTER ACT  
TO AUTHORIZE FUNDS FOR REPAIR, RECONSTRUCTION,  
AND FOR OTHER PURPOSES

AUGUST 31, 1976

SERIAL NO. 94-H54

Printed for the use of the Committee on Public Works



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1976

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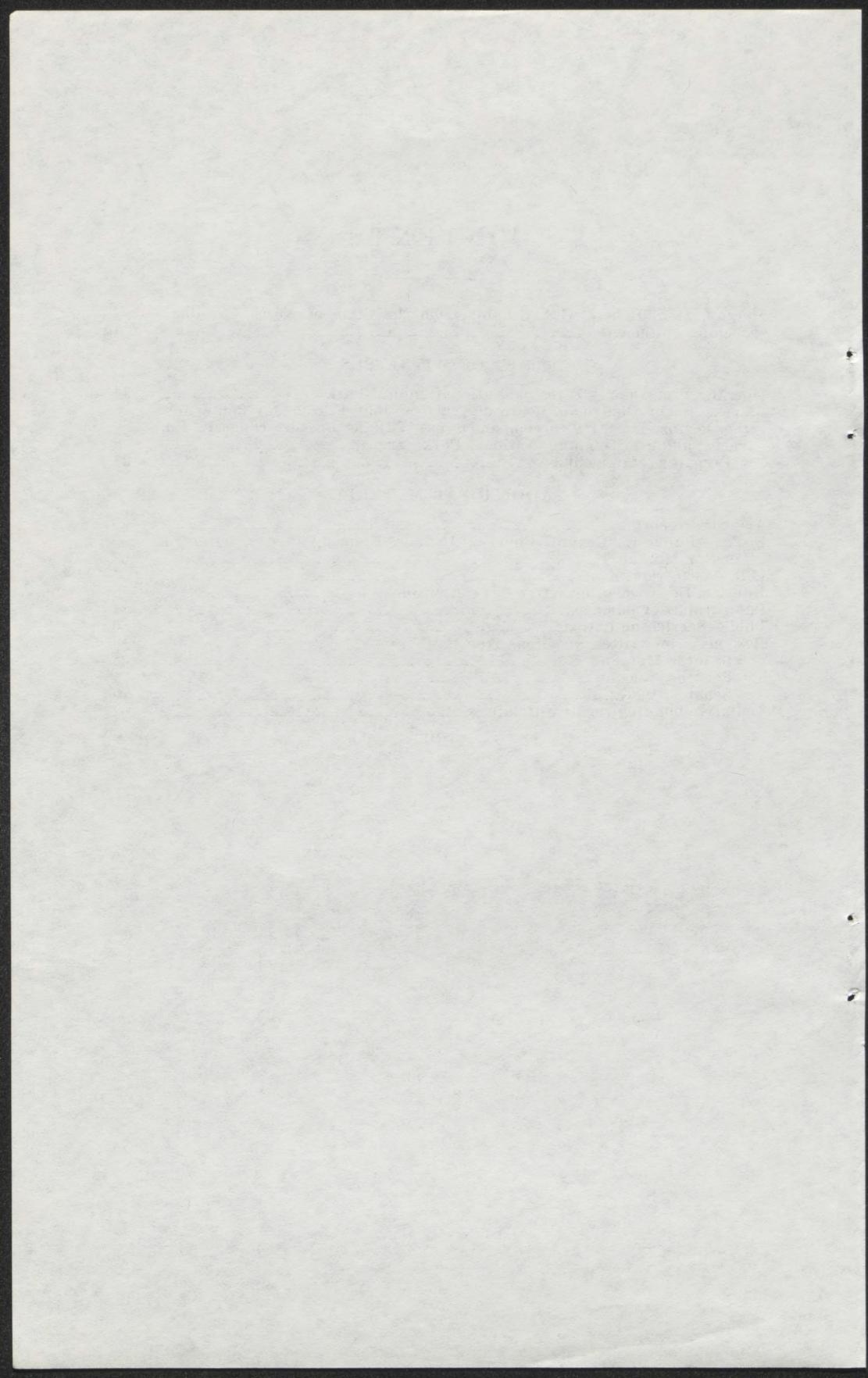
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# TO AMEND THE JOHN F. KENNEDY CENTER ACT OF 1972

TUESDAY, AUGUST 31, 1976

UNITED STATES SENATE,  
COMMITTEE ON PUBLIC WORKS,  
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,  
*Washington, D.C.*

The subcommittee met at 10 a.m., pursuant to call, in room 1224, Dirksen Senate Office Building, Hon. Robert Morgan (chairman) presiding.

Present: Senator Morgan.

## OPENING STATEMENT OF HON. ROBERT MORGAN, U.S. SENATOR FROM THE STATE OF NORTH CAROLINA

Senator MORGAN. Gentlemen, we have a number of meetings this morning, and we are going to have a cloture vote in the Senate somewhere around noon, so if you don't mind, we will try to expedite as much as we can this morning.

I have an opening statement that I shall read so that the record will reflect what we are doing.

We are here to discuss a bill, H.R. 14360, which would amend the Kennedy Center Act of 1972 in three important ways. First, it would exempt members of the Center's Board from personal liability due to actions taken by the Board. Second, it would authorize \$3.3 million for repairs to the building. And third, it would provide for appointment of a comptroller to be responsible for the allocation of all funds appropriated to the Center.

Extensive damage has been caused by terrace and roof leaks which can be expected to get progressively worse unless they are repaired without delay. Other serious water-related problems also have developed, one of which is deterioration of the plaza and paved roadways in front of the building.

Inside, the humidifier system including ductwork is rusting away and must be replaced. Also, major work must be done in the kitchen area, including replacement of buckled floors and repair of damaged walls caused by excessive moisture.

Estimates indicate the total cost will be at least \$3 million and maybe more, depending on whether additional problems are found when the damaged exterior coverings have been removed.

It is not our intent at this time to try and determine whether conditions that now exist are the result of poor design or faulty work-

manship. Litigation is currently underway involving suits and countersuits which the Justice Department is attempting to resolve. Our immediate concern is that the building is being jeopardized and prompt emergency action is needed to preserve it.

As I understand it, the Justice Department would rather that we not discuss whether the damage was caused by poor design or poor workmanship, so we will try to stay away from that issue.

This brings another important and controversial issue into focus which must eventually be faced, but not necessarily today. The threshold question in this instance is whether or not the Congress is or should be responsible for maintaining the Kennedy Center structure in perpetuity, regardless of circumstances that may prevail.

Whatever action may be taken with respect to the bill now before us, I would prefer that it not be regarded as a precedent on which to prejudge the outcome of future similar requests should these be made.

I have a letter from the Department of the Interior addressed to Senator Jackson as chairman of the Senate Interior Committee relative to the bill being discussed here today. We will include the letter in the record.

[The letter referred to and the bill H.R. 14360, follows:]



## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

AUG 30 1976

Dear Mr. Chairman:

This responds to the request of your Committee for the views of this Department on H.R. 14360, an Act "To amend the John F. Kennedy Center Act to authorize funds for repair, reconstruction, and for other purposes."

We have no objection to the enactment of H.R. 14360.

H.R. 14360 would amend subsection 6(a) of the John F. Kennedy Center Act (P.L. 85-874, as amended) to authorize funds for the repair, and reconstruction of the John F. Kennedy Center for the Performing Arts. The John F. Kennedy Center Act as amended in 1972, directs the Secretary of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and other nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

Appropriations have been authorized for such functions through September 30, 1977. However, the Secretary has not been authorized or appropriated funds for extensive repairs and reconstruction of the Center. Nevertheless, a large number of serious water leaks has created a dire need for such authority and for appropriations to correct this situation. These leaks contribute greatly to deterioration of the interior of the structure and result in increased maintenance costs. This condition, if permitted to continue, could eventually become a health and safety hazard, and cause serious structural damage. Further, completion of the studio theater in the Center must be delayed until leaks in this area are repaired. The Japanese people have generously donated \$3,000,000 to complete this theater.

We believe the \$3,300,000 authorized in H.R. 14360 will be adequate to accomplish this much needed repair.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,



RONALD G. COLEMAN

Assistant Secretary of the Interior

Honorable Henry M. Jackson  
Chairman, Committee on Interior  
and Insular Affairs  
United States Senate  
Washington, D. C. 20510

94TH CONGRESS  
2D SESSION

# H. R. 14360

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IN THE SENATE OF THE UNITED STATES

AUGUST 3, 1976

Read twice and referred to the Committee on Public Works

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## AN ACT

To amend the John F. Kennedy Center Act to authorize funds for repair, reconstruction, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 That (a) subsection (a) of section 6 of the John F. Ken-  
4 nedy Center Act (Public Law 85-874, as amended) is  
5 amended by adding at the end thereof the following new  
6 sentence: "No action of the Board which is within the  
7 powers conferred on it by this Act shall personally obligate  
8 any trustee or any agent of the Board."

9 (b) Section 8 of the John F. Kennedy Center Act is  
10 amended by adding at the end thereof the following new  
11 subsection:

II

1       “(c) There is authorized to be appropriated to the  
2 Board not to exceed \$3,300,000 for the repair and recon-  
3 struction of the John F. Kennedy Center for the Perform-  
4 ing Arts.”.

5       (c) Section 5 of the John F. Kennedy Center Act is  
6 amended by adding at the end thereof the following new  
7 subsection:

8       “(d) The Board shall appoint a comptroller as disburs-  
9 ing officer for all funds appropriated pursuant to subsection  
10 (c) of section 8. The comptroller shall serve for a term of  
11 three years, or until all appropriated funds are utilized,  
12 whichever shall first occur, and may be reappointed for suc-  
13 ceeding terms. The comptroller may not be removed except  
14 for malfeasance in office or upon conviction of any felony  
15 or of conduct involving moral turpitude, and for no other  
16 cause. Notwithstanding any other provision of this Act, all  
17 claims and demands whatsoever by the Board or against it  
18 and all accounts whatever in which the Board is concerned  
19 either as a debtor or a creditor and which relate to such  
20 appropriated funds, shall be settled and adjusted by the  
21 comptroller. The comptroller shall audit from time to time,  
22 but at least once each year and after all such appropriated  
23 funds shall have been utilized, the books, documents, papers,  
24 and records of the Board as they pertain to such appropri-  
25 ated funds and shall report to Congress and the Board the

1 results of such audit. The comptroller shall prescribe such  
2 regulations as may be necessary to carry out his functions  
3 under this subsection. The Board may prescribe such other  
4 functions as it may deem appropriate for the comptroller.”.

Passed the House of Representatives August 2, 1976.

Attest: EDMUND L. HENSHAW, JR.,

*Clerk.*

Senator MORGAN. We would like to hear what you have to say, Mr. Stevens. We will turn it over to you and let you make your presentation with whatever assistance you would like from your colleagues.

**STATEMENT OF ROGER STEVENS, CHAIRMAN, BOARD OF TRUSTEES, JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS, ACCOMPANIED BY WILLIAM BECKER, COUNSEL; ED PEETZ; AND JIM DUNNING, NATIONAL PARK SERVICE**

Mr. STEVENS. Thank you, Mr. Chairman. I have a statement to put in the record, with exhibits, but I will just read a summary that I have with me today. With me are Mr. William Becker, from the Office of the General Counsel for the Kennedy Center, and Ed Peetz and Jim Dunning of the National Park Service.

Members of this subcommittee and of the full committee and committee staff have given considerable attention to this pending legislation and to the immediate need to remedy certain serious deficiencies in the Kennedy Center building. I have prepared a statement which has previously been provided to the committee. Instead of restating it in full, I will summarize it and request that it be received in the record.

H.R. 14360 first provides that section 8(c) of the John F. Kennedy Center Act be amended to authorize appropriation of \$3.3 million for repairs and reconstruction of the building.

At the present, serious water leaks and other deteriorating conditions are being experienced through most of the horizontal portions of the building. The roofs, plaza areas and roadways are in such a deficient condition that they pose a potential health and safety hazard and add substantially to the cost of building maintenance. Presently, there are over 125 pans installed as a stop-gap measure to impede further deterioration in the structure.

Next it is proposed that section 6(a) of the act be amended to clarify the original legislative intent of the Congress that action of the Board of Trustees within the powers conferred upon them shall not personally obligate any trustee, officer or agent of the Board.

Because the trustees carry on their responsibilities as a public service and without compensation in the face of very substantial obligation of the Kennedy Center, it is appropriate that the Congress reconfirm its original intent that trustees have at least the same immunity as that which is accorded to other public officers. It is not intended by this amendment to change the law but only to clarify it.

Finally, a new section 5(d) would be added to provide for the appointment of a comptroller to oversee the expenditure of Federal appropriated funds for repairs and reconstruction. While the Kennedy Center in recent years has conducted its operations with outstanding financial controls and accordingly we do not consider the appointment of a comptroller to be necessary, the Kennedy Center does not have any objection to this provision which is desired by some of the sponsors of the legislation and which will eliminate any question about proper disbursement of appropriated funds.

There has been some question raised about the Kennedy Center's ability to repay Treasury revenue bonds. Beginning at the end of

1979, yearly payments of \$2.1 million in interest will be required of the Board of Trustees.

While this matter is outside of the purview of the pending legislation, I should point out to the subcommittee that the Board of Trustees does anticipate the necessity of seeking relief from the Congress from this very substantial financial burden.

While the trustees have been successful in carrying on the performing arts functions of the Kennedy Center without Federal subsidy and with critical acclaim throughout the United States and the world, we simply do not have any source of funding potential available to meet this obligation.

In addition to the success of the Kennedy Center in its performing arts efforts, I would like also to conclude these opening comments by noting that the Board of Trustees has gone very far in meeting the mandate of the Congress to provide public service.

A reduced price ticket program, a series of free events for the public, enormous contributions of service by the Friends of the Kennedy Center, and other successful efforts to a living memorial in honor of the late President are a good indication of the success that has been achieved by this unique blending of the public and private factors.

The Kennedy Center, which has been wholeheartedly supported by five administrations and by legislators from both sides of the aisle, is most appreciative of your continuing interest and support of this project.

Thank you, Mr. Chairman. We are available to respond to any questions you might have.

Senator MORGAN. Mr. Stevens, we have a number of questions. Let me just ask one. With regard to the personal liability of Board members, you say it doesn't change present law but clarifies it?

If that is all it does, I have no objection. I don't personally believe that the trustees should have more personal obligation or liability than any other trustee.

But is it your interpretation that this would relieve them from any personal liability for acts that any other trustee might be liable for?

Mr. STEVENS. The purpose of it is that anybody today can sue anybody, you know, and cause a lot of trouble. There was one of the contractors that sued, although he didn't have anything to go on as a basis, but he did tie up and could have been quite a nuisance if it hadn't been settled.

While I don't think most attorneys or counsel feel that there is any liability to the trustees, I think in the opinion of General Counsel that we should protect the trustees from just what you might call strikes or nuisance suits.

So it is stated definitely in the bill, that is the protection I think we want.

Let Mr. Becker speak to that.

Mr. BECKER. Mr. Chairman, if I may add to the comments that were made by Mr. Stevens, I believe that anyone who has examined the question in the past, including persons in the Justice Department, has come to the same conclusion that the trustees of the Kennedy Center are immune from suit, at least to the same extent as officials of the Federal Government.

However, there was this suit to which Mr. Stevens referred that was brought and caused a good deal of concern among the members of the Board of Trustees; and accordingly it was considered appropriate to clarify the original legislative intent of the Congress—namely, that the members of the Board of Trustees are indeed immune from suit, at least to the same extent as any public official.

Senator MORGAN. But that is not what the amendment says. The amendment says: "No action of the Board which is within the powers conferred on it by this act shall personally obligate any trustee or any agent of the Board."

What I am afraid of, if that is written into law, it gives blanket coverage for them to act irresponsibly if they want to. I think even though they are public trustees, and doing it as a contribution, without compensation, they still have some responsibility under the law.

I am not exactly sure of the parameters of their responsibility. But I know they can't act recklessly or in conflict of interest.

Mr. BECKER. Mr. Chairman, if I may respond to that point, that question was originally raised concerning language that was proposed. However, there are words in the bill—namely within the powers conferred upon it under the act—that clarify the answer to that question.

Senator MORGAN. Where are they? The act, which I have got here, just has a simple statement in it that says: "No action of the Board which is within the powers conferred on it by this act shall personally obligate any trustee or any agent of the Board."

Mr. BECKER. The language that you read, sir, which is within the powers conferred upon it by the act, I believe clarifies the answer to the question that you raised—namely, that certainly there was no power conferred upon the Board of Trustees to undertake reckless acts or other acts that you described.

Senator MORGAN. No, not to undertake reckless acts. But how about neglect? When they do something that is within the scope of their authority, but do it in a negligent way?

Mr. BECKER. Then, Mr. Chairman, I think what the objective of this bill is is to make it clear that the trustees are no more responsible or personally responsible.

Senator MORGAN. Why not say it that way? I believe this confers more upon them than is conferred upon a public official. I don't know. Let me do some research on it. I don't believe we ought to exempt them from any and all liability, so long as they are acting within the scope of what they are charged with.

I think the simple way to do it might be to just say they have the same immunity from liability as any other public official.

Mr. STEVENS. Senator, also from a rather practical point of view, there are three Senators and three Congressmen on the Board and present at meetings. When actions are taken, they say nothing of other Government officials. I think any of the Senators or Congressmen on the Board that didn't think we were doing things we should, they would—

Senator MORGAN. Mr. Stevens, I don't doubt that. Let me tell you something. I suspect part of the responsibility of what all has happened has been because of the failure of the Board—and I don't make

this as a charge, but I know how these kinds of boards operate. I was on the Savings and Loan Board. I still am. It is a nonstock corporation. There is a profit, but we don't get it. It is a community project.

We went to Board meetings and did exactly what the Executive Secretary recommended once a month and we went home. He up and died on us, without giving any notice that he was going to do so, and he was half a million short.

After we cleared the matter up, and the insurance company had paid off, and we were drawing from our surplus, we couldn't get an insurance company to bond us.

By this time I was attorney general in my State, and we either looked like we were going to have to merge with another savings and loan or go out of business if we couldn't get a bond.

So I finally called the president of one of the large bonding companies and said, "Why won't you bond us?" He said, "We are going to bond you, but we are going to punish you a little bit first. Trustees of these kinds of organizations take their duties very lightly." He added, "They come down and do whatever the Executive Officer recommends, without looking into it." Then he continued, "We are going to teach you, if you are going to fulfill these responsibilities, that you have got to be responsible."

I suspect your trustees sort of float in and out, like the trustees of the university that I was with for about 12 years.

I am not trying to put any more responsibility on them, but I surely don't think we ought to give them blanket immunity.

We will look into the law on this. I want to give them the same kind of immunity that anyone else has, but I don't just want to say, "You are not responsible. You can mess around all you want to but still be immune."

The House report says it would be retroactive. Do you see anything in the law that says it would be retroactive?

Mr. BECKER. Senator, I believe what is meant by that is that since this is only a clarification of the legislative intent, it is not intended to change the law.

Senator MORGAN. The House report says this clarification will assure that the trustee status, with regard to liability both before and after enactment of this clarifying amendment, is the same as that.

The legislative report is not law, but it might lead someone to believe that is what the committee considered. I don't think we can do that.

Anyway, that is not such a big problem that we cannot resolve it. It is just that I don't think we should go whole hog on that part of the proposition.

Mr. Stevens, what is your understanding with regard to the National Park Service's responsibility for undertaking major repairs?

Mr. STEVENS. You mean undertaking the repairs mentioned in the bill, sir?

Senator MORGAN. Yes, or any kind of repairs.

Mr. STEVENS. I think that that is their function as set forth in the House legislation. But there also in legislative history was the fact they should not be responsible for any repairs due to deficient design, which is the reason why it would seem necessary to come to Congress for the money through the Kennedy Center.

Also, in our agreement with the Park Service, an operating agreement, it states that, too, they will not undertake repairs due to deficient design.

Senator MORGAN. In other words, the 1973 agreement with Park Service provides for repairs to the Center, but it specifically excludes repairs made necessary by poor construction or design. Is that a fair statement of the agreement?

Mr. STEVENS. I think that is. That is the way it reads.

Also, you see, I think another purpose of that, if there was a very extraordinary repair, which this certainly is a very unusual situation, that they wouldn't have any money in their budget to do that.

Senator MORGAN. Hasn't Park Service performed a considerable number of major repairs already for the Center?

Mr. STEVENS. Not to my knowledge.

Senator MORGAN. Our records indicate about \$161,000 worth. This memo from Park Service is dated August 27.

Mr. STEVENS. That would be, Mr. Chairman, for a building of this size, a rather minor amount.

Senator MORGAN. It depends on what we define as major, I take it.

Mr. STEVENS. Yes.

Senator MORGAN. But it has been doing repairs?

Mr. STEVENS. As necessary for the continued operation.

Senator MORGAN. And to prevent further damage, I suppose.

Mr. STEVENS. It had to take action to do that; that is right, sir.

Senator MORGAN. Has the 1973 agreement been altered or changed in any way or revised?

Mr. STEVENS. I think it is practically the same. We have been operating under that agreement. I am not familiar with any changes. Are you?

Mr. DUNNING. No. I think it is entirely the same.

Senator MORGAN. The estimate furnished to us indicates the cost of repairing the roof to be \$753,000; yet you stated it might be done for substantially less. Would any of you gentlemen care to elaborate on this? Do you have any real reason to believe it can be done for less?

Mr. STEVENS. These are figures of the expert who was hired by the Department of Justice. There is an indication that the roofers are willing to make a deal on a temporary basis to protect the building for quite a lot more money than it would be if you completely rebuilt the roof.

But I would think good business judgment would indicate that the thing to do is to put a new roof on while we can, because we don't want to have to come back and ask you for another new roof when you use this temporary roofing, which is what the contractor is offering. Obviously, any money that would be saved on any process we do would be returned to the Government.

Senator MORGAN. Who is going to make the final decision as to whether the Linck proposal for repairing the roof should be accepted or not?

Mr. STEVENS. I think the trustees are.

Senator MORGAN. What kind of expert advice have they had?

Mr. STEVENS. Mr. Becker, who did we have over there?

Mr. BECKER. Mr. Chairman, the trustees have regularly consulted with the Justice Department consultant and would intend to do so in the future in connection with these repairs.

The Kennedy Center would also be guided by the judgments made by the National Park Service and by their experts; and, in addition, the Kennedy Center would hire or engage such other expert engineering and other consultants that were necessary in order to determine what work should be done and how it should be done.

Senator MORGAN. Does the Kennedy Center have a business manager as such? I am not talking about theatrical productions and so forth, but for repairs, engineering, and that sort of thing.

Mr. STEVENS. We have a maintenance man that was on the original construction job and knows the building from backwards and forwards. Of course, on any repairs we would look to the Park. But he looks them over to see that they are necessary.

Senator MORGAN. You look to the Park Service?

Mr. STEVENS. No. He is with us. He is with the Exchange Company. Actually, he was with an electrical contractor, Ernst-Fischbach. He knows the building throughout. That is the only person we have representing us.

Mr. BECKER. Mr. Chairman, I think your statement was correct, though, that the Kennedy Center does generally look to the Park Service for purposes of making judgments on what has to be done in the way of maintenance of the building, subject, of course, to the review by the director of the building operations, who Mr. Stevens just made reference to.

Senator MORGAN. What is this Linck? Is his proposal different from any other proposal?

Mr. STEVENS. As far as I know, sir, it is the only one that is available. It only came to us through the recommendations of the Justice Department.

Senator MORGAN. \$50,000 for repairs?

Mr. BECKER. \$50,000, not to be paid for, though, by the Kennedy Center; rather, to be paid for by the general contractor as part of a settlement that is now under consideration by the Justice Department.

Senator MORGAN. How much funds are involved in this for roof repairs?

Mr. STEVENS. It is estimated at \$750,000. It is necessary for this portion of the roof.

Senator MORGAN. I don't follow you. You tell me he says he can repair it for \$50,000. Are we talking about repairing or putting on a new roof?

Mr. BECKER. The proposal of Warren-Ehret-Linck, which was the original roofing subcontractor for the Kennedy Center, envisions the spot repair of leaky portions of the roof, principally around the floating slabs on the 135-foot level of the Kennedy Center; and they will make these repairs and then guarantee the roof to be water-free or free from leaks for a period of 5 years.

It is only a temporary provision. The \$750,000 amount that appears in the original cost estimate that was prepared by the Justice Department consultant is the estimated cost to replace the roof.

Senator MORGAN. Are you going to replace it? If he repairs and guarantees it, then you won't need the \$750,000. I understand that the Park Service consultant recommends repair only.

Mr. DUNNING. Initially, Senator, yes. However, we do feel that eventually it will have to all be taken off and replaced.

Senator MORGAN. When you say eventually, when do you mean?

Mr. DUNNING. Within probably this 5-year period, that we would go ahead, make the spot repairs as described by Mr. Becker and take the contractor up on his 5-year guarantee, use that time to evaluate it. But we feel confident through the engineering consulting service that it will be necessary to replace that roof at the end of that period.

Senator MORGAN. In the meantime, where will this money be? Will it be in trust or will it be held for this purpose?

Mr. BECKER. Sir, these funds are held in the Treasury Department, as is the case with any appropriated funds.

Senator MORGAN. Is that what the comptroller is appointed for; to make sure funds are applied only to purposes for which they were appropriated?

Mr. BECKER. We are not entirely clear, sir, exactly why the House wanted a comptroller, except that in years past there has been some question raised about the financial controls of the Center.

However, recent General Accounting Office reports concerning the Kennedy Center seem to make it clear that the financial controls of the Board of Trustees are very good. Accordingly, trustees do not consider the comptroller provision to be necessary. However, we have no objection to such a provision.

Senator MORGAN. How long would it take to replace the roof?

Mr. STEVENS. Mr. Dunning, do you want to answer that?

Mr. DUNNING. I really don't know, Senator. I would guess several months certainly, at least 3 months. The spot repairs, however, would take quite a short time.

Senator MORGAN. If you replace the roof, would you have new designs and procedures?

Mr. DUNNING. Certainly there would be a design review. Areas that appeared to be weak would be then redesigned, strengthened, or whatever seemed appropriate at the time. However, I think that would be determined as the roof came off and evidence of weakness showed up.

Senator MORGAN. I haven't reviewed these reports on the roof, but it seems to me for something as valuable as the Center you are going to be needing it. So maybe you are right in going ahead with repairs, rather than waiting until you can get design review, and bids, and so forth.

Mr. DUNNING. That is essentially our conclusion, Senator.

Senator MORGAN. I can see that maybe you are right in doing that. You have a statement, do you not? Why don't we hear from you and then let me ask some questions?

#### STATEMENT OF JIM DUNNING, DEPUTY DIRECTOR, NATIONAL CAPITAL PARK SERVICE

Mr. DUNNING. Very well. I will introduce myself again. I am Jim Dunning, Deputy Director of the National Capital Park Service, speaking for Jack Fish who at this hour is testifying at another hearing.

With me is Ed Peetz, Associate Director for Professional Services in our office.

Mr. Chairman, the John F. Kennedy Center Act as amended in 1972 directs the Secretary of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial and other nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. Appropriations have been authorized for such functions through September 30, 1977.

However, the Secretary has not been authorized or given appropriated funds for extensive repairs and reconstruction of the Center. Nevertheless, a large number of serious water leaks has created a dire need for such authority and for appropriations to correct this situation.

These leaks contribute greatly to deterioration of the interior of the structure and result in increased maintenance costs. This condition, if permitted to continue, could eventually become a health and safety hazard, and cause serious structural damage.

Further, Mr. Chairman, completion of the studio theater in the Center must be delayed until leaks in this area are repaired. The Japanese people have generously donated \$3 million to complete this theater.

We believe the \$3,300,000 authorized in the House-passed bill will be adequate to accomplish this much-needed repair.

We have no objection to having such funds allocated to the Kennedy Center Board of Trustees for this purpose, and the National Park Service will be pleased to act as the contractor to carry out this work if the Board so requests.

This completes my prepared statement, Mr. Chairman, and I will be pleased to answer any questions that you may have.

Senator MORGAN. Thank you. Mr. Stevens, do you have any reason to think that the Board of Trustees might look elsewhere, other than to the Park Service, to do these repairs?

Mr. STEVENS. I think it would be completely impractical for us to deal with anyone but the Park Service. We have enjoyed a fine relationship with them ever since they have taken over their duties, and they cooperate with us fully on all matters. So our first inclination, unless they did not want to do it—and I guess he just stated that they would—would be to have them do it.

Senator MORGAN. Does the Park Service have its own experts in these areas, or do you rely on GSA?

Mr. DUNNING. No. We have our own professional staff in our design office in Denver. Then we also participated in an engineering study by Olympic Engineering, to which our people contributed information, from which their report came and subsequently the recommendation to make the repairs.

Senator MORGAN. If funds were appropriated to the Center, and they in turn called on you, or if the funds were appropriated directly to Park Service, would you accept responsibility for carrying out the repairs?

Mr. DUNNING. Yes, Senator.

Senator MORGAN. Do you think that \$3.3 million will be adequate to accomplish the repair work? Have you made some studies on this?

Mr. DUNNING. Our best information now, Senator, is that yes, it would be adequate. Here again this results in our participation in

gathering information for Olympic Engineering whom we are depending on in their conclusions on the estimate of \$3.3 million. Yes, we do think it is adequate.

Senator MORGAN. What is Olympic Engineering?

Mr. DUNNING. It is a consulting firm.

Mr. PEETZ. Hired by the Justice Department.

Senator MORGAN. Do any of you know anything about them?

Mr. BECKER. Olympic Engineering was a consulting firm, engineering firm, in Seattle, Wash., that was engaged by the Justice Department in connection with the pending Court of Claims cases. They have spent a considerable amount of time considering counterclaims of the government as well as other matters in that litigation.

Senator MORGAN. From my own experience, I would suggest that, if funds are appropriated, you find out more about Olympic Engineering and look in greater depth at their proposal. I know from experience that sometimes studies and proposals made for litigation are not altogether what you need for construction. I think you might want to take another look at it.

We have a list of repairs costing about \$161,000 that have been done on the Center. Do you have any policy regarding the kind of repairs that Park Service can do now?

Mr. DUNNING. Generally, these repairs are that which one would reasonably expect through normal wear and tear of a building of this size. This is essentially what is described in this list of repairs.

Senator MORGAN. Was this done under the 1973 agreement?

Mr. DUNNING. Yes.

Senator MORGAN. And funds were appropriated to the Department of Interior?

Mr. DUNNING. Right.

Senator MORGAN. We have an item here for \$41,000 to repair defective exterior lighting fixtures. That means abnormally high. Is there an explanation for it?

Mr. DUNNING. The lighting fixtures, outside lighting fixtures, have caused some difficulty in leaking. We are hoping that this can be corrected by either redesign or new fixtures during the overall rehabilitation of the Center through water leaking.

It is entirely correct; these are our costs for this, and more than we would like. However, it is a part of our agreement to make these repairs as they occur.

Mr. PEETZ. They are recessed fixtures, sir. It has been almost impossible to stop leaks on them. It is a constant problem of trying to make sure these things are stopped to prevent interior damage.

Senator MORGAN. The largest item of proposed work shown in the estimate you submitted to us is for repairs to the entrance ramp and adjacent paved areas, reported to be deteriorating rapidly. The need is classed as urgent and immediate. Yet a July 14 Park Service memo states this should be further examined prior to final determination. What is the situation with regard to that?

Mr. PEETZ. In the litigation, sir, the Federal Highway Administration was brought in to look at it with the Park Service. It was their determination that there are leaks developing in there, that the pavement is cracking.

There is a pattern in the paving, thus it is not a solid surface, and parts of it are chipping away. The expansion joints are chipping away. We are getting water leaking below.

When you stand on the plaza, and the buses go over, the whole thing shakes. We are concerned that one of these days one of those buses may be a little lower than it started as it drives in.

We have some problem in that one of the recommendations is that we are going to have it put a full surface on it. But the Fine Arts Commission is a little concerned that the design of the original pavement will not be able to be maintained. They are objecting to that. The Commission suggested that we ought to get an agreement with the architect, which right now is impossible to do because of the litigation.

Senator MORGAN. What is the status of this litigation? How far along is it?

Mr. BECKER. Mr. Chairman, we have been requested by the Justice Department not to get involved in the substance or procedure of the litigation. I would respectfully request if the committee wants information about it, that the committee obtain it from the Justice Department, since they have full responsibility for presenting and defending this.

Senator MORGAN. How long has this been going on?

Mr. BECKER. It has been in litigation since 1972. Actions were filed against the United States by both the contractor and the architect and counterclaims were filed by the United States against both.

Senator MORGAN. Can we go back to that Park Service memorandum again? It states that work on the entrance ramp and adjacent paved area should be done in phases. It is not made clear whether an architect or engineer should be retained to determine what is needed. Also, it recommends initial funding of only \$40,000 for review.

How can this be reconciled with your request for \$3.3 million?

Mr. PEETZ. That would be for a study, sir, to determine the best method to approach this.

Senator MORGAN. Then you don't really know whether \$3.3 million would cover the work or not, do you? It would depend finally on an architect-engineer study?

Mr. PEETZ. Yes. It is our estimate, FHWA's estimate, that the \$3.3 million would handle it. The exact details have to be determined just how it would be done.

You are right; it may or it may not cover. It is pretty difficult to tell until you get down into the fabric.

Senator MORGAN. Do you have any contractual arrangement with the Center to do this kind of work?

Mr. DUNNING. No. Our contractual arrangement agreement, if you will, is for operation and maintenance. We would have to have—and correct me if I am wrong, Mr. Stevens—an additional agreement if we entered into this repair.

Mr. STEVENS. Yes. I would think we would have to have an agreement covering this situation. Wouldn't you, Mr. Becker?

Mr. BECKER. Yes. I have discussed that matter preliminarily with the Park Service's counsel, and he believes that the Park Service does have the authority to enter into such an agreement with the Kennedy Center if this legislation were passed.

Senator MORGAN. When we talk about the Park Service doing the work, how much does Park Service actually do? Do they contract it out, or do you actually supervise over it yourself?

Mr. DUNNING. There is a maintenance staff on hand. A portion of it is contracted. The janitorial work I believe is all contracted. Then spot work; an example would be the cleaning and relamping. I believe it was the Opera House that was recently relamped. It was a contract. However, it was contracted through our agreement with the Kennedy Center.

Senator MORGAN. You wouldn't attempt to reroof it yourself, would you?

Mr. DUNNING. Goodness, no.

Mr. PEETZ. It would have to be done by contract.

Senator MORGAN. Major repairs and alterations would be done by contract?

Mr. DUNNING. Yes, sir. Our function would be to administer the contract and supervise the contractor.

Senator MORGAN. A question has been raised, Mr. Stevens. If you are going to turn this over to the Park Service, what would be the center's objection to just making an appropriation directly to Park Service?

Mr. STEVENS. There would be none as far as we are concerned. But it is just that the Park Service has felt when we originally ran into the problem of repairs that because of the legislative history and so forth, that we should make the application for the money, that it wasn't within the act.

Senator MORGAN. I assume you would be happy to be relieved of all of the responsibilities and get back to the business of running the Center.

Mr. STEVENS. I wouldn't object to it, sir.

Senator MORGAN. Senator Baker has specifically asked these questions which I will submit to you, although you may have already answered them. Since the Park Service will have the responsibility, would the trustees prefer, or at any rate have no objection, to authorizing an appropriation to the Park Service?

You may have just answered that. I will now submit Senator Baker's questions, if you will give us written answers. Also, Senator Buckley has some that he would like answered in writing.

[The questions referred to appear at p. 73.]

Senator MORGAN. Who appoints your Board of Trustees?

Mr. STEVENS. The President of the United States.

Senator MORGAN. How many do you have?

Mr. STEVENS. There are 30 public trustees and 15 ex officio. There are six appointed every 2 years for a term of 10 years, and ex officio consist of three Senators and three Congressmen, as I mentioned before; the Secretary of the Smithsonian, the Assistant Secretary of State for Cultural Affairs, the Librarian of Congress, Mayor, head of recreation in the District of Columbia and head of the Fine Arts Commission.

There are probably a couple more. I might have left out one.

But I would point out, respectfully, that this is a very active Board. We have four Board meetings a year and four executive meetings between the Board meetings. The Executive Committee especially

watches the operations very carefully. We also have an Operations Committee which reviews all of our theatrical operations.

Senator MORGAN. Do you have a Building Committee?

Mr. STEVENS. We have a Building Committee, yes, sir. But it hasn't been active lately. But we did have one during the period of construction.

I am on a lot of boards, too. I know what you mean by the fact that frequently they don't pay too much attention to it. But because the Center seems to be focusing a great deal of newspaper publicity, the trustees watch this thing very carefully.

Senator MORGAN. I am not that familiar with past problems of the Center, or their operation. But I do think it is a real asset to the Nation. I think it ought to be first-rate in every way, maintained to the very best of our ability.

As I mentioned to you in the office the other day, I frankly was a little disappointed when I went into Concert Hall, or one of the areas—

Mr. STEVENS. It was Concert Hall; yes, sir.

Senator MORGAN [continuing]. And it left me with the impression that it was a little dilapidated. That may have been because of the water damage we are talking about.

I believe that the American people are willing to support this Center, in the manner and fashion which it should be, because it is a symbol of the kind of respect I think we have for our National Government, and the performing arts is a real part of this.

My only concern is that there seems to be such a flexible arrangement about who is doing what. I am concerned that at this late date, if we try to make any changes in the House bill, we may end up with no bill. So I feel caught up in a squeeze. I don't want to do anything that would delay the repairs that are necessary, and doing what needs to be done now to put it in first-class condition.

So I guess what we will have to do now is rely upon the good judgment of you and your Board members, and the Park Service.

But I hope that whoever has this committee in the future will work out some kind of an arrangement, where it can be maintained in first-class condition so that the people of this country can be proud of it.

If that means taking over the Center's obligations, then I am not sure that I wouldn't go for it.

I have another general question here. What are your feelings regarding long-range responsibility for the upkeep and repair of the Kennedy Center? That is what we have just been talking about.

Mr. STEVENS. Sir, I agree with you completely about it being maintained for the people, and the fact that there are millions of people who go through there just to look at the memorial features of the building. It would be a shame not to have it in fine condition.

I also can further assure you, since I have had considerable background in building and real estate, that I am going to watch the repairs very carefully myself, because I find that is one way it will be done.

The trustees are not trying to relieve themselves of any responsibility by turning this work over to the Park. But it just seems the more practical way with their equipment and background.

Senator MORGAN. I think it is.

Mr. STEVENS. We will watch it very carefully. If it doesn't work, it is going to hit the chairman of the Board of Trustees. So we are going to watch it very carefully, sir.

Senator MORGAN. I really don't look upon the Board of Trustees of the Kennedy Center as having the responsibility, nor do I think they should be responsible for having to maintain the building and grounds. It seems to me there are many other areas of Government, such as Park Service and the GSA, who are equipped for this and have the expertise. That part should be done by these agencies, and leave you free to operate the Center.

That has been my thinking over a long period of time. I believe it ought to be the responsibility of Government so you and your Board can carry on the functions of making it the best Center of Performing Arts in the country, which I think it is.

I'll give you these questions from Senators Buckley and Baker, and if you will submit written answers, then we will include them in the record.

If you will confer with Mr. Leggett of my staff, and Mr. Purinton, with regard to this immunity from suit for the trustees, I think we can come to some agreement. I don't want to give them any more immunity than public officials have. Yet, at the same time, I don't want to place any more responsibility on them than a public official has.

That is what I wish you would confer with Mr. Leggett about, and Mr. Purinton to make sure we do that and nothing more.

If somebody is going to serve on the Board, they have got to assume a certain amount of responsibility. You might be sued, but you might be sued whatever you do. I think that general immunity language is adequate to protect them.

Mr. STEVENS. I would agree with you. I don't think one should take on responsibilities of being a Board member of anything unless they attend meetings and know what is going on.

As I said before, generally speaking, this Board is an active Board and pays a great deal of attention to its responsibility. Even in the middle of July we had about 80-percent attendance at our last meeting, in the last part of July.

Senator MORGAN. I certainly don't mean to be in any way critical of the Board, because I don't even know who constitutes the Board. But I have that general feeling based on experience. I have been on enough boards to know that some, like those on the university board, like to be there so they can get tickets on the 50-yard line. I don't know whether you have special tickets for Board members in the Center theater or not. But of course there are other Board members who take their responsibility very seriously, and make real contributions to the universities and, I'm sure to the Center which money couldn't buy. So I certainly don't mean to be critical of them.

Now, unless you gentlemen have something else, I think the record is adequate, or will be when we have answers to the written questions.

Mr. STEVENS. Thank you very much, Mr. Chairman. We will have the questions answered and back tomorrow morning.

Senator MORGAN. Thank you.

(Whereupon, at 11 a.m., the subcommittee was recessed, to reconvene subject to the call of the Chair.)

[Mr. Stevens' prepared statement, responses to written questions from Senators Morgan, Buckley, and Baker, and additional information supplied for the record follow:]

HEARINGS BEFORE THE  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS  
COMMITTEE OF PUBLIC WORKS  
SENATE

STATEMENT OF ROGER L. STEVENS, CHAIRMAN,  
BOARD OF TRUSTEES  
JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. Chairman and members of the Subcommittee, I am Roger L. Stevens, Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts. With me is Mr. William W. Becker, from the Office of the General Counsel of the Kennedy Center, and representatives of the National Park Service.

The Kennedy Center is appreciative of the Committee's consideration of H.R. 14360, passed by the House of Representatives on June 14, 1976. The bill provides for funds which are now urgently needed to remedy water leakage conditions which exist throughout the Kennedy Center Building. Senator Morgan has recently submitted questions to the Kennedy Center concerning the legislation, to which we have responded. I would appreciate it if the Subcommittee would make the Kennedy Center's detailed replies a part of the record and I will review here only briefly the purposes of the legislation.

Congress has continuously reviewed and met the needs of the Kennedy Center since it was first established in 1958 as the National Cultural Center. During its early years, the Center's Board of Trustees had moderate success in raising funds for construction. During the early years of his administration, John F. Kennedy, continued the commitment of the Eisenhower Administration to raise the private funds which would be necessary for completion of the project. Thus, it was appropriate that the facility be reconstituted as the sole living memorial to the late President in the environs of Washington, when in 1964, Congress after unprecedented joint hearings provided for an unusual mixture of appropriated and private

funds for construction of the facility. The Kennedy Center Board of Trustees, acting through the General Services Administration as agent for design and construction, encountered more than its fair share of construction difficulties in the ensuing years, which were marked with increases in building construction costs of 12% per annum. Perseverance, continued Congressional assistance, the generous contribution of private funds, and efforts by many citizens and foreign countries finally paid off when the building was opened for performing arts attractions and for visitors to the memorial in September, 1971.

The vision of the original Congressional sponsors of the Kennedy Center, including members of the Committee and this Subcommittee, has been demonstrated by the success of the Kennedy Center since its opening. This success is told in the performances numbering in excess of 5,000, and it is acknowledged throughout the country that the Center has the highest audience support of any performing arts facility. This success also is told in the millions of visitors who come to the Kennedy Center each year, not to attend performances but rather to visit this memorial to our late President. In this calendar year alone, the Park Service estimates that in excess of 3 million visitors have come to the memorial.

As part of its responsibility in providing public service, the Kennedy Center continues to fulfill its Congressional mandate to the extent of its financial capabilities. An estimated one million visitors will see the exhibit 200 Years of Performing Arts, sponsored by IBM with a grant of over \$700,000. Provided with this statement is a compilation of 254 events which were attended by 686,980 visitors free of charge, during the fiscal year ended June 30, 1976. In addition, the Trustees have authorized a reduced price ticket program for students, the handicapped, retired persons over the age of 65, low income groups and military personnel in grades E-1 through E-4. During fiscal year 1976, the Kennedy Center sold or arranged for the sale of 135,632 tickets under this program. The sale of these tickets at full prices would have resulted in additional gross income to the Kennedy Center and outside producers of \$677,247.

These activities are only some examples of the performing arts and public service functions which are carried out by the Board of Trustees without the assistance of any appropriated funds. While appropriations have been provided annually since fiscal year 1972 for non-performing arts functions in the building which now are being carried out by the Park Service, the Trustees have raised several million dollars in excess of the funds raised to match federal appropriated funds which were used for construction. This has enabled the Trustees to carry on the Center's programs and also to liquidate over time some of the costs incurred for construction of the building for which there were no appropriated matching funds available.

Lest anyone consider, however, that our success in raising funds from the private sector has turned the Kennedy Center into a financially prosperous entity, an examination of our auditor's financial statement for the fiscal year ended June 30, 1975, will indicate that we still have far to go. Particularly troublesome is the accruing liability on outstanding Treasury Revenue Bonds. At the end of 1978, the accrued liability will be approximately \$35 million comprised of \$20.4 million in principal and \$14.6 million in interest. Approximately \$2.1 million in interest is payable on the bonds at the end of 1979 and annually thereafter, unless arrangements for deferral of payment are concluded with the Treasury Department or remedial legislation is enacted relieving the Kennedy Center of this substantial burden for which there are no sources of funds. Provided with this statement is a copy of the audited financial statements for fiscal year 1975, which previously have been given to the Congress in accordance with the John F. Kennedy Center Act. I would suggest that some remedial legislation will be required, since no funds will be available otherwise to meet these bond obligations.

Before considering H.R. 14360 now pending before the Subcommittee, I should note that the Kennedy Center's success to date is attributable in no small part to the efforts of many active members of the Board of Trustees. The Kennedy Center is governed by a Board of 45 members, 30 of whom are appointed by the President for terms of ten years and 15 of whom are ex officio members. On the Board are three members of the Senate, Senators Percy, Kennedy and Tunney. A complete list of the officers and Trustees of the Kennedy Center is provided to the Subcommittee with this statement. Also provided is a list of the members of the Advisory Committee on the Arts, who are appointed by the President and are representative of the fifty states. The members of the Advisory Committee particularly have been active in working with Mrs. Jean Smith, Chairman, on the Alliance for Arts in Education program, which is run in cooperation with the Office of Education, Department of Health, Education and Welfare.

#### \$3.3 Million Authorization for Repairs and Reconstruction

For fiscal year 1972 and thereafter, the Congress has authorized and appropriated funds to the National Park Service for the purpose of carrying out non-performing arts functions in the Kennedy Center building. These functions include providing services to the millions of tourists who visit the Kennedy Center as a memorial to the late President. Each year, the Kennedy Center reimburses the Park Service for its pro rata share of joint operation and maintenance expenses incurred by the National Park Service in carrying out its functions.

Notwithstanding these authorizations and appropriations, no funds have been provided for repairs and reconstruction of the building which are required, now urgently, as a result of deficiencies in the original design and construction. Staff members have had the opportunity to personally inspect the

leaking conditions in the building and there has been provided to the Committee photographs which exemplify the serious conditions which exist. These deficiencies are presently the subject of counterclaims asserted by the United States in legal actions pending in the Court of Claims. Any benefit derived by the United States from these counterclaims will not be received by the Kennedy Center for the purpose of making the required repairs.

Provided with my statement is an estimate prepared as of May 5, 1976, by a consultant, setting forth the costs which must be incurred as soon as possible in order to repair the numerous leaks which occur throughout the building. Since these estimates were prepared, it appears that in connection with the Court of Claims litigation, arrangements might be made to make short-term repairs to the roof on the 135' level of the building. The contractor will pay for these repairs and expenditures by the Kennedy Center may be substantially less at the present time than the estimated cost of \$753,750. Negotiations are now being conducted with the prime contractor and the roofing subcontractor on these arrangements. Nonetheless, the other leaking conditions principally at the 109' level and 40' level are equally serious and present a potential safety and health hazard in the future if they are not attended to. And these other conditions will not be repaired under the Court of Claims arrangements. To the extent that the \$3.3 million to be authorized in H.R. 14360 are not needed for necessary repairs and reconstruction they will not otherwise be used.

The Kennedy Center is without its own funds to make these repairs. And there is no likelihood of our being able to raise these funds from private sources. Because the Kennedy Center has been determined to be a "public building" and in view of the substantial funds raised by the Trustees for performing arts and other programs, we consider that the authorizations of the estimated cost for these repairs is appropriate to preserve an asset which truly belongs, and has been made available, to the American people.

There is a further reason why this work must be undertaken as soon as possible. The Japanese Government and private Japanese citizens have recently donated to the Kennedy Center \$3 million as the gift of the Japanese people to the American people during the Bicentennial year. These funds, which have been placed in a separate trust, are to be used for completion of the Studio Theater, which will seat approximately 600 persons on the 109' level of the Kennedy Center. This theater, part of the original design of the building, has not been completed to date because of the Trustees' lack of funds; but before work can begin, the repairs and reconstruction of the roof must be completed to prevent the further entry of water into the Studio Theater area.

It should be noted that the Kennedy Center contemplates that the National Park Service will contract for the repairs and reconstruction required in the Kennedy Center building and that the funds authorized and appropriated pursuant to the proposed new subsection 8(c) will be expended pursuant to contracts entered into by the National Park Service.

#### Comptroller

The proposed new subsection 5(d) in H.R. 14360 would establish a position of Comptroller at the Kennedy Center to serve as disbursing officer for funds appropriated pursuant to new subsection 8(c). The Kennedy Center has substantial and adequate financial controls over its operations, as is indicated in the reports from the Kennedy Center and the General Accounting Office to the Congress in recent years. Further, Title 31 of the United States Code requires that a disbursing officer be appointed for all appropriated funds. The responsibilities that are reposed in a disbursing officer are sufficient, we believe, to insure that funds are properly applied which are appropriated by the Congress. Finally, in this case the National

Park Service will be the contracting agency and would have its own disbursing officer. Nonetheless, Kennedy Center has no objection to the appointment of a Comptroller by the Board to serve as disbursing officer for appropriated funds and does not oppose the provision of section (c) of H.R. 14360.

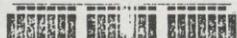
Trustee Liability

Section (a) of H.R. 14360 would amend the John F. Kennedy Center Act by clarifying that the Trustees and their agents are not liable personally for actions taken by the Board of Trustees in carrying out their responsibilities under the Act. While all authorities have considered that it has been the original legislative intent that members of the Board of Trustees and their agents may have at least the same official immunity from suit that is afforded to Federal officials for discretionary acts which are within their duties, it is appropriate to allay concern among Board members, who serve without compensation as Trustees, that they will not be held personally responsible for actions taken by the Board in carrying out its heavy responsibility under the Act. This has been a difficult responsibility in recent years. The Board of Trustees have been operating with a shortage of funds because of problems encountered in construction and because of the uncertainties arising in connection with the outstanding Treasury Revenue Bonds. With this clarifying amendment, there will remain no question about the legislative intent. However, the language "within the powers conferred on it," makes it clear that while discretionary acts are protected, fraudulent acts or willful or criminal misconduct are not to be protected.

\* \* \*

Your Subcommittee and its staff have reviewed comprehensively the background to this legislation which is so urgently needed to permit the continued utilization of the Center building by the public. I thank you for your careful consideration of the Kennedy Center's requirements and for this Subcommittee's continued oversight, including the recommendations which it has made, for the successful operations of the Kennedy Center as a living memorial.

Thank you.



## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

PUBLIC SERVICE ACTIVITIES PRESENTED AT THE JOHN F. KENNEDY CENTER  
JULY 1, 1975 THROUGH JUNE 30, 1976 - FREE AND OPEN TO THE PUBLIC

DATE	ATTENDANCE	ACTIVITY	LOCATION
7/2/75	2,300	National Town Meeting	Eisenhower Theater
7/4/75	2,000	Afro-American Bicentennial Presentation	Concert Hall
7/9/75	700 250	National Town Meeting Youth On Stage	Eisenhower Theater Grand Foyer
7/14/75	800	Massachusetts State Day Concert	Concert Hall
7/16/75	700	National Town Meeting	Eisenhower Theater
7/21/75	1,600	Maryland State Day Concert	Concert Hall
7/23/75	700	National Town Meeting	Eisenhower Theater
7/24/75	250	Organ Demonstration	Concert Hall
7/28/75	1,925	Haydnfest Concert	Concert Hall
7/30/75	750	National Town Meeting	Eisenhower Theater
7/31/75	300	Organ Demonstration	Concert Hall
8/3/75	250	Swiss Mime Theatre	Grand Foyer
8/6/75	1,500	National Town Meeting	Opera House
8/7/75	275	Organ Demonstration	Concert Hall
8/13/75	1,000	National Town Meeting	Concert Hall
8/14/75	300	Organ Demonstration	Concert Hall
8/20/75	1,100	National Town Meeting	Eisenhower Theater
8/21/75	250	Organ Demonstration	Concert Hall
8/27/75	1,100 150	National Town Meeting Symposium (Theatre)	Eisenhower Theater AFI Theater
8/28/75	250	Organ Demonstration	Concert Hall

9/4/75	900	South Carolina State Day Concert	Concert Hall
9/10/75	1,100	National Town Meeting	Eisenhower Theater
9/11/75	3,000	Sing America Sing (2 performances)	Concert Hall
9/17/75	750	National Town Meeting	Eisenhower Theater
9/24/75	750	National Town Meeting	Eisenhower Theater
10/1/75	900	Haydnfest Concert	Grand Foyer
	200	Symposium (Dance)	Concert Hall
10/2/75	1,100	National Town Meeting	Eisenhower Theater
	300	Organ Demonstration	Concert Hall
	1,100	Haydnfest Concert	Grand Foyer
10/3/75	1,000	Haydnfest Concert	Grand Foyer
10/4/75	600	Haydnfest Concert	Eisenhower Theater
	1,200	Haydnfest Concert	Grand Foyer
10/5/75	1,100	Haydnfest Concert	Grand Foyer
10/6/75	800	Haydnfest Concert	Grand Foyer
10/7/75	950	Haydnfest Concert	Grand Foyer
10/8/75	1,500	National Town Meeting	Concert Hall
	200	Symposium (Music)	Concert Hall
	1,100	Haydnfest Concert	Grand Foyer
10/9/75	1,200	Haydnfest Concert	Grand Foyer
10/11/75	1,400	Haydnfest Concert	Grand Foyer
10/12/75	2,000	Royal Canadian Mounted Police Band	Grand Foyer
10/12/75 - 10/25/75	30,000	Costume Exhibition	Grand Foyer
10/14/75	1,200	Fort Henry Guard	Grand Foyer
10/15/75	1,700	National Town Meeting	Concert Hall
	350	Symposium	Eisenhower Theater
10/16/75	250	Organ Demonstration	Concert Hall
10/21/75	650	New Hampshire State Day Concert	Concert Hall
10/22/75	750	National Town Meeting	Eisenhower Theater
	200	Symposium (Music)	Concert Hall
10/23/75	250	Organ Demonstration	Concert Hall

10/24/75- 10/28/75	4,950	Alliance For Arts Education Showcase	All areas
10/29/75	12,750 750	Children's Art Exhibition National Town Meeting	South Gallery Eisenhower Theater
10/30/75	250	Organ Demonstration	Concert Hall
11/2/75	1,600	Virginia State Day Concert	Concert Hall
11/5/75	750 350	National Town Meeting Symposium (Arts Critics)	Eisenhower Theater Concert Hall
11/6/75	300	Organ Demonstration	Concert Hall
11/8/75	300	North Side School of Performing Arts Concert	Grand Foyer
11/12/75	1,500 250	National Town Meeting Symposium (Music)	Concert Hall Concert Hall
11/17/75	1,000	New York State Day Concert	Concert Hall
11/19/75	1,100 150	National Town Meeting Symposium (Film)	Eisenhower Theater AFI Theater
11/20/75	250	Organ Demonstration	Concert Hall
11/23/75	2,700	National Symphony Family Concert	Concert Hall
11/26/75	1,100 350	National Town Meeting Symposium (Music)	Eisenhower Theater AFI Theater
11/27/75	300	Organ Demonstration	Concert Hall
11/29/75	1,000	All-American High School Band Concert	Grand Foyer
12/1/75	1,600	North Carolina State Day Concert	Concert Hall
12/3/75	700	National Town Meeting	Eisenhower Theater
12/4/75	250	Organ Demonstration	Concert Hall
12/5/75	150	Conrad High School Concert	Grand Foyer
12/9/75	800	Rhode Island State Day Concert	Concert Hall
12/10/75	800 100	National Town Meeting Symposium (Film)	Eisenhower Theater AFI Theater

12/11/75	250	Organ Demonstration	Concert Hall
12/17/75	300	Symposium (Music)	Concert Hall
12/18/75	250	Organ Demonstration	Concert Hall
12/20/75- 12/31/75	25,000	Mobil Christmas Festival (40 Events)	All areas
1/3/76	300	Orange Glen High School Band	Grand Foyer
1/5/76	600	Vermont State Day Concert	Concert Hall
1/7/76	200 150	Symposium (Music) Bloomsberg St. College Choir	Concert Hall Grand Foyer
1/8/76	200	Organ Demonstration	Concert Hall
1/14/76	300	Symposium (Theatre)	Concert Hall
1/15/76	250	Organ Demonstration	Concert Hall
1/18/76- 6/30/76*	400,000	AMERICA ON STAGE: 200 Years of Performing Arts Exhibition	Roof Terrace
1/19/76	1,500	Kentucky State Day Concert	Concert Hall
1/21/76	100	Symposium (Music)	Concert Hall
1/22/76	200	Organ Demonstration	Concert Hall
1/24/76	300	Humanities Bicentennial Theatre Project Reading	Atrium
1/28/76	1,300 500	National Town Meeting Symposium (Dance)	Opera House Concert Hall
1/29/76	250	Organ Demonstration	Concert Hall
2/2/76	700	Tennessee State Day Concert	Concert Hall
2/4/76	1,400 600	National Town Meeting Symposium (Music)	Concert Hall Concert Hall
2/5/76	250	Organ Demonstration	Concert Hall
2/11/76	700 100	National Town Meeting Symposium	Eisenhower Theater Concert Hall

\*AMERICA ON STAGE Exhibition open through 12/31/76

2/12/76	150	Woodstock Academy Glee Club	Grand Foyer
	250	Organ Demonstration	Concert Hall
2/13/76	150	Ohio State Day Concert	Grand Foyer
	150	Ohio State Day Concert	Grand Foyer
	150	Ohio State Day Concert	Grand Foyer
	900	Ohio State Day Concert	Concert Hall
2/18/76	1,000	National Town Meeting	Concert Hall
	250	Symposium (Theatre)	AFI Theater
2/19/76	400	Univ. of Hawaii Performance	Grand Foyer
	250	Organ Demonstration	Concert Hall
2/23/76	1,500	District of Columbia Day Concert	Concert Hall
2/25/76	400	Symposium (Music)	Concert Hall
	1,500	National Town Meeting	Concert Hall
2/26/76	300	Organ Demonstration	Concert Hall
3/3/76	750	National Town Meeting	Eisenhower Theater
	150	Augustana College Choir	Grand Foyer
	500	Symposium (Theatre)	Concert Hall
	200	Furman University Singers	Grand Foyer
3/4/76	300	Organ Demonstration	Concert Hall
	150	Louisiana State Day Concert	Grand Foyer
	500	Louisiana State Day Concert	Concert Hall
3/8/76	250	Vassar College Choir	Grand Foyer
3/10/76	175	Symposium (Theatre)	Concert Hall
	650	National Town Meeting	Eisenhower Theater
3/11/76	200	Organ Demonstration	Concert Hall
3/15/76	850	Indiana State Day Concert	Concert Hall
3/16/76	200	Camelback High School Band	Grand Foyer
3/17/76	200	Symposium (Film)	AFI Theater
	400	Scenes from Joshua	Grand Foyer
	1,200	National Town Meeting	Concert Hall
3/18/76	300	Organ Demonstration	Concert Hall
3/10/76- 3/15/76	10,000	Youth Music Festival (35 performances)	All areas
3/20/76	200	The Chopin Singers	Grand Foyer
3/24/76	725	National Town Meeting	Eisenhower Theater

3/24/76	300	Symposium (Music)	Concert Hall
3/25/76	300	Organ Demonstration	Concert Hall
3/26/76	250	"The Happy Land"	Chautauqua Tent
3/29/76	800	Mississippi State Day Concert	Concert Hall
3/31/76	750 300	National Town Meeting Symposium (Music)	Concert Hall Concert Hall
4/1/76	250	Organ Demonstration	Concert Hall
4/2/76	300	Ball State University Singers	Grand Foyer
4/5/76	250 900	Illinois State Day Concert Illinois State Day Concert	Grand Foyer Concert Hall
4/6/76- 4/17/76	2,725	American College Theatre Festival Seminars	All areas
4/7/76	650 200 200	National Town Meeting Symposium (Music) Battle Creek High School Choir	Concert Hall Concert Hall Grand Foyer
4/8/76	300	Organ Demonstration	Concert Hall
4/9/76	400 900	Lawrence High School Band Friday Morning Music Club Concert	Grand Foyer Concert Hall
4/3/76	2,700	National Symphony Family Concert	Concert Hall
4/9/76- 4/12/76	5,000	National League of Pen Women Art Exhibition	Grand Foyer
4/9/76	500	Rutgers Glee Club	Grand Foyer
4/12/76	1,500	Alabama State Day Concert	Concert Hall
4/14/76	1,800 350	Symposium (Mime) Cleveland Heights and Davis High School Bands	Concert Hall Grand Foyer
4/15/76	750 300	National Town Meeting Organ Demonstration	Concert Hall Concert Hall
4/19/76- 4/24/76	40,000	McDonald's Spring Festival of American Music (33 concerts)	All areas

4/19/76	800	Maine State Day Concert	Concert Hall
4/21/76	1,300 200	National Town Meeting Symposium (Music)	Concert Hall Concert Hall
4/22/76	150	Humanities Bicentennial Theatre Project Reading	Chautauqua Tent
4/23/76	150	Humanities Bicentennial Theatre Project Reading	Chautauqua Tent
4/26/76- 6/30/76	12,000	Bicentennial Film Series (7 shows per day, 7 days a week)	AFI Theatre
4/26/76	100 150	Mid-America Singers Mid-America Singers	Chautauqua Tent Chautauqua Tent
4/26/76	250 900	Missouri State Day Concert Missouri State Day Concert	Grand Foyer Concert Hall
4/27/76	100	Set Construction Demonstration	Chautauqua Tent
4/28/76	1,600 700	National Town Meeting Symposium (Music)	Concert Hall Concert Hall
4/29/76	300	Organ Demonstration	Concert Hall
4/30/76	100	Costume Construction Demonstration	Chautauqua Tent
5/2/76	300	Ball State University Singers	Grand Foyer
5/3/76	150 100 100 300 1,200	Quachita Baptist University Singers Quachita Baptist University Singers Westark Community College Choir Arkansas State Day Concert Arkansas State Day Concert	Chautauqua Tent Chautauqua Tent Chautauqua Tent Grand Foyer Concert Hall
5/4/76	700	Arkansas Arts Center Children's Theatre (3 performances)	Chautauqua Tent

5/5/76	700 220 300 1,000	National Town Meeting Symposium (Music) Michigan State Day Concert Michigan State Day Concert	Eisenhower Theatre Concert Hall Grand Foyer Concert Hall
5/6/76	300	Organ Demonstration	Concert Hall
5/7/76	100	Elmira High School Choir	Grand Foyer
5/11/76	1,500	West Virginia State Day Concert	Concert Hall
5/12/76	200 200	Symposium (Film) "Con Viva Musica" Chorale	AFI Theatre Grand Foyer
5/13/76	750 300 200	National Town Meeting Organ Demonstration Bethesda-Chevy Chase High School Choir	Eisenhower Theatre Concert Hall Grand Foyer
5/14/76	400	Ella Jenkins Sings Folksongs for Children	Chautauqua Tent
5/15/76	400	Ella Jenkins	Chautauqua Tent
5/17/76	1,500	Inter-American Music Festival Concert	Concert Hall
5/18/76	1,100	Inter-American Music Festival Concert	Concert Hall
5/19/76	700 170	National Town Meeting Symposium (Music)	Eisenhower Theatre AFI Theatre
5/20/76	200	Organ Demonstration	AFI Theatre
5/21/76	150 2,700	Humanities Bicentennial Theatre Project Reading National Symphony Family Concert	Chautauqua Tent Concert Hall
5/22/76	150	Humanities Bicentennial Theatre Project Reading	Chautauqua Tent
5/23/76	100	Florida State Day Concert	Chautauqua Tent
5/24/76	200 100 900	Florida State Day Concert Florida State Day Concert Florida State Day Concert	Grand Foyer Chautauqua Tent Concert Hall
5/25/76	200	Symposium (Theatre)	AFI Theatre

5/26/76	725	National Town Meeting	Eisenhower Theatre
5/26/76	1,200	Texas State Day Concert	Concert Hall
5/27/76	300	Organ Demonstration	Concert Hall
5/28/76	150	Jazz Piano Concert	Jazz Club
5/29/76	250	Jazz Piano Concert	Jazz Club
5/30/76	350	Palantine High School Band	Grand Foyer
5/31/76	150	Des Moines Harp Ensemble	Chautauqua Tent
	200	Des Moines Harp Ensemble	Chautauqua Tent
	300	Iowa State Day Concert	Grand Foyer
	1,600	Iowa State Day Concert	Concert Hall
6/2/76	750	National Town Meeting	Eisenhower Theatre
	175	Symposium (Dance)	Concert Hall
6/3/76	300	"America's Spirit"	Grand Foyer
	300	Organ Demonstration	Concert Hall
6/4/76	150	Club Heights Bicentennial Singers	Grand Foyer
	100	Jazz Piano Concert	Jazz Club
6/5/76	300	Jazz Piano Concert	Jazz Club
6/7/76	200	Northfield Boy's Chorus	Grand Foyer
	500	Copenhagen Boy's Choir	Grand Foyer
6/9/76	175	Symposium (Dance)	Opera House
	750	National Town Meeting	Eisenhower Theater
6/10/76	200	Organ Demonstration	AFI Theatre
6/11/76	200	John Marshall High School Vocal Department Concert	Grand Foyer
6/12/76	500	Swedish Bell Ringers	Grand Foyer
6/13/76	400	Humanities Bicentennial Theatre Project Readings	Chautauqua Tent
6/14/76	400	Flag Day Presentation	Chautauqua Tent
6/15/76	200	Wisconsin Conservatory of Music Chamber Singers	Chautauqua Tent
6/15/76	200	Wisconsin State Day Concert	Grand Foyer
	800	Wisconsin State Day Concert	Concert Hall
6/16/76	900	National Town Meeting	Eisenhower Theater
	250	Symposium (Theatre)	AFI Theater
	200	Redmond High School Band	Grand Foyer
6/17/76	250	Organ Demonstration	Concert Hall

6/18/76	200	Saginaw City Youth Band	Grand Foyer
6/23/76	850 220	National Town Meeting Symposium (Music)	Eisenhower Theater Opera House
6/24/76	250	Organ Demonstration	AFI Theater
6/25/76- 6/27/76	8,000	U.S. Army Special Services Costume Exhibition	Grand Foyer
6/30/76	1,600 180	National Town Meeting Symposium (Film)	Concert Hall AFI Theater

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LUTZ AND CARR  
CERTIFIED PUBLIC ACCOUNTANTS

300 EAST 42<sup>ND</sup> STREET  
NEW YORK, N. Y. 10017  
212-697-2299

The Board of Trustees  
John F. Kennedy Center  
for the Performing Arts

We have examined the balance sheet of JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS, as of June 30, 1975, and the related statements of revenue, expenses and public support and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS at June 30, 1975 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change in the method of accounting for the fixed assets as described in Note 7, with which we concur.

*Lutz and Carr*

New York, New York

September 19, 1975

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## BALANCE SHEET

JUNE 30, 1975

	C U R R E N T F U N D S				FIXED ASSET FUND (NOTE 2)
	TOTAL	GENERAL FUND	RESTRICTED FUND	FRIENDS FUND	
<u>ASSETS:</u>					
<u>CURRENT ASSETS:</u>					
Cash	\$ 1,393,821	\$ 1,383,381	\$ -	\$ 10,440	\$ -
Accounts re- ceivable	554,178	543,113	-	11,065	-
Prepaid ex- penses	214,141	214,141	-	-	-
Marketable secur- ities & other investments	411,206	409,206	-	2,000	-
Merchandise inventory	135,901	-	-	135,901	-
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 2,709,247</u>	<u>\$ 2,549,841</u>	<u>\$ -</u>	<u>\$ 159,406</u>	<u>\$ -</u>
<u>FIXED ASSETS:</u>					
(Notes 1a, 2 & 7)					
Land, buildings, improvements & equipment, net of accumulated depreciation	68,121,114	-	-	-	68,121,114
<u>OTHER ASSETS:</u>					
Pledges receiv- able (Note 3)	63,510	63,510	-	-	-
Sundry	851	851	-	-	-
Interfund re- ceivable or (payable)	-	(179,959)	455,279	(6,077)	(269,243)
<u>TOTAL ASSETS</u>	<u>\$70,894,722</u>	<u>\$ 2,434,243</u>	<u>\$ 455,279</u>	<u>\$ 153,329</u>	<u>\$67,851,871</u>

The accompanying notes are an integral part of this statement.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSBALANCE SHEETJUNE 30, 1975

	<u>C U R R E N T F U N D S</u>				<u>FIXED ASSET FUND (NOTE 2)</u>
	<u>TOTAL</u>	<u>GENERAL FUND</u>	<u>RESTRICTED FUND</u>	<u>FRIENDS FUND</u>	
<u>LESS: LIABILITIES:</u>					
<u>CURRENT LIABILITIES:</u>					
Accounts payable	\$ 1,985,015	\$ 1,150,453	\$ -	\$ 24,857	\$ 809,705
Unearned box office receipts & theatre rentals	1,088,056	1,088,056	-	-	-
Grant designated for future periods - Xerox Corp.	150,000	150,000	-	-	-
Other deferred income	27,796	27,796	-	-	-
Accrued salaries & taxes payable	39,658	37,609	-	2,049	-
<u>TOTAL CURRENT LIABILITIES</u>	<u>\$ 3,290,525</u>	<u>\$ 2,453,914</u>	<u>\$ -</u>	<u>\$ 26,906</u>	<u>\$ 809,705</u>
<u>OTHER LIABILITIES:</u>					
Revenue bonds payable (Note 4)	20,400,000	-	-	-	20,400,000
Deferred interest payable (Note 4)	8,356,232	-	-	-	8,356,232
Security deposit APCOA Washington Inc.	2,683,333	2,683,333	-	-	-
Reserve for repair & replacement of fixed assets (Note 1a)	450,000	450,000	-	-	-
<u>TOTAL LIABILITIES</u>	<u>\$35,180,090</u>	<u>\$ 5,587,247</u>	<u>\$ -</u>	<u>\$ 26,906</u>	<u>\$29,565,937</u>
<u>CONTINGENT LIABILITIES (Note 5)</u>					
<u>FUND BALANCE OR (DEFICIT)</u>	<u>\$35,714,632</u>	<u>\$(3,153,004)</u>	<u>\$ 455,279</u>	<u>\$ 126,423</u>	<u>\$38,285,934</u>

The accompanying notes are an integral part of this statement.

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1975

	C U R R E N T F U N D S				FIXED ASSET FUND (NOTE 2)
	TOTAL	GENERAL FUND	RESTRICTED FUND	FRIENDS FUND	
<u>BALANCE - JULY 1,</u> <u>1974</u>	\$42,558,054	\$(3,391,697)	\$ 44,807	\$ 98,209	\$45,806,735
LESS: Depreciation & amortization accumulated prior to July 1, 1974 & not previously re- corded (Note 7)	<u>4,422,621</u>	-	-	-	<u>4,422,621</u>
<u>ADJUSTED FUND</u> <u>BALANCE</u> <u>JULY 1, 1974</u>	\$38,135,433	\$(3,391,697)	\$ 44,807	\$ 98,209	\$41,384,114
Excess of revenue or (expenses)	(2,420,801)	187,693	410,472	79,214	(3,098,180)
Interfund transfers	-	<u>51,000</u>	-	<u>(51,000)</u>	-
	<u>\$35,714,632</u>	<u>\$ 3,153,004</u>	<u>\$ 455,279</u>	<u>\$ 126,423</u>	<u>\$38,285,934</u>

The accompanying notes are an integral part of this statement.

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## STATEMENT OF REVENUE, EXPENSES AND PUBLIC SUPPORT - GENERAL FUND

	YEAR ENDED		
	JUNE 30, 1975	JUNE 30, 1974	
<u>REVENUE: (Excluding Public Support)</u>			
Box office receipts:			
Eisenhower Theatre	\$ 2,802,592		
Opera House	5,983,084		
Concert Hall	<u>1,395,592</u>	\$ 8,084,364	
Theatre rentals:			
Eisenhower Theatre	\$ 81,250		
Opera House	357,127		
Concert Hall	<u>477,500</u>	923,129	
Concessions:			
Restaurant	152,957	154,497	
Restaurant expense reimbursement	119,119	106,544	
Parking	482,410	399,519	
Coat checking and sundry	18,326	13,293	
Oil royalties	24,463	21,004	
Grant - Department of Health, Education & Welfare	317,942	210,048	
Rent - American Film Institute	25,000	25,000	
Special events rentals	26,040	45,447	
Royalties and TV rights	72,417	49,144	
Interest	51,977	18,448	
Sundry and prior year's adjustments	60,557	50,737	
<u>TOTAL REVENUE</u>	<u>\$12,448,353</u>	<u>\$10,100,974</u>	
 <u>LESS: EXPENSES:</u>			
	TOTAL	REIMBURSED	
	EXPENSES	BY	NET
<u>Theatre Expenses:</u>	<u>EXPENSES</u>	<u>ATTRACTION</u>	<u>EXPENSE</u>
Eisenhower			
Theatre	\$ 1,650,149	\$ 894,931	\$ 755,218
Opera House	2,992,313	2,355,430	636,883
Concert Hall	805,209	750,962	54,247
	<u>\$ 5,447,671</u>	<u>\$ 4,001,323</u>	
<u>Attractions' Share of Gross Receipts:</u>			
Eisenhower Theatre			\$ 1,738,252
Opera House			4,886,641
Concert Hall			<u>1,391,550</u>
			8,016,443
Theatre operations - administrative			612,731
Non-funded programming			871,788
Chairman's office			116,165
Administration			78,948
Development office			12,236
Special events			18,827
Golden Circle			27,369
Finance department			111,535
Advisory Committee office			15,752
General office support			101,595

The accompanying notes are an integral part of this statement.

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

STATEMENT OF REVENUE, EXPENSES AND PUBLIC SUPPORT - GENERAL FUND

	<u>YEAR ENDED</u>	
	<u>JUNE 30, 1975</u>	<u>JUNE 30, 1974</u>
<u>LESS: EXPENSES: (Cont'd)</u>		
National Park Service - share of expenses	\$ 466,613	\$ 428,400
Other building maintenance	19,276	44,396
Educational expenses (AAE)	317,942	113,301
Write-off of receivable from National Ballet Theatre	-	18,189
Write-off of investment in Odyssey	474,028	-
Reserve for repairs and replacement (Note 1a)	150,000	150,000
Insurance	89,589	132,252
Construction-facilities	13,626	3,261
Legal	33,706	31,959
Grants made	-	13,000
Sundry	115	13,456
Lease payments: (Note 6)		
U.S. Leasing Corp.	82,909	151,704
Burlington Acceptance Corp.	25,069	75,207
Locafrance U.S. Corp.	30,976	41,300
	<u>\$12,838,882</u>	<u>\$10,466,705</u>
<u>TOTAL EXPENSES</u>		
<u>EXCESS OF EXPENSES OVER REVENUE</u>		
<u>BEFORE PUBLIC SUPPORT</u>	\$ 390,529	\$ 365,731
<u>LESS: Contributions:</u>		
General	\$ 215,730	\$ 301,046
Received for Theatre Programming	362,492	228,000
	<u>\$ 578,222</u>	<u>\$ 529,046</u>
<u>TOTAL PUBLIC SUPPORT</u>		
<u>EXCESS OF REVENUE OVER EXPENSES</u>	<u>\$ 187,693</u>	<u>\$ 163,315</u>

The accompanying notes are an integral part of this statement.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS  
STATEMENT OF REVENUE, EXPENSES AND PUBLIC SUPPORT - RESTRICTED FUND  
YEAR ENDED JUNE 30, 1975

	<u>REVENUE</u>	EXPENSES: AS PER TERMS OF <u>RESTRICTIONS</u>	EXCESS OF REVENUE OR <u>(EXPENSES)</u>
Decorating grants	\$ 37,765	\$ 77,330	\$ (39,565)
Landscaping grants	-	3,844	( 3,844)
Programming for mentally retarded	14,500	16,211	( 1,711)
Marion Anderson Statue	-	10,000	(10,000)
America on Stage Exhibit	500,000	165,558	334,442
Library	27,178	1,355	25,823
"Sing America Sing"	83,000	321	82,679
Sundry	<u>26,429</u>	<u>3,781</u>	<u>22,648</u>
<u>TOTAL</u>	<u>\$ 688,872</u>	<u>\$ 278,400</u>	<u>\$ 410,472</u>

The accompanying notes are an integral part of this statement.

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## STATEMENT OF REVENUE, EXPENSES AND PUBLIC SUPPORT - FRIENDS FUND

	<u>YEAR ENDED</u>	
	<u>JUNE 30, 1975</u>	<u>JUNE 30, 1974</u>
<u>REVENUE:</u>		
Memberships and contributions	\$ 87,572	\$ 79,448
Sales - Information Center and Cookbooks	\$ 309,256	
Less: Cost of sales	<u>156,951</u>	152,305
Sundry	<u>1,871</u>	<u>-</u>
<u>TOTAL REVENUE</u>	<u>\$ 241,748</u>	<u>\$ 196,041</u>
<u>LESS: EXPENSES:</u>		
Salaries and employee benefits	\$ 68,701	\$ 67,188
Office and postage	24,873	41,226
Special events	-	1,868
Promotion	14,837	16,551
Annual meeting	513	600
Equipment purchases	5,758	4,111
Printing	1,384	1,739
Speakers bureau	-	396
Travel	98	133
Meetings	64	130
Miscellaneous	1,470	336
Educational Fund:		
Activity	23,306	11,641
Printing	2,249	4,495
Other	9,385	8,226
Founder's room and decorating	<u>9,896</u>	<u>15,230</u>
	<u>\$ 162,534</u>	<u>\$ 173,870</u>
<u>ADD:</u>		
Contributions to Educational Fund	<u>-</u>	<u>14,184</u>
<u>TOTAL EXPENSES</u>	<u>\$ 162,534</u>	<u>\$ 188,054</u>
<u>EXCESS OF REVENUE OVER EXPENSES</u>	<u>\$ 79,214</u>	<u>\$ 7,987</u>

The accompanying notes are an integral part of this statement.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS  
STATEMENT OF REVENUE, EXPENSES AND PUBLIC SUPPORT - FIXED ASSET FUND

	<u>YEAR ENDED</u>	
	<u>JUNE 30, 1975</u>	<u>JUNE 30, 1974</u>
REVENUE	\$ -	\$ -
EXPENSES	<u>3,098,180</u>	<u>1,510,035</u>
<u>EXCESS OF EXPENSES OVER REVENUE</u>	<u>\$ 3,098,180</u>	<u>\$ 1,510,035</u>

The accompanying notes are an integral part of this statement.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSNOTES TO FINANCIAL STATEMENTSJUNE 30, 1975NOTE 1 - SUMMARY OF ACCOUNTING PRINCIPLES:a) Fixed Assets and Depreciation:

Depreciation is computed using the straight-line method as follows:

	<u>Life</u>	<u>Amount</u>
Building	50 years	\$73,615,558
Visitors' Center	25 years	6,189
Furniture and fixtures	10 years	<u>49,492</u>
		\$73,671,239
<u>Less: Accumulated depreciation</u>		<u>5,900,125</u>
		\$67,771,114
Land		<u>350,000</u>
		<u>\$68,121,114</u>

A charge for repair and replacement of fixed assets of \$150,000 has been reflected as an expense of the General Fund. In the opinion of Management, such an annual charge will be sufficient to meet repairs and replacements as required.

b) Grants and Contributions:

Grants and contributions are recorded as income in the year granted or pledged.

NOTE 2 - FIXED ASSET FUND:

The "John F. Kennedy Center Act," as amended, established the John F. Kennedy Center for the Performing Arts as a bureau within the Smithsonian Institution to be directed by a Board of Trustees. The Act provides that the Board shall construct, maintain and administer the Center for the Smithsonian Institution with funds raised by voluntary contributions.

In addition, Section Eight of the Act authorized a Congressional appropriation of matching funds of up to \$23,000,000 for use in accordance with the Act and Section Nine authorized the Board to issue revenue bonds to the Secretary of the Treasury of not more than \$20,400,000 to finance necessary parking facilities for the Center.

The assets and corresponding liabilities resulting therefrom have been reflected on these financial statements since the Act vests responsibility for these assets in the Board of Trustees.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSNOTES TO FINANCIAL STATEMENTSJUNE 30, 1975NOTE 3 - PLEDGES RECEIVABLE:

\$22,010 of pledges receivable have been assigned to American Security and Trust Co. in connection with their previous purchase of \$640,503 other pledges. These assigned pledges will be returned to the Center upon collection of the sold pledges.

NOTE 4 - REVENUE BONDS PAYABLE:

The \$20,400,000 of revenue bonds referred to in Note 2 are payable as follows:

<u>Due Date</u>	<u>Interest Rate</u>	<u>Face</u>
December 31, 2017	5 1/8%	\$ 3,800,000
" " "	5 1/4%	2,900,000
" " "	5 3/8%	1,200,000
December 31, 2018	5 3/4%	2,200,000
" " "	5 7/8%	4,300,000
" " "	6 %	1,000,000
" " "	6 1/4%	1,300,000
" " "	6 1/2%	1,900,000
" " "	6 5/8%	800,000
December 31, 2019	6 5/8%	1,000,000
		<u>\$ 20,400,000</u>

Interest payments have been deferred until December 31, 1978. All deferred interest bears interest after June 30, 1972. Both the Revenue Bonds and interest thereon are liabilities of the Board of Trustees of the Center.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSNOTES TO FINANCIAL STATEMENTSJUNE 30, 1975NOTE 5 - CONTINGENT LIABILITIES:

There is now pending in the United States Court of Claims an action titled John McShain, Inc. v. United States, No. 357-72 which was brought by John McShain, Inc., as general contractor on its own behalf and on behalf of its subcontractors. The petition claims damages totaling \$6,891,197.69 for alleged breach of contract by the Government and for failure to pay amounts due and owing under the general construction contract on account of invoices approved by the General Services Administration, agent for design and construction of the Center. The breach of contract claim against the Government is founded on an alleged unreasonable delay caused by the Government in completion of The Center Building. These claims are subject to counterclaims for failure of the contractor and subcontractors to properly perform work in the construction of the building. Over \$1 million has been settled, or is pending settlement. It is estimated that the total exposure to liability in the suit, including partial settlements already made, is between \$2.5 million and \$5 million.

Also pending in the Court of Claims an action titled Aetna Casualty & Surety Co. v. The United States, No. 277-74, for \$73,085.00. The insurance company in this action seeks to recover from the United States allegedly unpaid insurance premiums owing for workmen's compensation coverage during the Center's construction.

Finally, there is also now pending in the United States Court of Claims an action titled Edward Durell Stone v. United States, No. 277-74 which was brought by the architect. The petition claims damages totaling \$295,798.79 for failure to pay certain invoices. The claims are subject to certain defenses of failure to properly provide services and to counterclaims and set-offs.

If the Kennedy Center is without funds to pay judgments entered against the United States, in these Court of Claims actions, such judgments may otherwise be paid by the United States; some partial settlements have already been made and paid by the United States in the McShain suit.

The Kennedy Center has been sued as third-party defendant in a claim against the general contractor, Pierce Associates, Inc. v. John McShain, Inc., et al., U.S. District Court for the District of Columbia, Docket No. 2112-72. The Trustees have also been sued individually in this action and the Kennedy Center may be obligated to indemnify the Trustees. The Department of Justice has represented the Trustees individually in this matter. The case is to be dismissed with prejudice by the District Court, settlement payments having been made by the United States and the Kennedy Center. The case is subject to appeal.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSNOTES TO FINANCIAL STATEMENTSJUNE 30, 1975NOTE 5 - CONTINGENT LIABILITIES: (Cont'd)

Also related to construction is a pending claim of Orrefors Glasbruk, Sweden for damages resulting from alleged delay in the amount of approximately \$16,872.

There is pending against the Kennedy Center, a claim of the District of Columbia government for sales taxes. The Kennedy Center maintains that gross receipts from its activities are not subject to District of Columbia sales tax because the Center is an instrumentality of the United States.

The Kennedy Center has been the subject of several claims of unpaid creditors and may be subject to litigation in connection therewith.

The Kennedy Center also may be liable on claims of creditors of KCPI, where KCPI's commitments of funds for attractions are limited and amounts in excess of such limits are assumed by Kennedy Center.

NOTE 6 - SPECIALLY PRICED TICKETS:

Since its opening in September 1971, the Kennedy Center has maintained a Special Ticket Program through which tickets for Center-produced attractions are made available at half-price to students, the handicapped, retired persons over the age of 65, low-income groups and military personnel in grades E-1 through E-4. The attendant costs, in terms of reduced revenue potential and administrative overhead, are borne by the Center itself and are viewed as a part of its educational/public service responsibility.

During fiscal year 1975, 120,097 tickets for Center-produced or presented attractions were sold at half-price through the Ticket Program. The sale of these tickets at full price would have resulted in an additional gross income to the Center of \$335,428.

The Center also requires that independent producers who occupy the halls, participate in the Ticket Program by making a certain number of their tickets available for sale at half-price. During fiscal year 1975, combined half-price ticket sales for Center-produced attractions and those of independent producers totaled 151,900. The sale of these tickets at full price would have resulted in a total additional gross income of \$625,630 to the Center and the independent producers.

NOTE 7 - CHANGES IN ACCOUNTING PRINCIPLES:

Prior to the current year the organization did not provide a charge against revenue for depreciation of fixed assets. As a result of current requirements by the American Institute of Certified Public Accountants all acquisitions prior to the current period have been reflected (net of accumulated depreciation and amortization) as an adjustment to the "Fixed Asset Fund."

SUPPLEMENTAL SCHEDULESJOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSSUMMARY STATEMENT OF THEATRE OPERATIONSYEAR ENDED JUNE 30, 1975EXCESS OF REVENUE OVER EXPENSES:

Eisenhower Theatre		\$	390,372
Opera House			816,687
Concert Hall			<u>427,295</u>
		\$	<u>1,634,354</u>

<u>Less: Administrative expenses -</u>			
Theatre operations	\$	632,097	
Non-funded programming		<u>128,797</u>	<u>760,894</u>

<u>EXCESS OF REVENUE OVER</u>			
<u>EXPENSES - THEATRE OPERATIONS</u>		\$	<u><u>873,460</u></u>

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## THEATRE OPERATIONS - EISENHOWER THEATRE

YEAR ENDED JUNE 30, 1975

BOX OFFICE RECEIPTS	\$ 2,802,592
LESS: ATTRACTION SHARE	<u>1,738,252</u>
	\$ 1,064,340
ADD: Theatre rentals	<u>81,250</u>
	\$ 1,145,590

	TOTAL EXPENSES	REIMBURSED BY ATTRACTION	NET EXPENSE
LESS: EXPENSES:			
Salaries:			
Managers	\$ 24,134	\$ 2,947	\$ 21,187
Box office	73,396	12,157	61,239
Ushers	40,017	3,415	36,602
Ticket takers	10,964	-	10,964
Firemen	8,355	182	8,173
Stagedoor	11,238	246	10,992
Production	94,014	94,014	-
Stagehands	361,219	239,922	121,297
Wardrobe	20,755	18,202	2,553
Musicians	4,009	4,009	-
P/R Taxes, Pension, Welfare	105,263	90,616	14,647
Newspapers, Radio, TV	230,282	153,161	77,121
Mechanical production charges	25,762	16,556	9,206
Signs, photos, billposting	4,417	1,694	2,723
Printing	10,214	9,808	406
Public relations & patron parking	4,494	1,125	3,369
Subscription & mailing expense	4,912	1,958	2,954
Tickets	8,883	113	8,770
Ushers' supplies & expenses	6,004	-	6,004
Repairs & maintenance	12,696	-	12,696
Office & box office	27,568	9,100	18,468
Departmental	19,874	16,460	3,414
Piano rental & tuning	959	510	449
Equipment rentals	24,764	11,893	12,871
Bank charges	99	-	99
Independent booking office	23,038	21,200	1,838
Bad debts	3,568	-	3,568
Transportation	7,945	1,747	6,198
Production expenses	376,171	92,878	283,293
Rights & royalties	104,460	90,605	13,855
Delivery service	675	413	262
	<u>\$ 1,650,149</u>	<u>\$ 894,931</u>	<u>755,218</u>
EXCESS OF REVENUE OVER EXPENSES			<u>\$ 390,372</u>

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## THEATRE OPERATIONS - OPERA HOUSE

YEAR ENDED JUNE 30, 1975

BOX OFFICE RECEIPTS	\$ 5,983,084
LESS: ATTRACTION SHARE	4,886,641
	\$ 1,096,443
ADD: Theatre rentals	357,127
	\$ 1,453,570

LESS: EXPENSES:	TOTAL EXPENSES	REIMBURSED BY ATTRACTION	NET EXPENSE
Salaries:			
Managers	\$ 25,697	\$ 190	\$ 25,507
Box office	105,655	87,360	18,295
Ushers	51,522	5,157	46,365
Ticket takers	18,154	367	17,787
Firemen	7,088	98	6,990
Stagedoor	12,957	269	12,688
Musicians	360,808	227,650	133,158
Production	14,740	14,721	19
Stagehands	562,820	431,087	131,733
Wardrobe	28,982	28,982	-
P/R Taxes, Pension, Welfare	153,718	144,847	8,871
Newspapers, Radio, TV	249,056	208,308	40,748
Mechanical production charges	31,559	22,502	9,057
Signs, photos, billposting	4,589	3,358	1,231
Printing	15,339	9,468	5,871
Public relations & patron parking	18,306	8,707	9,599
Subscription & mailing expense	69,916	49,565	20,351
Tickets	12,025	4,679	7,346
Ushers' supplies & expenses	5,401	-	5,401
Repairs & maintenance	30,610	6,360	24,250
Office & box office	8,504	-	8,504
Departmental	66,397	35,160	31,237
Piano rental & tuning	3,777	525	3,252
Equipment rentals	12,005	9,288	2,717
Independent booking office	3,500	1,638	1,862
Bad debts	6,612	-	6,612
Transportation	48,045	41,917	6,128
Production expenses	1,047,638	998,198	49,440
Rights & royalties	15,993	14,518	1,475
Delivery service	900	511	389
	<u>\$ 2,992,313</u>	<u>\$ 2,355,430</u>	<u>636,883</u>
EXCESS OF REVENUE OVER EXPENSES			<u>\$ 816,687</u>

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## THEATRE OPERATIONS - CONCERT HALL

YEAR ENDED JUNE 30, 1975

BOX OFFICE RECEIPTS	\$ 1,395,592
LESS: ATTRACTION SHARE	<u>1,391,550</u>
	\$ 4,042
ADD: Theatre rentals	<u>477,500</u>
	\$ 481,542

LESS: EXPENSES:	TOTAL EXPENSES	REIMBURSED BY ATTRACTION	NET EXPENSE	
<u>Salaries:</u>				
Managers	\$ 25,856	\$ 23,203	\$ 2,653	
Box office	76,611	76,185	426	
Ushers	50,037	50,037	-	
Ticket takers	13,098	13,098	-	
Firemen	5,262	5,262	-	
Stagedoor	9,769	7,253	2,516	
Musicians	17,810	11,319	6,491	
Stagehands	154,709	154,709	-	
Production	68,821	68,821	-	
P/R Taxes, Pension, Welfare	40,282	40,282	-	
Newspapers, Radio, TV	69,060	69,060	-	
Mechanical production charges	12,264	12,264	-	
Signs, photos, billposting	2,120	2,120	-	
Printing	10,640	10,640	-	
Public relations & patron parking	6,931	3,677	3,254	
Subscription & mailing expense	5,231	3,777	1,454	
Tickets	9,961	9,580	381	
Ushers' supplies & expenses	5,401	-	5,401	
Repairs & maintenance	15,274	1,845	13,429	
Office & box office	8,669	-	8,669	
Departmental	12,839	8,267	4,572	
Piano rental & tuning	6,770	6,770	-	
Equipment rentals	17,301	17,301	-	
Bad debts	4,732	-	4,732	
Transportation	10,806	10,576	230	
Production expenses	144,552	144,552	-	
Delivery service	403	364	39	
	<u>\$ 805,209</u>	<u>\$ 750,962</u>		<u>54,247</u>
<u>EXCESS OF REVENUE OVER EXPENSES</u>				<u>\$ 427,295</u>

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSTHEATRE OPERATIONS - ADMINISTRATIVE EXPENSESYEAR ENDED JUNE 30, 1975

Office salaries of:		
Executive director & staff	\$	80,913
General manager & staff		53,550
Press & publicity		81,982
Production office		60,373
Ticket sales		12,493
Subscription		15,155
Advance mail order		41,949
Mail order processing		11,082
Telephone sales		46,329
Telephone information		21,919
Group sales		18,184
Building management		37,809
Fringe benefits		60,139
Equipment - purchase & maintenance		12,757
Group sales expense		8,641
Travel & vehicles		16,730
Audit		24,485
Music director		11,543
Office expenses		7,604
Public relations & patron parking		6,559
General publicity		1,303
Miscellaneous		598
		<hr/>
<u>TOTAL</u>	\$	<u>632,097</u>

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS  
THEATRE OPERATIONS - NON-FUNDED PROGRAMMING EXPENSES  
YEAR ENDED JUNE 30, 1975

	SHARE OF BOX OFFICE RECEIPTS	EXPENSES	SURPLUS OR (DEFICIT)	PUBLIC SUPPORT	NET SURPLUS OR (DEFICIT)
American Ballet Theatre	\$ 606,589	\$ 572,341	\$ 34,248	\$ 90,000	\$ 124,248
Joffrey Ballet	131,547	148,966	( 17,419)	15,600	( 1,819)
New York City Ballet	322,693	366,171	( 43,478)	55,200	11,722
Schoenberg - Ives	-	103,927	(103,927)	54,611	( 49,316)
New York String Orchestra	8,066	13,210	( 5,144)	-	( 5,144)
Twelve Gifts of Christmas	-	54,798	( 54,798)	35,000	( 19,798)
Rostropovich Series	100,238	95,042	5,196	-	5,196
Owen's Song	40,575	75,412	( 34,837)	-	( 34,837)
Venetian Festival	60,290	140,605	( 80,315)	80,000	( 315)
Lincoln Center Chamber Music	22,026	27,544	( 5,518)	-	( 5,518)
Moiseyev	145,764	139,970	5,794	-	5,794
Wushu	74,321	62,238	12,083	-	12,083
New York City Opera	308,721	478,550	(169,829)	-	(169,829)
Spring Festival	-	34,462	( 34,462)	32,081	( 2,381)
Bolshoi Ballet	253,557	262,931	( 9,374)	-	( 9,374)
American College Theatre Festival	-	41,167	( 41,167)	-	( 41,167)
Stuttgart Ballet	196,994	200,181	( 3,187)	-	( 3,187)
Other	5,152	14,212	( 9,060)	-	( 9,060)
Benefit Performances	63,905	-	63,905	-	63,905
	<u>\$ 2,340,438</u>	<u>\$ 2,831,727</u>	<u>\$ (491,289)</u>	<u>\$ 362,492</u>	<u>\$ (128,797)</u>

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSYEAR ENDED JUNE 30, 1975EXPENSES - CHAIRMAN'S OFFICE:

Salaries	\$	74,823
Employees benefits		8,375
Publications		47
Other		2,649
Meetings		1,628
Newsletter		4,146
Printing and mailing		29,278

<u>TOTAL</u>	\$	<u>120,946</u>
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EXPENSES - ADMINISTRATION:

Salaries	\$	64,749
Employee benefits		5,374
Publications		393
Automobile - gas, oil, tires, etc.		3,567
Travel		5,473
Equipment purchase		266
Furniture		152
Miscellaneous		856

<u>TOTAL</u>	\$	<u>80,830</u>
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EXPENSES - DEVELOPMENT OFFICE:

Salaries	\$	29,894
Employee benefits		2,402
Travel		769
Publications		222
Other		12

<u>TOTAL</u>	\$	<u>33,299</u>
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EXPENSES - SPECIAL EVENTS:

Salaries	\$	20,098
Employee benefits		1,549
Other		242

<u>TOTAL</u>	\$	<u>21,889</u>
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EXPENSES - GOLDEN CIRCLE:

Salaries	\$	10,604
Food and beverages		6,763
Special printing		1,335

<u>TOTAL</u>	\$	<u>18,702</u>
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JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTSYEAR ENDED JUNE 30, 1975EXPENSES - FINANCE DEPARTMENT:

Salaries	\$	90,410
Employee benefits		13,225
Other		982
Interest		15,524
Equipment purchase		428
Data processing service		14,471
Travel		895

<u>TOTAL</u>	\$	<u>135,935</u>
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EXPENSES - ADVISORY COMMITTEE OFFICE:

Salaries	\$	11,485
Employee benefits		799
Travel		10
Special printing		25

<u>TOTAL</u>	\$	<u>12,319</u>
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EXPENSES - GENERAL OFFICE SUPPORT:

Postage	\$	648
Stationery		4,039
Office supplies & equipment - GSA		8,922
Copier rental		3,510
Telephone & telegraph		96,885
Other		3,241
Equipment repair		7,691

<u>TOTAL</u>	\$	<u>124,936</u>
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EXPENSES - OTHER BUILDING MAINTENANCE:

Building services	\$	18,759
Other		517

<u>TOTAL</u>	\$	<u>19,276</u>
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EXPENSES - EDUCATIONAL (A.A.E.):

Salaries	\$	68,318
Fringe benefits		4,881
Meetings, conferences & travel		46,807
Consultants		1,632
Postage & office supplies		3,607
ACTF - finals		80,000
ACTF - support services		30,765
ACMF - support services		25,922
Workshops, showcases & other projects		56,010

<u>TOTAL</u>	\$	<u>317,942</u>
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# John F. Kennedy Center for the Performing Arts

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## THE ADVISORY COMMITTEE ON THE

### EXECUTIVE COMMITTEE

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 Senator Eureka B. Forbes, *Honolulu, Hawaii*  
 Mrs. R. V. Hansberger, *Boise, Idaho*  
 Mrs. Donna S. Bradshaw, *Evanston, Illinois*  
 Charles W. Bolen, *Normal, Illinois*  
 Mrs. John Burkhardt, *Indianapolis, Indiana*  
 Mrs. Sarkes Tarzian, *Indianapolis, Indiana*  
 James S. Schramm, *Burlington, Iowa*  
 Mrs. Gordon E. Stone, *Hutchinson, Kansas*  
 Stanley O. Beren, *Wichita, Kansas*  
 Bernard H. Barnett, *Louisville, Kentucky*  
 Mrs. Harold K. Marshall, *New Orleans, Louisiana*  
 Williard W. Cummings, *Skowhegan, Maine*  
 Mrs. William H. Muir, *Stonington, Maine*  
 Mrs. Willard G. Rouse, *Baltimore, Maryland*  
 Mrs. Frank E. Fitzsimmons, *Chevy Chase, Maryland*  
 Mrs. Gilbert W. Keech, *Chevy Chase, Maryland*  
 Mrs. Thomas M. Beggs, *Potomac, Maryland*  
 Mrs. Richard M. Allen, *Salisbury, Maryland*  
 Mrs. Charles C. Hartman, *Severna Park, Maryland*  
 Camman Newberry, *Beverly Farms, Massachusetts*  
 Thomas A. Pappas, *Boston, Massachusetts*  
 Miss Robin M. Hendrich, *Montevy, Massachusetts*  
 William M. Hunt, *Milton, Massachusetts*  
 Mrs. Roger H. Hallowell, *Westwood, Massachusetts*  
 W. Hal Youngblood, *Detroit, Michigan*  
 Mrs. John Stiles, *Grand Rapids, Michigan*  
 Mrs. W. Ballenger III, *Lansing, Michigan*  
 Mrs. Russell T. Lund, *Minneapolis, Minnesota*  
 John H. Myers, *St. Paul, Minnesota*

### ARTS Appointed by President Richard M. Nixon

Burrell O. McGee, *Greenville, Mississippi*  
 Mrs. R. Crosby Kemper Jr., *Blue Springs, Missouri*  
 George S. Rosborough Jr., *Webster Groves, Missouri*  
 Bruce C. Jacobsen, *Bozeman, Montana*  
 James N. Ackerman, *Lincoln, Nebraska*  
 Mrs. William P. Lear, *Verdi, Nevada*  
 Mrs. Robert English, *Hancock, New Hampshire*  
 Senator Robert English, *Hancock, New Hampshire*  
 Edmund B. Sullivan, *Rumson, New Jersey*  
 Walter W. Weller Jr., *West Orange, New Jersey*  
 Mrs. Rufus G. Poole, *Albuquerque, New Mexico*  
 William S. Lasdon, *Katonah, New York*  
 Mrs. Elmer H. Bobst, *New York, New York*  
 Richard J. Buck, *New York, New York*  
 Miss Bernice Miller, *New York, New York*  
 Richard C. Pistell, *New York, New York*  
 Mrs. Arnold Schwartz, *New York, New York*  
 Mrs. John M. Shaheen, *New York, New York*  
 Arthur M. Richardson, *Pittsford, New York*  
 Mrs. Irene Barbara Walczak, *Williamsville, New York*  
 Henry H. Shavitz, *High Point, North Carolina*  
 Charles R. Jonas Jr., *Lincolnton, North Carolina*  
 Bryan E. Gackle, *Dickinson, North Dakota*  
 Harry L. Jackson, *Cleveland, Ohio*  
 Carl H. Lindner, *Cincinnati, Ohio*  
 Vernon B. Stouffer, *Cleveland, Ohio*  
 William D. Taylor, *Hartville, Ohio*  
 C. Oscar Stover, *Alva, Oklahoma*  
 Mrs. Frank J. Hightower, *Oklahoma City, Oklahoma*  
 Mrs. Julian N. Cheatham, *Portland, Oregon*  
 Ronald G. Schmidt, *Salem, Oregon*  
 Mrs. D. Eldredge Jackson Jr., *Providence, Rhode Island*  
 Mark W. Buyck Jr., *Florence, South Carolina*  
 Mrs. Holmes Frederick, *Greenville, South Carolina*  
 Mrs. Frank I. Farrar, *Britton, South Dakota*  
 Mrs. Robert L. Ashe, *Knoxville, Tennessee*  
 Mrs. E. Bronson Ingram, *Nashville, Tennessee*  
 Mrs. William A. McKenzie, *Dallas, Texas*  
 Mrs. H. Ross Perot, *Dallas, Texas*  
 Mrs. Charles J. Wyly, *Dallas, Texas*  
 Mrs. Sam Wyly, *Dallas, Texas*  
 Ted Weiner, *Fort Worth, Texas*  
 Mrs. Henry E. Catto, *Houston, Texas*  
 Meredith J. Long, *Houston, Texas*  
 Mrs. James H. Clement, *Kingsville, Texas*  
 Charles H. Henson, *Provo, Utah*  
 Mrs. Paul A. Clayton, *Salt Lake City, Utah*  
 Mrs. Byron O. McCoy, *Rutland, Vermont*  
 Harvey B. Cohen, *Alexandria, Virginia*  
 Mrs. George B. Green, *Arlington, Virginia*  
 Mrs. Edward D. French, *McLean, Virginia*  
 Mrs. Marjorie Phillips, *Seattle, Washington*  
 Lawrence Brown, *Washington, D.C.*  
 Mrs. Wiley T. Buchanan, *Washington, D.C.*  
 Mrs. George M. Bunker, *Washington, D.C.*  
 Robert S. Carter, *Washington, D.C.*  
 Mrs. Anna Chennault, *Washington, D.C.*  
 Mrs. Benjamin C. Evans Jr., *Washington, D.C.*  
 Mrs. S. Everette Guiles, *Washington, D.C.*  
 Mrs. Katharine McCook Knox, *Washington, D.C.*  
 Mrs. J. Willard Marriott, *Washington, D.C.*  
 Mrs. Robert G. McGuire, *Washington, D.C.*  
 Mrs. Gladys T. Montgomery, *Washington, D.C.*  
 Wesley S. Williams, *Washington, D.C.*  
 Mrs. Rose Saul Zalles, *Washington, D.C.*  
 Richard E. Duncan, *Morgantown, West Virginia*  
 Mrs. Frank J. Pelisek, *Milwaukee, Wisconsin*  
 Mrs. Stanley Hathaway, *Cheyenne, Wyoming*

Mrs. Eunice Larson, *Administrative Assistant*

KENNEDY CENTER TENTATIVE BUILDING REPAIR ESTIMATE  
As of May 5, 1976

<u>A. Water Leaks</u>	<u>Cost Estimate</u>	
1. Entrance Plaza Drive	\$ 360,000	
2. Kitchen	45,000	
3. Miscellaneous Leaks		
a. Expansion Joints	7,400	
b. Pipe Sleeves and Flag Poles	2,500	
4. Emergency Generator Room	4,800	
5. Marble Terraces and Plaza-40' Level	985,400	
6. Terrazzo - Roof Terrace-109' Level	<u>679,560</u>	
Subtotal	\$ 2,084,660	
 <u>B. Humidifier and Related Installations</u>		
1. Humidifier Pans		
a. Pan Replacement	\$ 34,500	
b. Remodel Boxes and Ducts	<u>42,886</u>	
Subtotal	\$ 77,386	
Total A and B		\$ 2,162,046
 <u>C. Replace Roof</u>		
1. Symphony	\$ 211,580	
2. Opera	290,650	
3. Theater	221,140	
4. Weather Protection	<u>30,000</u>	
Subtotal	\$ 753,370	
Total A, B, and C		\$ 2,915,416



## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

July 30, 1976

The Honorable  
Robert Morgan, Chairman  
Subcommittee on Buildings & Grounds  
United States Senate  
Washington, D.C. 2051-

Dear Senator Morgan:

We appreciate your interest in the pending bill, H.R. 14360, and particularly the opportunity to respond to the questions set forth in your letter of July 26, 1976. Our responses are enclosed.

Because of the continuing and increasing difficulties being encountered from the water leakage conditions, we are most anxious to obtain the authorization of funds for repair.

Sincerely,

A handwritten signature in cursive script that reads "Roger L. Stevens".

Roger L. Stevens  
Chairman

RLS:cms

Enclosure

RESPONSES TO QUESTIONS CONCERNING PROPOSED  
REPAIRS TO THE KENNEDY CENTER

1. Question: A bill H.R. 14360 was recently reported, authorizing \$3.3 million for repairs to the Kennedy Center, upon request of the Center's Board of Trustees. This would provide for appropriation of funds to the Center rather than Interior Department's Park Service, who has responsibility for maintenance. Doesn't Park Service also have responsibility for repairs?

Response: It has been the position of the National Park Service, since the 1972 Amendments to the John F. Kennedy Center Act, that their responsibilities in the building are limited to repairs and maintenance occasioned by ordinary wear and tear and normal usage. This view is premised upon discussions with the House Public Works Committee and also upon the legislative history of the 1972 amendments, which indicate that there is authorized for expenditure by the Park Service no funds for capital expenses which are necessary as a result of construction or design deficiencies.

This understanding of the National Park Service is reflected in the Kennedy Center-National Park Service Agreement dated July 11, 1973 (Appendix I) which has been extended pursuant to a Letter Agreement between National Park Service and the Kennedy Center dated November 7, 1975 (Appendix 2).

Paragraph I.D(2) specifically reflects this understanding of the National Park Service that it may not make structural repairs such as those that are to be made with the \$3.3 million to be authorized in H.R. 14360.

2. Question: How is the difference determined, between repairs and ongoing maintenance? Haven't any repairs been made by Park Service since they have had maintenance responsibility?

Response: Making a distinction between those repairs which the National Park Service is required to make pursuant to its agreement with the Kennedy Center and those which are outside of its responsibility, is necessarily a matter of judgment. Generally, however, to date, the Park Service has made such repairs and such provisions for controlling leakage as is necessary to permit continued operation of the building. A compilation of the repairs made, and preventive maintenance action taken by the Park Service, is set forth as of May 23, 1975 in a memorandum from the Park Service's General Manager (Appendix 3).

A list of catch pans installed in the ceiling during a twelve-month period is set forth in a memorandum from the Park Service's General Manager, dated March 15, 1976 (Appendix 4).

3. Question: If cooling ducts leaked, or plumbing, who would repair them, or if a compressor failed, who would fix it?

Response: As indicated above, the Park Service has a general overall responsibility for repairing cooling ducts, plumbing, and compressors, particularly where the conditions requiring repair arise from ordinary wear and tear.

4. Question: If problems developed in food service areas or the garage, who would take care of these?

Response: Responsibility for repairs in the food service area or the garage area is, in the first instance, as set forth in the concession agreements with Canteen Corporation (food service area) and with APCOA (garage area). Copies of pertinent portions of these agreements relating to the responsibility for repairs in the respective areas are enclosed as Appendices 5 & 6.

5. Question: Does the agreement now in effect between Park Service and the Board cover such contingencies?

Response: Under the present agreement, all repairs in these areas are the responsibility of the Kennedy Center, to be carried out by the Park Service, the Park Service to be compensated for these services as provided in the agreement (Appendix I.)

6. Question: Has there been consultation between Park Service and the Board regarding repairs that are needed now? What was determined, and is this documented?

Response: The Park Service and the Kennedy Center have had numerous consultations concerning the immediate need for repairs. Following is a review of the matters considered.

By report dated March 3, 1975, the Federal Highway Administration of the Department of Transportation, prepared proposed recommendations concerning the deterioration of the East Plaza Drive (Appendix 7). These recommendations were prepared after discussion between the Park Service and the Kennedy Center concerning the need for repairs of the East Plaza Drive.

In February, 1976, Park Service representatives met with Kennedy Center representatives concerning the need for repairs, particularly relating to the roof. A summary of this meeting was prepared by the Park Service in a memorandum dated February 18, 1976 (Appendix 8).

Subsequent to the February 18 meeting, Kennedy Center requested information from the Justice Department concerning the report of the Justice Department's consultants relating to leakage conditions throughout the Kennedy Center building. The Justice Department

referred the Kennedy Center to the Summary of Costs that had been prepared by its consultants, Olympic Engineering Co., Seattle, as part of the support of the Justice Department's counterclaim action pending in the U.S. Court of Claims, John McShain, U.S. Court of Claims No. 357-72. A copy of this Cost Estimate Summary is enclosed as Appendix 9.

Thereafter, the Park Service engaged the services of a consulting firm, the Moisture Protection Systems Analysis, and a report was made concerning the leaking roof condition by letter dated June 15, 1976 (Appendix 10).

Thereafter, the Justice Department, in connection with the pending litigation, requested the views of the Kennedy Center regarding the proposal of Warren-Ehret-Linck Company, a roofing contractor, to prepare the leaking condition of the roof (Appendix 11).

By letter dated July 13, 1976, Moisture Protection Systems Analysis gave their views concerning the Linck proposal (Appendix 12).

On July 14, 1976, a representative of the Denver Service Center of the Park Service inspected the leaking conditions throughout the Kennedy Center building and submitted a report (Appendix 13).

In a memorandum dated July 14, 1976, the General Manager of the Park Service advised the Chairman of the Kennedy Center of increasing problems incurred with leakage in the Grand Foyer (Appendix 14). The Park Service informed the Kennedy Center that it may be necessary to close the building should the ceiling of the Grand Foyer continue to deteriorate so rapidly.

In meeting on July 29, 1976, the Trustees of the Kennedy Center authorized an agreement with Linck, for roofing repairs, provided that the guarantee of Linck would be unconditional.

As a result of the Linck proposal which has been considered by the Kennedy Center since the House hearings and has been reviewed and recommended by National Park Service as well as the Justice Department, there may be some reduction in the total estimated cost for roof repairs, estimated in House Report at \$750,000 (H.Rep. 94-1331, 94 Cong., 2nd Sess. at 2 (7/1/76)).

Under the Linck proposal, a contract will be entered into by Kennedy Center or the National Park Service, pursuant to which Linck will make roofing repairs and guarantee the roof against leaks for a period of five (5) years. All repair work necessary for the guarantee will be paid for by McShain. During the five-year guarantee period, however, up to \$500, will be paid to Linck semi-annually for inspection of normal repair as is necessary to maintain the roof in a servicable condition.

As a part of the repair work to be done by Kennedy Center or the National Park Service, and in addition to the work to be done by Linck, it will be necessary to install drains and venting to permit any water saturation to dry. The estimated cost of drains and vents is not presently available since the Linck proposal only recently has been considered.

The cost of other repairs required to remedy water leakage through Plaza and other areas which are necessary in addition to the roof repairs, are set forth in an estimate prepared by the National Park Service on the basis of the Justice Department's consultant's estimates (Appendix 15).

7. Question: Why shouldn't Park Service be made responsible for all repairs and money appropriated directly to them when justified? Wouldn't this eliminate the need for designating a comptroller to supervise expenditure of appropriated funds?

Response: The Kennedy Center has no objection to providing by statute that the Park Service be responsible for all repairs to the Kennedy Center building, whatever their cause. However, the Park Service has indicated a desire to restrict its responsibilities to those set forth in the 1972 Amendments to the Kennedy Center Act as reflected in the agreement between the Park Service and the Kennedy Center. Under these circumstances, the Kennedy Center considers it essential, in order to meet its responsibilities under the Kennedy Center Act, to seek authorization immediately for the funds necessary to make the repairs to the building that are of great urgency.

If the authorization were made directly to the Park Service, which unfortunately at this late date would necessitate legislative delays which we consider would be imprudent, it would not be necessary to provide for the designation of a comptroller to supervise the expenditure of appropriated funds. Even with the appropriation made directly to the Kennedy Center, the Kennedy Center does not consider it necessary to establish a comptroller since the Kennedy Center has adequate financial controls so that it can meet all responsibility which is placed upon the recipient of appropriated funds. Nonetheless, Kennedy Center has no objection to designating a comptroller as provided for in H.R. 14360.

8. Question: Since GSA constructed the building, why can't they do the necessary repair work in this instance?

Response: The National Park Service has several years of experience in the operation and maintenance of Kennedy Center building and is aware and apprised of the conditions that exist. Furthermore, the Park Service has the administrative and engineering capabilities to supervise the repair work to be undertaken. Under these circumstances, Kennedy Center considers that Park Service, rather than GSA, would be the most appropriate agency to undertake the repair work provided for in H.R. 14360.

9. Question: Have professional consultants been called in to study the leakage problems and recommend action necessary to correct them? If not, who determined what is needed, and on what basis were cost estimates prepared?

Response: See response to question No. 6.

10. Question: It is alleged that current problems result from construction or design deficiencies. Wouldn't correction now obscure these and affect the outcome of litigation underway?

Response: The Justice Department will have to comment itself upon the affect that correction of construction or design deficiencies will have on the litigation pending in the Court of Claims. However, the Kennedy Center has taken and will continue to take no action without first consulting with the Justice Department, taking into consideration the interest of the Department, and complying with all requirements as necessary for the litigation now pending.

11. Question: What was the nature of legal action brought against Board trustees individually during construction of the building? Are they now believed liable or subject to further lawsuits, unless specifically protected by new legislation as proposed?

Response: In 1972, a subcontractor brought suit against the general contractor for construction of the Kennedy Center, alleging that it had not been paid for work performed, pursuant to a supplemental contract entered into in June, 1971. Pierce Associates, Inc., v John McShain, Inc., Civil Action No. 2112-72, U.S. District Court for the District of Columbia. The General Contractor impleaded the Kennedy Center and past and then present trustees individually, as defendants in the suit. The trustees in their individual capacities, were represented by the Justice Department and the defense of official immunity was raised. Subsequently, the action was settled and case dismissed without any liability on the part of the trustees in their individual capacity.

It is the view of the Kennedy Center's General Counsel, and others, that the trustees individually have at least the same immunity from suit as federal officials. However, to lessen the likelihood of further attempts to test this question, it's deemed appropriate to clarify the original intent of the Congress that the 30 members and 15 ex officio members of the Board of Trustees are immuned from suit, as set forth in H.R. 14360

12. Question: Have any legal opinions on this matter been requested or obtained from GAO, the Attorney General, or elsewhere?

Response: The General Counsel of the Smithsonian Institution shares the view of the General Counsel of the Kennedy Center concerning the immunity of Kennedy Center trustees from suit. Conferences have been held with the Department of Justice, and the Legal Counsel's office at one time suggested that legislative clarification of the Kennedy Center Act might be appropriate. The views of the Justice Department on the current legislation have not been received by the Kennedy Center.

13. Question: A June 8 letter from the Board to our Subcommittee requested consideration of \$3.5 million for making necessary repairs and constructing a pedestrian bridge between Columbia Plaza and Kennedy Center. H.R. 14360 makes no mention of this bridge. Why was it omitted?

Response: Authorization for the construction of a pedestrian bridge was not included in H.R. 14360 on the basis of views expressed by Senators, Congressmen, and staffs of the Senate and House Public Works Committees.

14. Question: The cost didn't change much, however; only from the \$3.5 million requested down to the \$3.3 million authorized by the House bill. What would the bridge cost?

Response: The initial estimated cost for repair of leaking conditions in the Kennedy Center building was \$3.0 million. At the hearing of the House Subcommittee on Public Buildings and Grounds on June 16, 1976, it was recommended that a contingency factor of 10% be included in the authorization. In the \$3.5 million estimate, it was estimated that the cost of the pedestrian bridge would be approximately \$500,000; however, this was a very preliminary estimate without the benefit of expert advice. Subsequently, the Kennedy Center has been informed that the cost of the pedestrian bridge would be substantially in excess of \$500,000.

15. Question: The House bill report states the Board advised them that \$2.1 million of the total would be spent on repairs to and reconstruction of the East Plaza Drive, and marble terraces. These funds were requested on an emergency basis to correct leakage problems. What has leakage to do with the driveway and marble terrace?

Response: As a result of the leakage through the surface of the East Plaza Drive, water reaches the service drive below and also is having a damaging effect on the structural steel fireproofing which is below the surface of the East Plaza Drive.

With respect to the leakage through the marble terrace on the 109 ft. level of the Kennedy Center, immediately below this terrace on the west side of the building, is the Grand Foyer. The effect of the leakage from the Plaza above is readily visible and apparent on the ceiling of the Grand Foyer; this leakage is the basis of the statement of the Park Service on July 13, 1976, that it may be necessary to close the Kennedy Center building to the public. Leakage through the Plaza of the 40ft. level of the Kennedy Center results in water damage below, principally to the structural steel fireproofing and machine rooms and garage areas of the building.

16. Question: Is it possible that more serious structural damage could have occurred, which is not now apparent and won't be until defective surfaces are removed?

Response: It is possible that more serious structural damage may have occurred which may not be apparent until defective surfaces are removed. However, the costs estimated for repair are based upon the information available to the Park Service and the Justice Department consultants at present.

17. Question: If this is found to be the case, what is proposed?

Response: If additional structural damage is found, the Board will be required to take such action as is necessary for the safety of persons in the building and will seek funding to make additional repairs as may be warranted and necessary.

18. Question: Doesn't it seem advisable to have an exploratory investigation made by a competent engineering firm, to determine the extent of damage that may have occurred, and scope of work necessary to correct it? Would the Board be willing to accept such findings and act accordingly?

Response: Exploratory investigations have been made by competent engineering firms as related above. The Board of Trustees of the Kennedy Center is guided completely by the recommendations of competent engineering firms and the National Park Service as to the work required to be done.

19. Question: The House report indicates that \$77,000 will be spent on humidifier repairs. How is this related to roof leakage?

Response: We are advised by National Park Service that this figure relates to the repair of humidifier pans through which unusual amounts of water has drained because of leakage conditions. As a result of extensive water drainage, repairs are necessary to the pans.

20. Question: It further states that \$750,000 will be spent on reconstruction of the roof. What is the extent of roof reconstruction proposed? Have roofing experts been called upon for advice?

Response: See response to Question 6 concerning the extent of roofing repairs that will be required.

It now appears that on basis of information developed in July, less than \$750,000 will be required for repairs of the roof. To the extent that the \$3.3 million authorized is not utilized for repairs of defective building conditions, the funds will not be otherwise expended. The extent of roof repair has been set forth in document referred to in response to Question 6. Roofing experts have been called upon for advice as set forth in response to Question 6.

In addition, Kennedy Center Director and Building Manager obtained roof estimates in November, 1975, indicating total cost of \$595,000 (Appendix 16).

21. Question: What is the total roof area, which serves as roof only and not also as terrace? Isn't most of this over the kitchen and dining facilities, where no problems have been experienced?

Response: The areas serving as roofs are as follows (in square feet):

	Terazzo/ Concrete	Crushed Stone/ Asphalt
Main Roof - Elevation 135'		138,424
Main Roof Canopy-Elevation 130'		18,392
Sub-Total		<u>156,816</u>
Roof Terrace Plaza-Elevation 109'	93,345	
Roof Overhang (top of deck)-Elev. 105'		28,616
Plaza to curblineline & Terraces Elevation 40'	165,200	
Roof over Service Drive Tunnel	12,000	
Sub-Totals	<u>270,545</u>	<u>185,432</u>
Total all roof areas		<u>455,977</u>

Many of the leaks through the roof (135' & 130' elevations) have occurred around the outer perimeter of the concrete slab portion of the roof, primarily over the Multi-Purpose room and unfinished Studio Theater area. The roof covers: on the south end, the dining facilities of the Kennedy Center; over the center, the Multi-Purpose room and the Atrium; on the north end, the Studio Theater area and office space.

22. Question: Has it been ascertained that leaking pipes are not causing any of the interior damage reported?

Response: To date, there is no indication of leaking pipes being the cause of interior damage. Rather, where leaks have been found through the roof and plaza area, the Park Service has erected in excess of 120 pans from which the water is collected and from which it is run off to the Kennedy Center storm sewer system.

23. Question: What is the total area serving as both roof and terrace at the 109 foot level? Could constant pedestrian usage have contributed in any way to problems that now exist?

Response: At the 109 foot level, (See also 21 above), the entire Plaza area services as roof cover of the area below in the building. It is not believed that pedestrian usage is a substantial cause of the leakage, although there may be a possibility.

24. Question: Why is the 40 foot level terrace referred to as a roof when in actuality it is protected by one? What has caused leakage here, and has pedestrian traffic contributed?

Response: A portion of the 40 foot level Plaza is covered at the 109 foot level by an overhanging terrace. The Kennedy Center has not referred to the 40 foot level Plaza as a roof, although it does serve as a roof for the area below. The only area of the building which has been referred to as a roof is that at the 135 and 130 foot levels to which there is no public access and which is constructed in a manner similar to the construction of other flat roofs.

25. Question: Haven't heavy busses, overloading, and vehicular traffic been more damaging to the East Plaza Drive than water leakage?

Response: Causes of water leakage through the East Plaza Drive are covered in the report of the Federal Highway Administration report (Appendix 7).

26. Question: May the Subcommittees have a comprehensive and detailed description of all work proposed, and complete cost breakdown by category?

Response: A cost breakdown by categories of the work to be done, prepared by the National Park Service on the basis of the Justice Department's consultant's Cost and Estimate Summary, is enclosed as Appendix 9.



## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

August 31, 1976

Senator Robert Morgan  
Subcommittee on Buildings and  
Grounds  
Committee on Public Works  
U. S. Senate  
Washington, D.C. 20510

Dear Senator Morgan:

Enclosed are the responses of the Kennedy Center and me to the questions of Senator Baker and Senator Buckley, which were given to the Kennedy Center for written reply at the conclusion of the hearings on August 31, 1976. We appreciate the opportunity to respond to these and any other questions that the Committee may have.

Sincerely,

*Roger L. Stevens*  
Roger L. Stevens  
Chairman

Enclosures

RESPONSES TO QUESTIONS FOR KENNEDY CENTER  
FROM SENATOR BUCKLEY

1. **QUESTION:** Would you please describe what efforts are being made or are planned by the Center to raise the funds needed to meet the debt? To meet the cost of major repairs?

**ANSWER:** The Kennedy Center has continually striven to raise funds for general operating and construction purposes, which would be available to meet the debt under the Treasury Revenue Bonds and also to meet the costs of major repairs. In Fiscal Year 1974, the Kennedy Center Trustees raised \$429,046.00 from private sources of which \$228,000 was earmarked by the donors for theater programming; during Fiscal Year 1975, \$578,222.00 was raised, of which \$362,492 was earmarked for theater programming; and in Fiscal Year 1976, \$1,824,375 was raised of which \$1,413,698 was earmarked by the donors for theater programming. In addition to these amounts, substantial funds were raised during these years for projects, where the donors specifically restricted the funds to particular projects. Any funds not specifically earmarked or restricted and received during these years were used to cover operating expenses of the Kennedy Center and to meet outstanding obligations relating to the construction of the Kennedy Center building. The Kennedy Center continues to raise funds from numerous sources and its achievement in raising funds is good when compared to other performing arts facilities though it is not adequate to what the Board of Trustees would like to achieve. Recently a deferred giving fund has been established in an attempt to supplement fundraising efforts. However, it is the judgment of the Kennedy Center that it is highly improbable that any source of funds can be found in the private sector with which to pay the Treasury Revenue Bond obligation and to cover the substantial costs anticipated for reconstruction and repair of the building. In the experience of the Kennedy Center, private contributors are not willing to consider making contributions for these purposes, particularly where the Kennedy Center building is a national memorial.

2. QUESTION: It has been close to a year since the Report (#94-352) was written. Has the Center undertaken work to prepare a report for the Congress? Does the Center intend to submit such a report? Where would you expect a report might be forthcoming?

ANSWER: The Kennedy Center has informed the Congress of the problems that it anticipates in meeting the Treasury Revenue Bond obligation in hearings before the House Subcommittee on Public Buildings and Grounds and this Subcommittee. The Kennedy Center would be pleased to provide such additional information as the Congress may request concerning the need for remedial legislation and the Kennedy Center's inability to meet the obligation to repay the Treasury Revenue Bonds.

3. QUESTION: On page 3 you indicate that remedial legislation will be required to relieve the Kennedy Center of the financial burden associated with the Treasury revenue bonds. Upon what study or other basis is this conclusion based?

ANSWER: The need for remedial legislation is premised upon the very substantial obligations arising under the bonds and the Kennedy Center's lack of alternative means to meet this obligation as related above. The lack of funds to meet this obligation has been fully considered in reports of the General Accounting Office submitted to the Committee on Public Works, United States Senate dated August 8, 1972 and April 11, 1975. While it may be possible to negotiate an agreement with the Treasury Department to further defer any payment obligation, interest continues to be compounded on the outstanding obligation and it is unlikely that the Kennedy Center will ever be in a position to make any substantial payment or retirement of the bonds during their fifty year term.

4. QUESTION: Attached to your testimony is a list of public service activities presented at the Center July 1, 1975 through June 30, 1976, which were open to the public at no charge. Would you please submit for the Record a list of these activities which received financial assistance from an outside source such as a private corporation?

ANSWER: As indicated above, the Kennedy Center has received substantial and generous financial assistance from private sources, including corporations. All of the activities set forth in the list of public service activities during Fiscal Year 1976 are indirectly supported by such contributions. The activities on the attached list received the financial support from outside sources.

RESPONSE TO QUESTION FOR ROGER STEVENS  
FROM SENATOR BUCKLEY

QUESTION: You have discussed the Center's problems in raising money to pay off the parking bonds. Much of this difficulty with the parking bonds is due to the fact that the Center committed much of the parking income to the company that I believe holds the contract on parking management for the Center, in return for a loan used to assist in the construction of the Center. Would you please explain the exact nature of this contract and commitment, the reason why it was necessary, and your argument on whether or not it violated the intent of Congress in establishing a cost limit on the Center and authorizing the parking bonds.

ANSWER: The contract with APCOA was entered into on February 21, 1969, after competitive proposals were submitted by several parking companies. These proposals were reviewed at length by the General Accounting Office in their August 8, 1972 Report, pages 24-34, and the agreement with APCOA is described in detail in that Report. That contract was entered into and a substantial advance against parking revenues was sought because, by 1969, it was evident that the original cost estimates for construction of the Kennedy Center building had been underestimated by the General Services Administration and other consultants retained by Kennedy Center and the Government. (GSA was the Kennedy Center's agent for design and construction.) Accordingly, the advances were necessary in order to assist in providing adequate funds to cover the cost of construction of the building.

While it has always been the objective of the Congress as well as of the Kennedy Center and other Government agencies, to establish a cost limit on the Kennedy Center, the objective has not be easily obtainable, because of, among other things, cost escalation and deficiencies in design and construction. One of the principal reasons for underestimation by GSA and the architect was the unanticipated increase in construction costs during the years 1966 - 1971, which effected not only the Kennedy Center but also many other construction projects.

A detailed report concerning all the factors involved in cost escalation was given to the House Subcommittee in 1972 and GAO considered the matter at the request of the Senate Committee. In January, 1974, the estimate for the cost of the building was \$46.4 million. The cost today is in excess of \$72 million. Of this amount

\$16 million has been attributable to cost escalation; \$1.5 million has been attributable to timing of subcontract awards to avoid over commitment of funds; \$4.9 million has been attributable to approved change orders necessary as a result of job conditions, design corrections, and Trustee directed changes; and \$6 million has been attributable to acts beyond the control of the Government, including strikes and procedures necessary to avoid the effects of jet noise. Finally, \$3.5 million of the underestimation has been attributed to inaccurate cost estimates, \$2.7 million of which is attributable to underestimation of the amount of structural steel required for the building.

Notwithstanding this escalation in costs, it has been recognized that the Kennedy Center, which is a "public building" dedicated to use as a memorial by the American people, was constructed at a cost per square and cubic foot which is one-third less than the cost of Lincoln Center. This lesser cost for the Kennedy Center is particularly significant because the memorial was constructed several years after its New York counterpart and after substantial inflation in construction costs.

While it was originally anticipated in 1964 that the parking revenues alone would be sufficient to meet the obligation under the Treasury Revenue Bonds, subsequent developments have proven this to be incorrect. First, the cost of construction was far more than was anticipated by the Congress or the Board of Trustees. Second, it was necessary to make arrangements with APCOA as related above in order to cover a portion of this increase. With rapidly escalating costs, any workstoppage because of nonpayment would have resulted in substantial cost increases and damage to the building which was incomplete. Third, the number of parking spaces had to be reduced for design reasons. Fourth, revenue bond interest rates, averaging around 6 percent, are substantially higher than the 3 percent anticipated at the time of the 1964 authorization of the bonds under section 9 of the John F. Kennedy Center Act.

In view of the above and the fact that the Act does not require that revenues from the operation of the parking garage be used to repay the Revenue Bonds with interest, the Kennedy Center does not consider that it has violated the intent of Congress which in establishing the Kennedy Center provided for partial federal funding. The Board of Trustees undertook its obligation to repay the Treasury Revenue Bonds in good faith and is meeting its obligation under the Kennedy Center Act and the mandate of Congress to construct and operate a living memorial. Now that it appears improbable that the Trustees will be able to raise or generate the funds necessary to repay the bonds, remedial legislation is to be requested.

RESPONSES TO QUESTIONS FOR ROGER STEVENS  
FROM SENATOR BAKER

1. QUESTION: Is it correct you will rely upon the Park Service to specify work, select and supervise the contractor and assure the adequacy of the work to be done?

ANSWER: The Kennedy Center intends to rely upon the National Park Service to specify the work to be done to eliminate the leaking conditions in the building, to select and supervise the contract in accordance with federal procurement regulations and to assure the adequacy of the work to be done. In relying upon the National Park Service, the Kennedy Center will exercise its own judgment to fulfill its responsibilities in expending the funds if authorized and will undertake such work as may be appropriate and requested by the National Park Service.

2. QUESTION: The Park Service is responsible for ordinary maintenance now; do you consider it is competent and qualified to supervise and bear responsibility for this work to correct water leakage problems?

ANSWER: The National Park Service has its own inhouse capabilities to supervise the reconstruction and repair work to be done and will engage such outside expertise as is necessary in connection with the work.

3. QUESTION: Since they will have the responsibility would the trustees prefer, or at any rate have no objection to authorizing appropriations directly to the Park Service?

ANSWER: The Kennedy Center has no objection to authorizing appropriations directly to the National Park Service for the reconstruction and repairs. However, the Trustees respectfully request that there be no delay in the legislation process because of the emergency nature of the repairs and reconstruction that must be done.

\*\*\*\*\*  
 JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Public Service Activities of the John F. Kennedy Center  
 Receiving Financial Assistance from Outside Sources

Many of the activities set forth in the list of public service activities presented at the Kennedy Center during the fiscal year ending June 30, 1976, were presented with financial assistance from outside sources. Principal corporate, foundation and other sponsors include the following:

Mobil Oil Corporation:

National Town Meeting Program - 47 meetings  
 "The Twelve Days of Christmas" - 40 events

EXXON:

"Bicentennial Parade of American Music" (State Day Programs) - 27 concerts

Prudential Insurance Company:

"Sing America Sing" - 2 performances

IBM Corporation:

AMERICA ON STAGE: 200 Years of Performing Arts  
 (Bicentennial Exhibition)

McDonald's Corporation:

"Spring Festival of American Music" - 33 concerts

National Endowment for the Humanities (with supplemental funding from the Rockefeller Foundation):

"Theatre Past" Play Reading Series - 7 performances

National Endowment for the Arts (with supplemental funding from the American Theatre Association):

American College Theatre Festival Seminar Series - 11 seminars

Government of Canada:

Canadian Festival - 2 concerts, costume exhibit

Much of the Kennedy Center contribution to public service programming was provided through the Friends of the Kennedy Center. The Alliance for Arts Education and the National Park Service also provided support to a number of free activities.



## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

## Photographs

1. Water seepage, overhang, North Terrace
2. Water seepage, overhang, Entrance Plaza
3. Detail of #2
4. Water seepage above entrance to Hall of States
5. Detail of #4
6. Water seepage, Hall of States
7. Detail of #6
8. Water seepage, ceiling, Grand Foyer
9. Water seepage around chandelier support, Grand Foyer
10. Water seepage, ceiling, Grand Foyer
11. Detail of #10
12. Cracked plaster caused by water seepage, ceiling, Grand Foyer
13. Detail of #12
14. Pans installed to collect water leaking from roof, Multi-Purpose Room, Roof Terrace level
15. Detail of #14
16. Pans on floor of Multi-Purpose Room to collect water leaking from roof
17. Water damage to ceiling and floor, North Gallery, Roof Terrace level
18. Plaster and carpet rot in Concert Hall, caused by water seepage from kitchen
19. Damage caused by water leaking from kitchen into ceiling cavity above Concert Hall

20. Detail of damage to concrete caused by water leaking from kitchen into ceiling cavity above Concert Hall
21. Water damage, ceiling cavity above Concert Hall
22. Detail of #21
23. Water damage, ceiling cavity above Concert Hall
24. Water damage caused by leaking expansion joint, Mechanical Equipment Room #3
25. Water damage caused by leaking expansion joint, Mechanical Equipment Room #3
26. Water damage caused by leaking expansion joint, Southeast Exhaust Fan Roof
27. Detail of #26 showing erosion of concrete fireproofing and exposure of structural steel, rusting as a result of water contact
28. Detail of #26
29. Accumulated water caused by roof leaks, Studio Theater
30. Accumulated water caused by roof leaks, Studio Theater
31. Accumulated water caused by roof leaks, Studio Theater
32. Pan installed to collect water leaking from terrazzo into Studio Theater area
33. Damage to marble, Entrance Plaza
34. Damage to marble, Entrance Plaza
35. Damage to marble, Entrance Plaza
36. Damage to terrazzo, Roof Terrace
37. Detail of #36
38. Damage to terrazzo, Roof Terrace
39. Damage to decorative concrete, Entrance Plaza roadway
40. Damage to decorative concrete, Entrance Plaza roadway

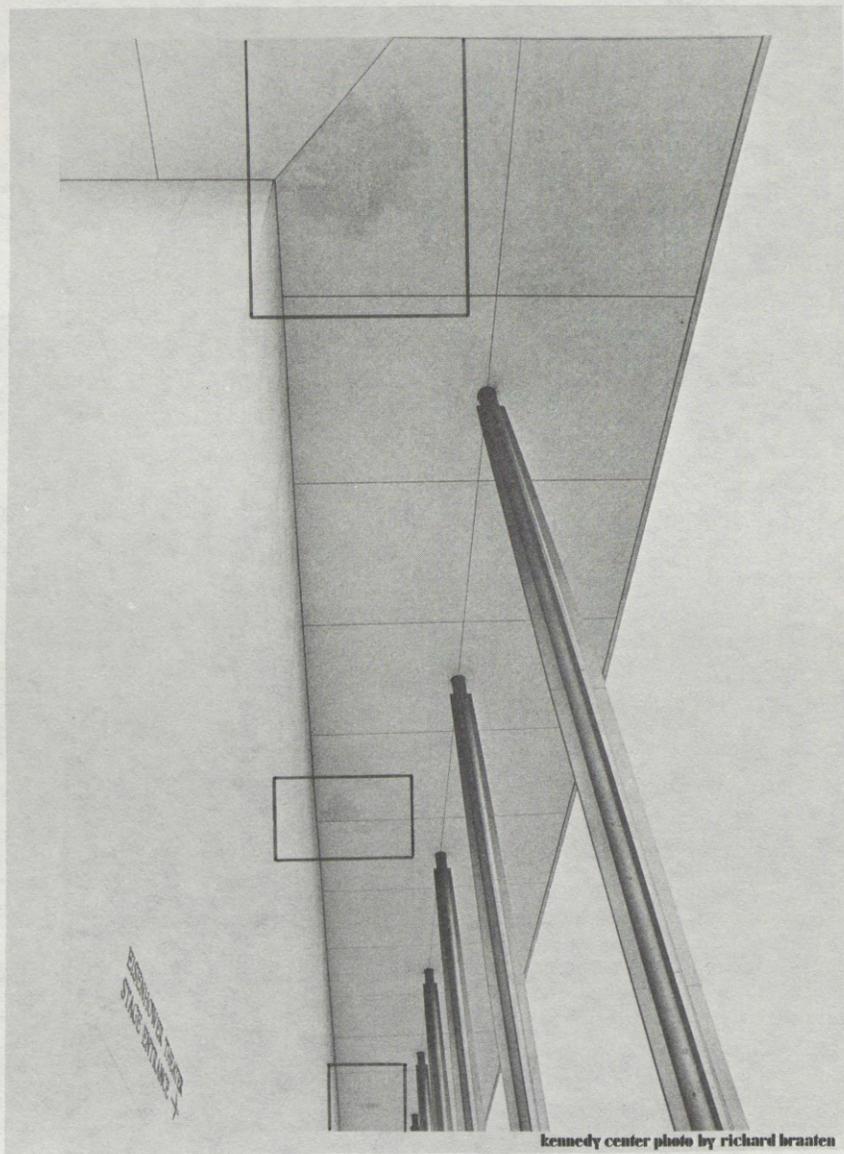
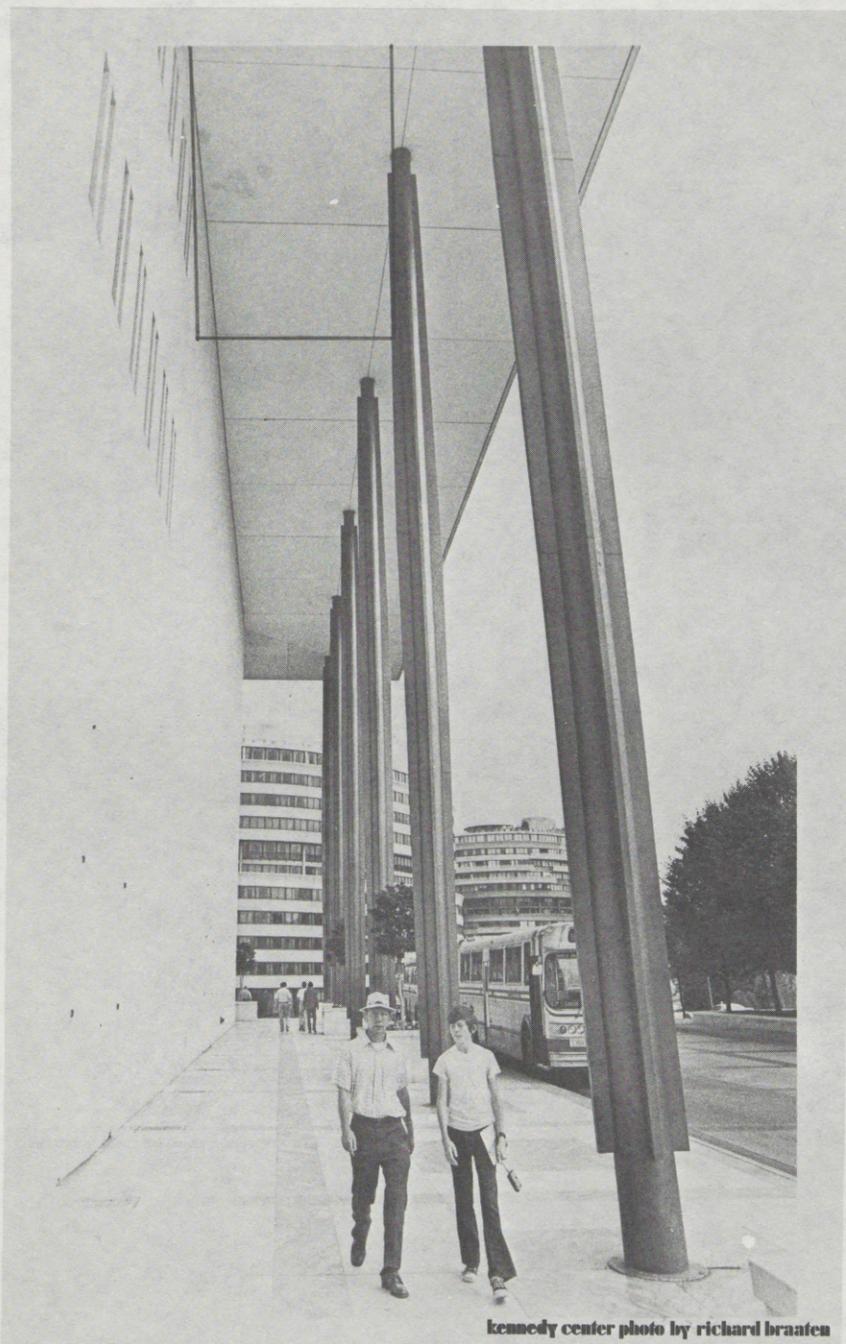
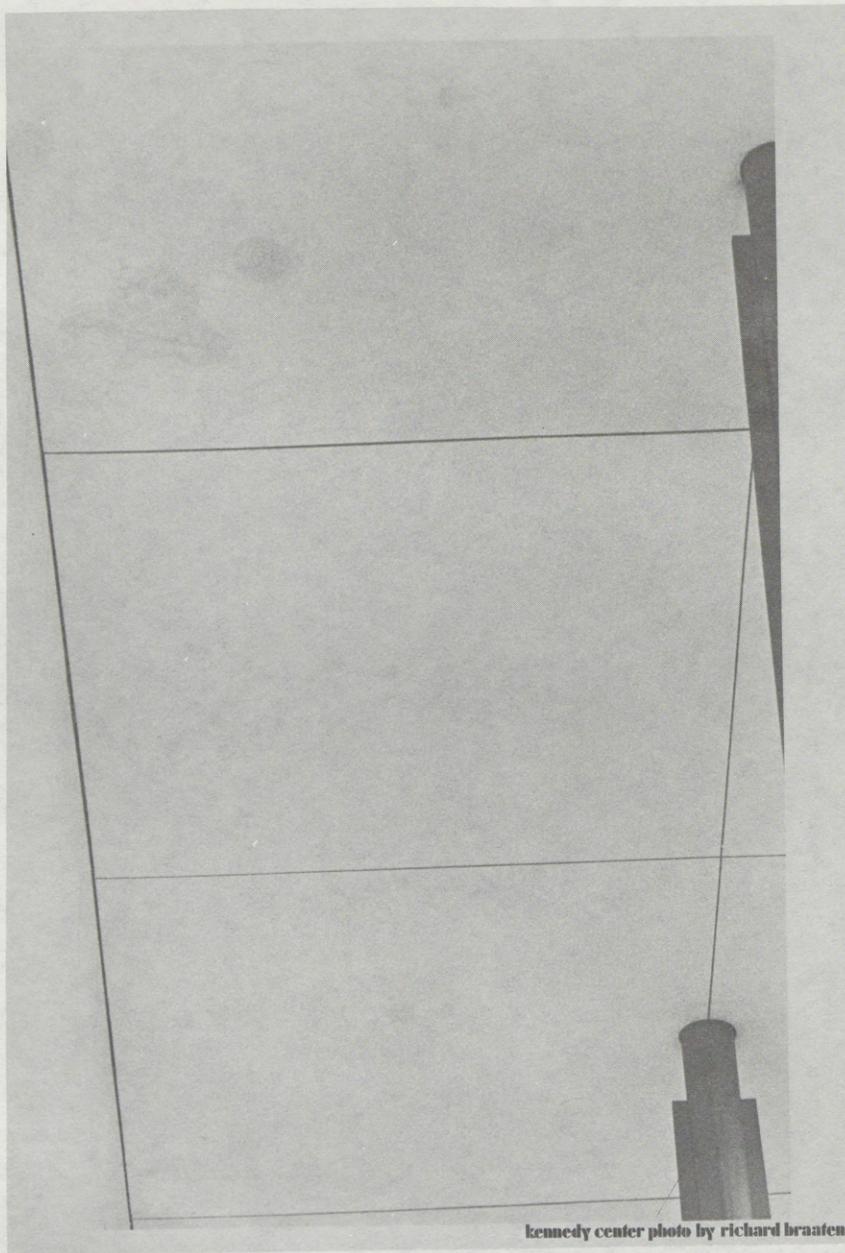


PHOTO NO. 1



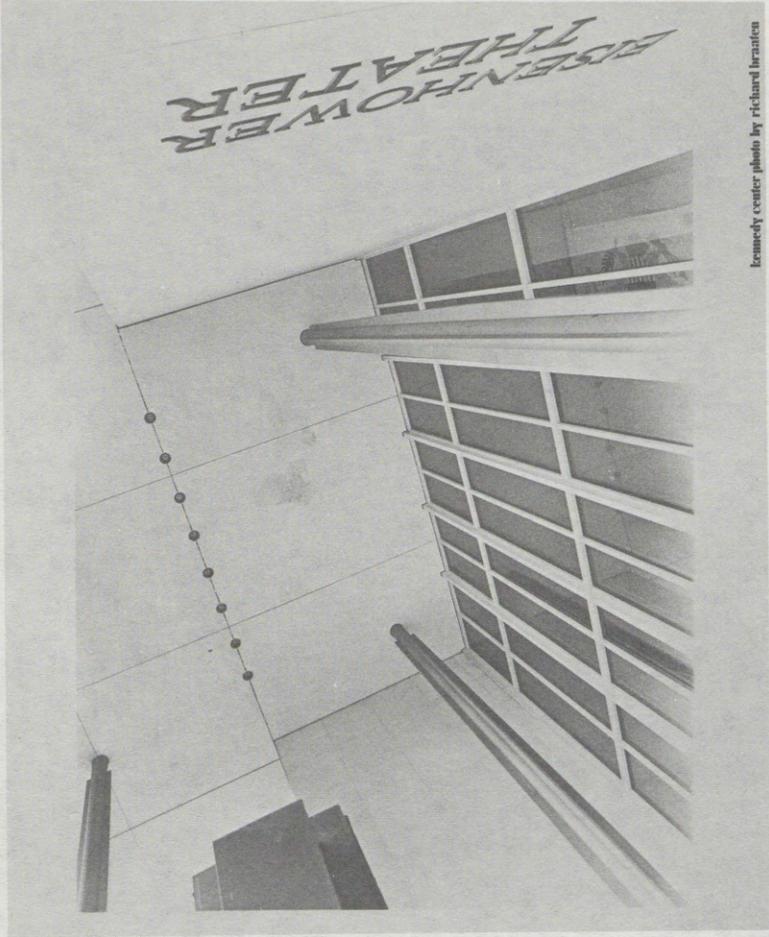
**kennedy center photo by richard braaten**

PHOTO NO. 2



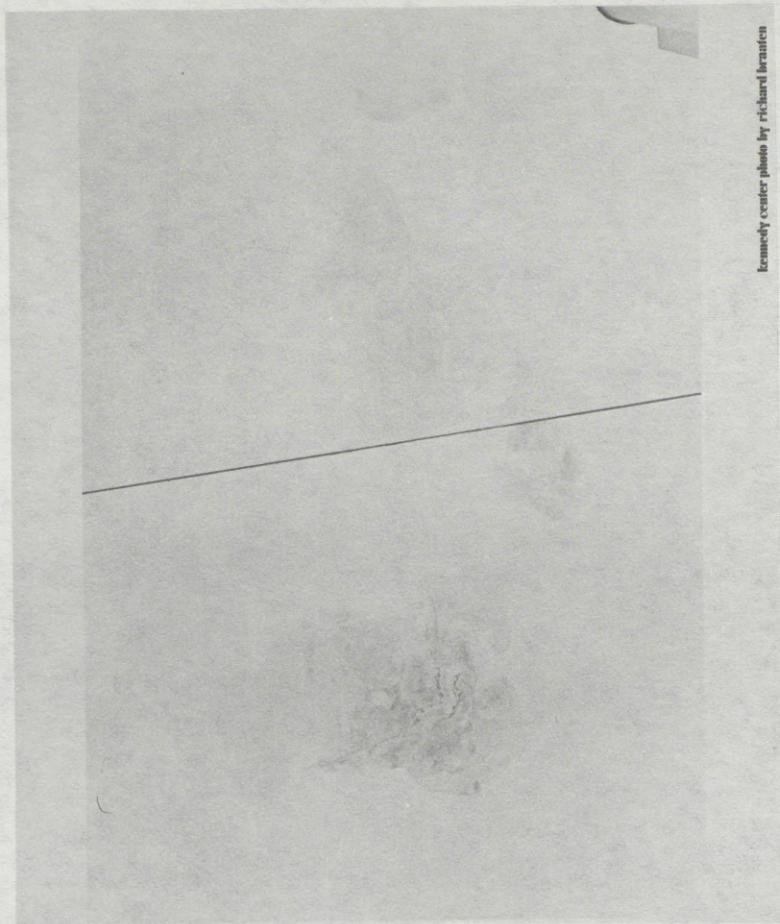
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PHOTO NO. 3



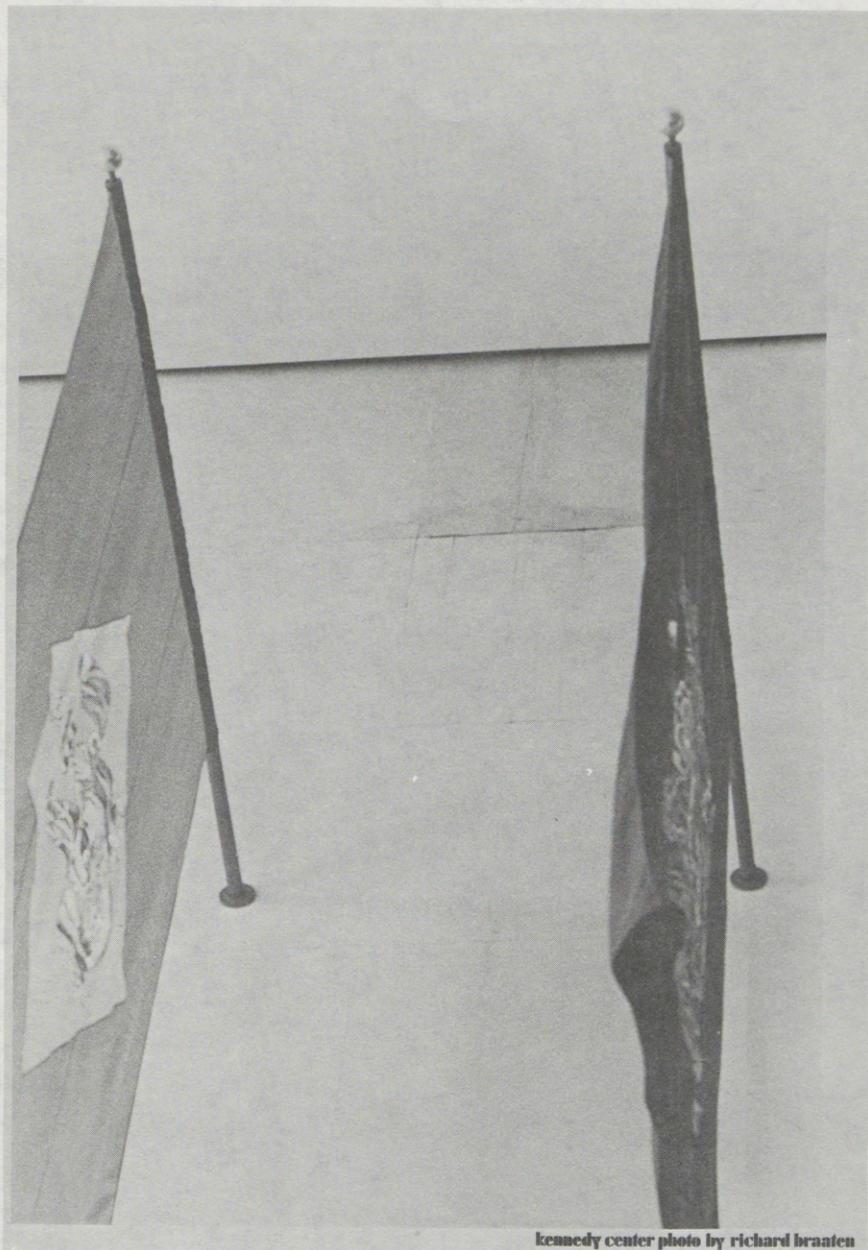
Kennedy Center photo by Richard Hirschen

PHOTO NO. 4



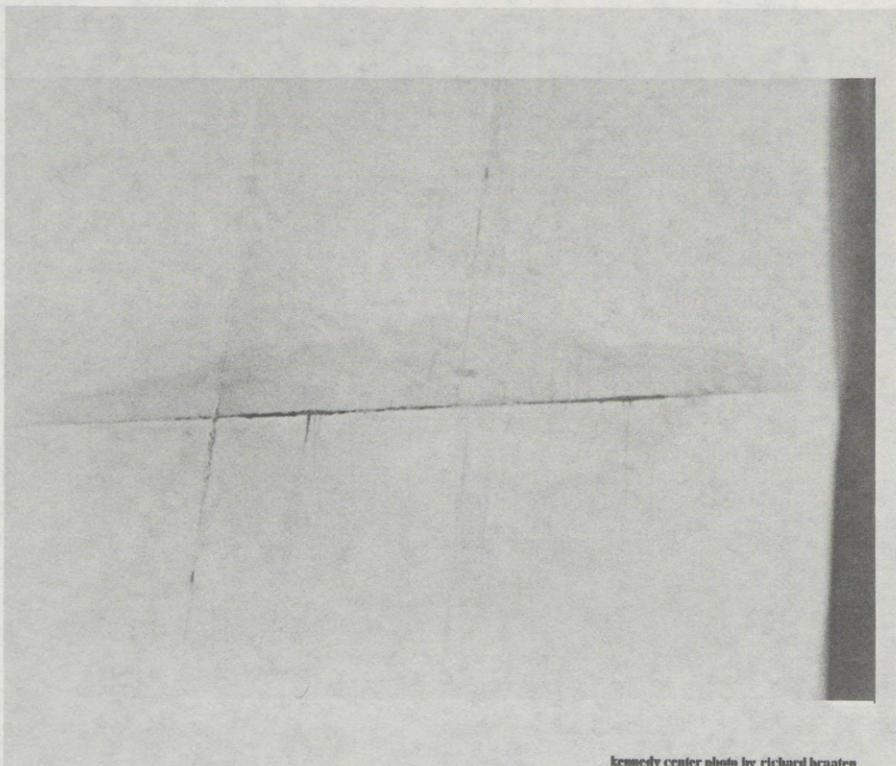
Kennedy center photo by richard herstein

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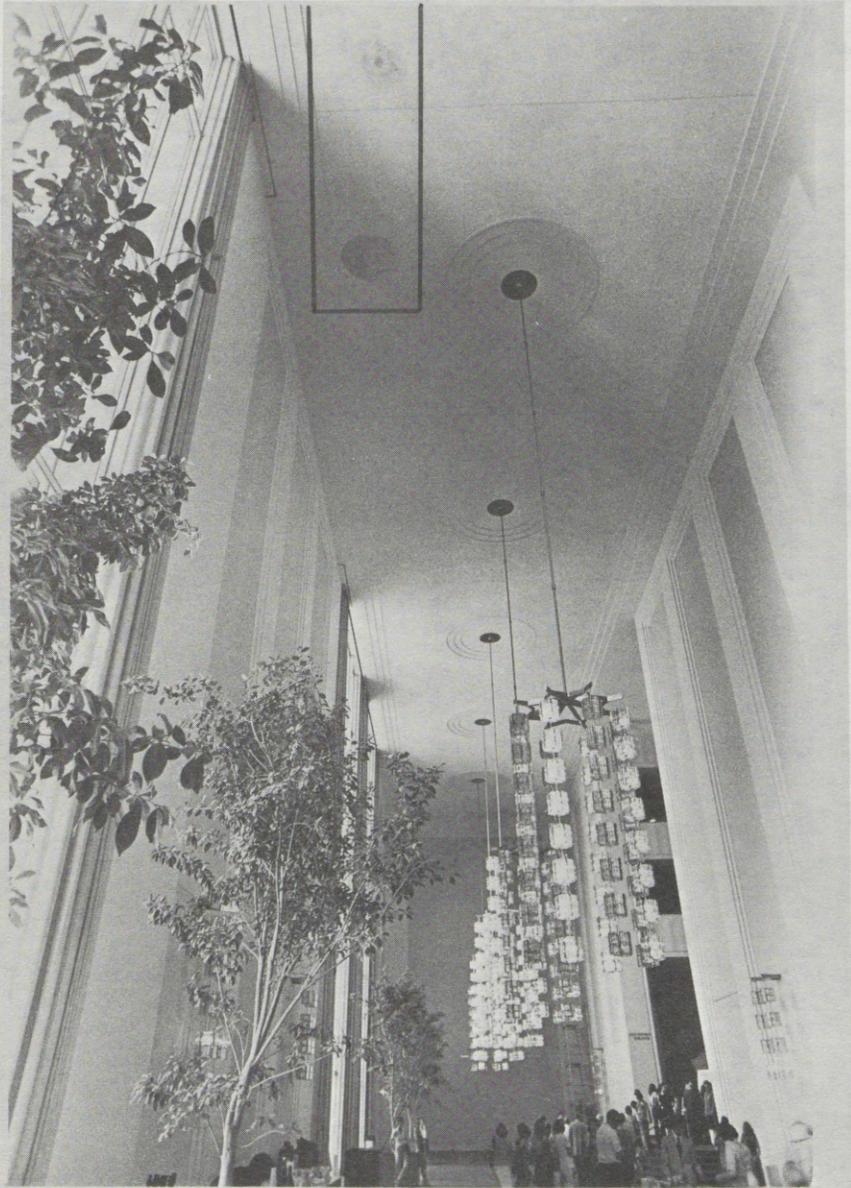
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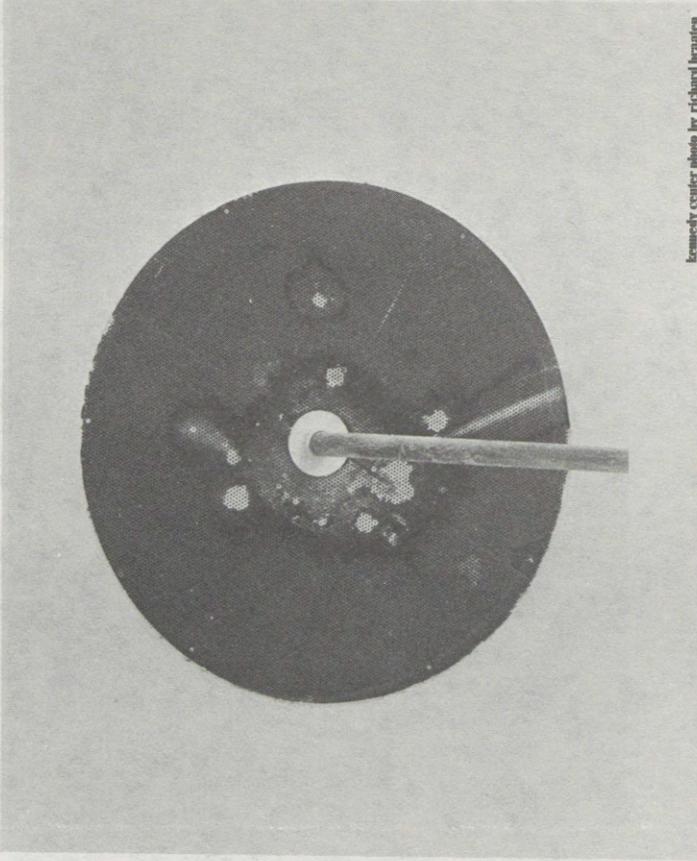
Kennedy center photo by richard branten

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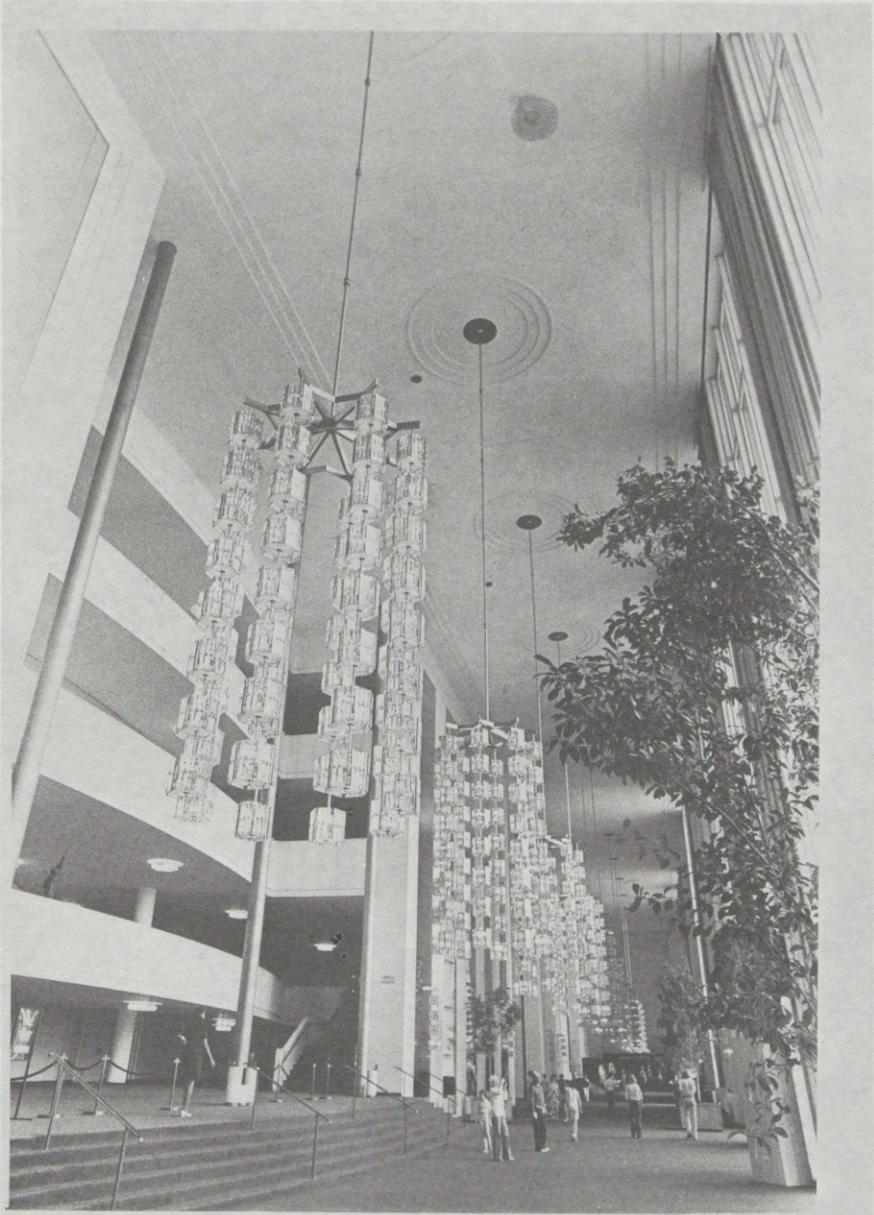
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PHOTO NO. 9



kennedy center photo by richard branten

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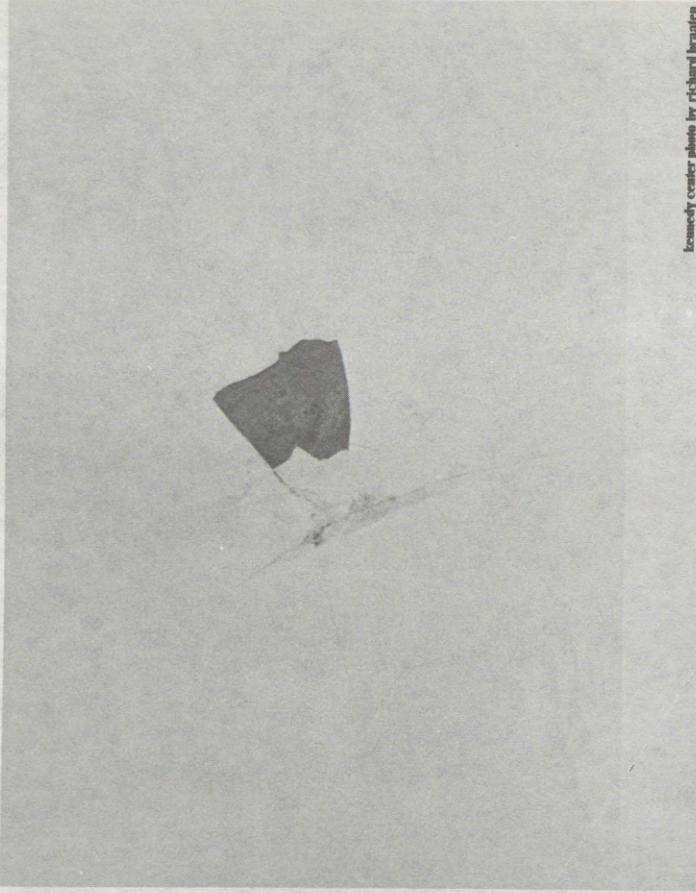
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Kennedy center photo by Richard Brantley



Kennedy center photo by richard braaten

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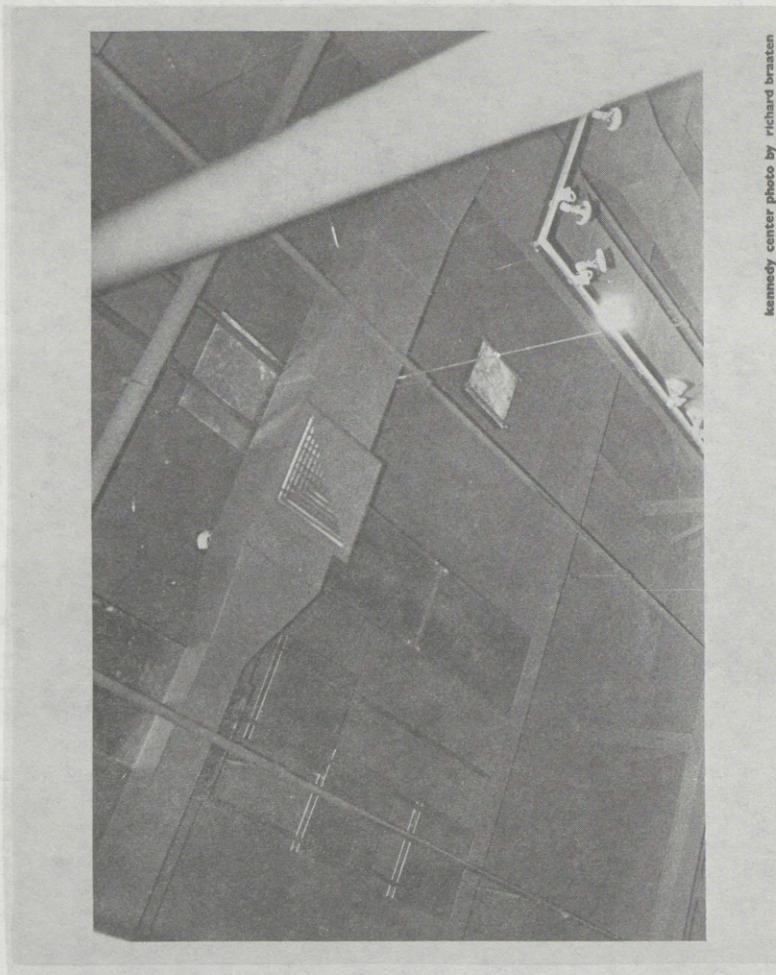


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PHOTO NO. 14



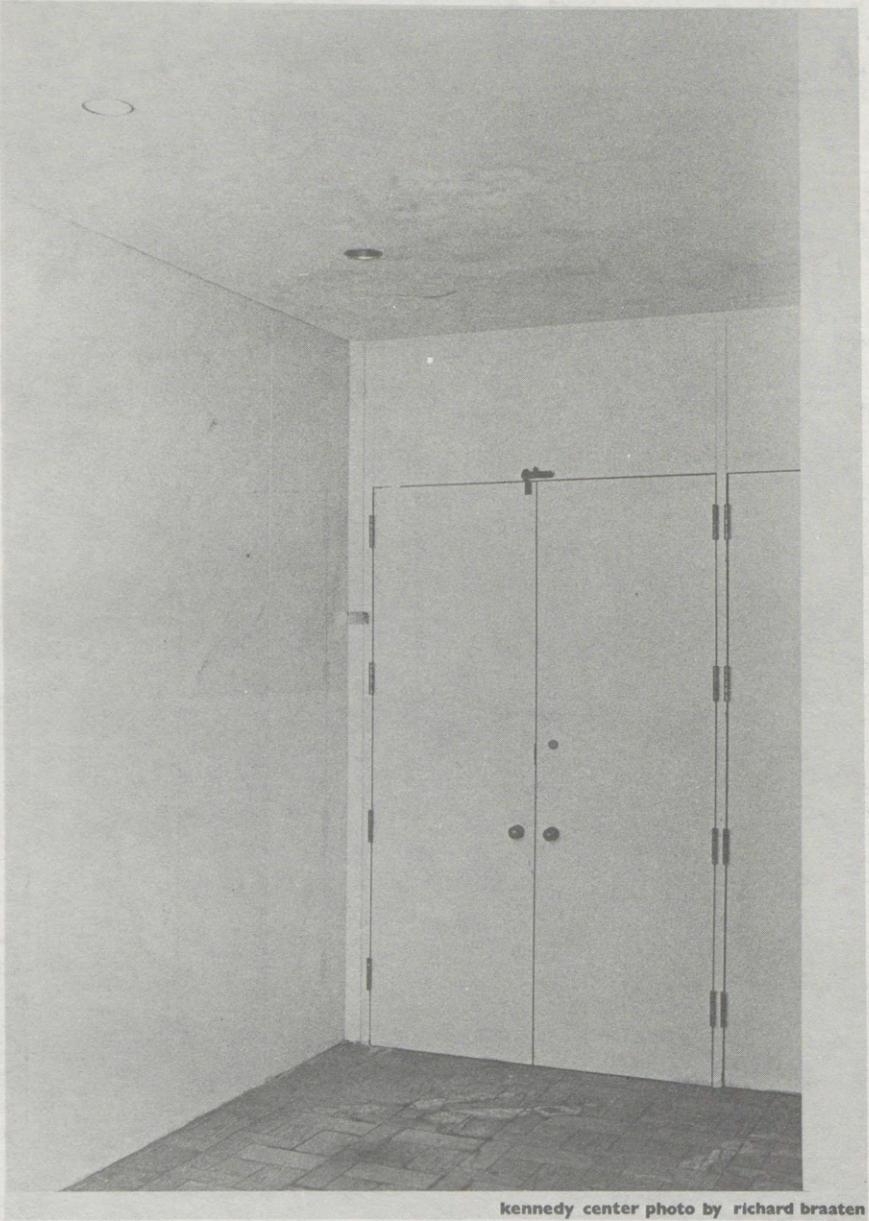
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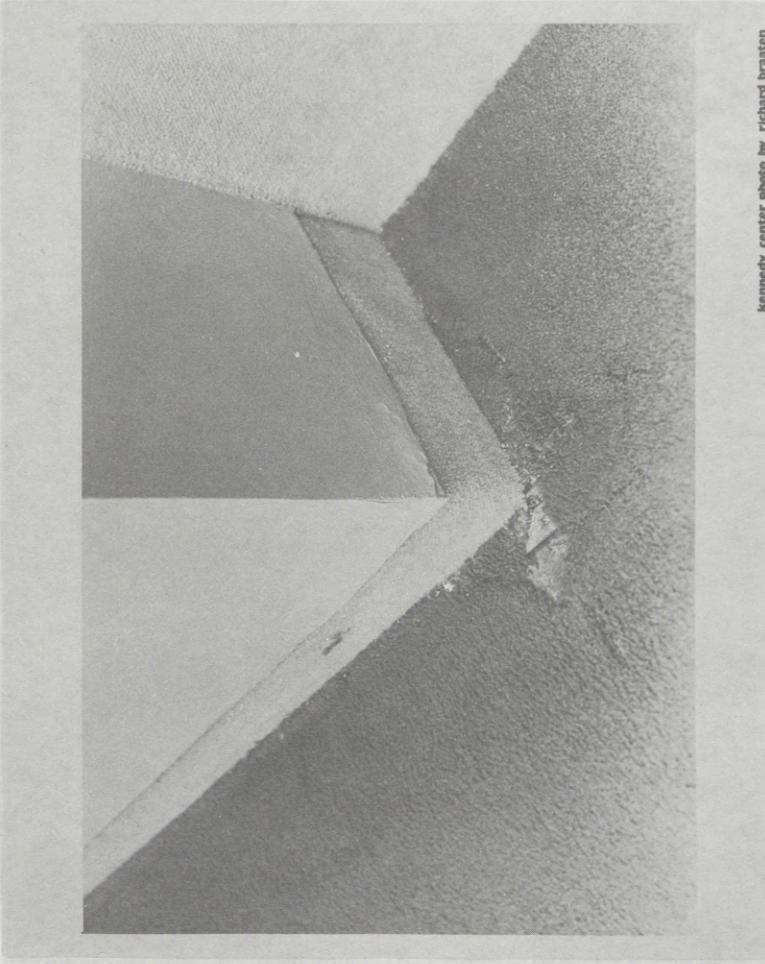
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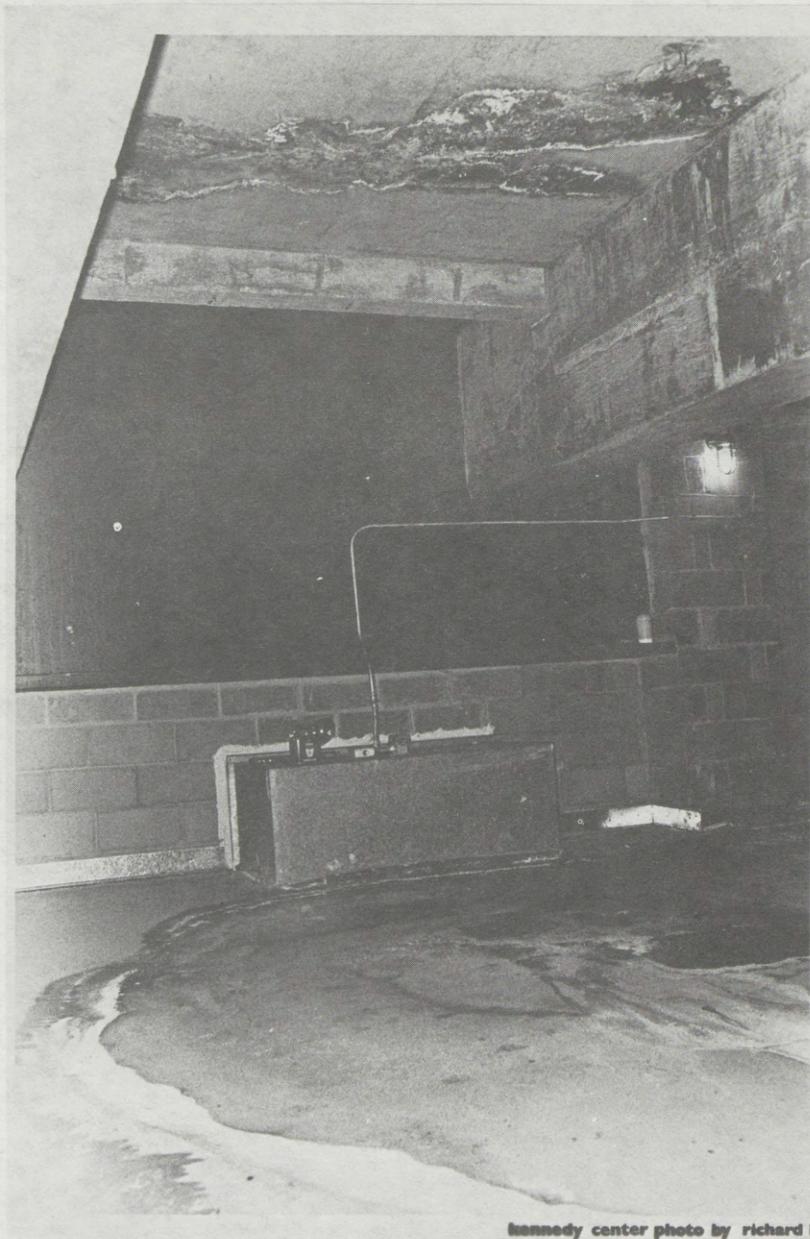
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Kennedy center photo by richard bratten

PHOTO NO. 18



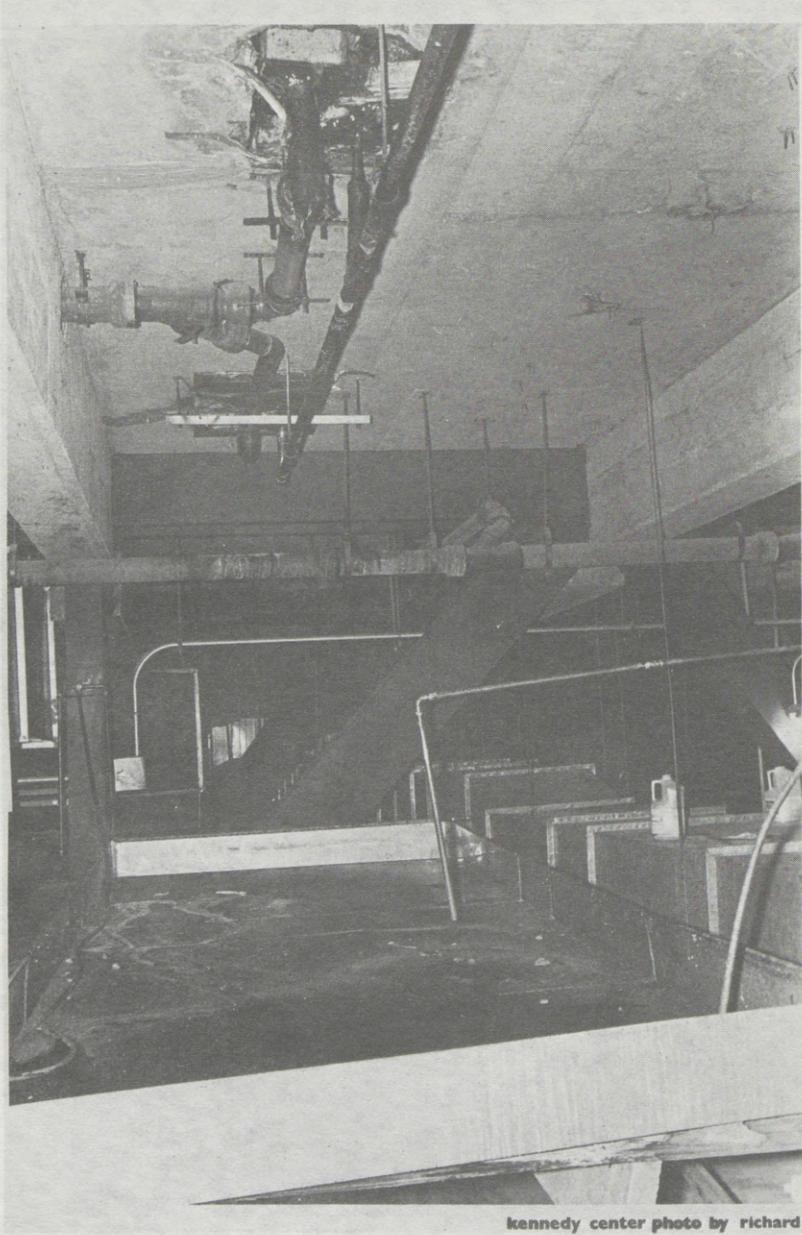
**Kennedy Center photo by Richard Braaten**

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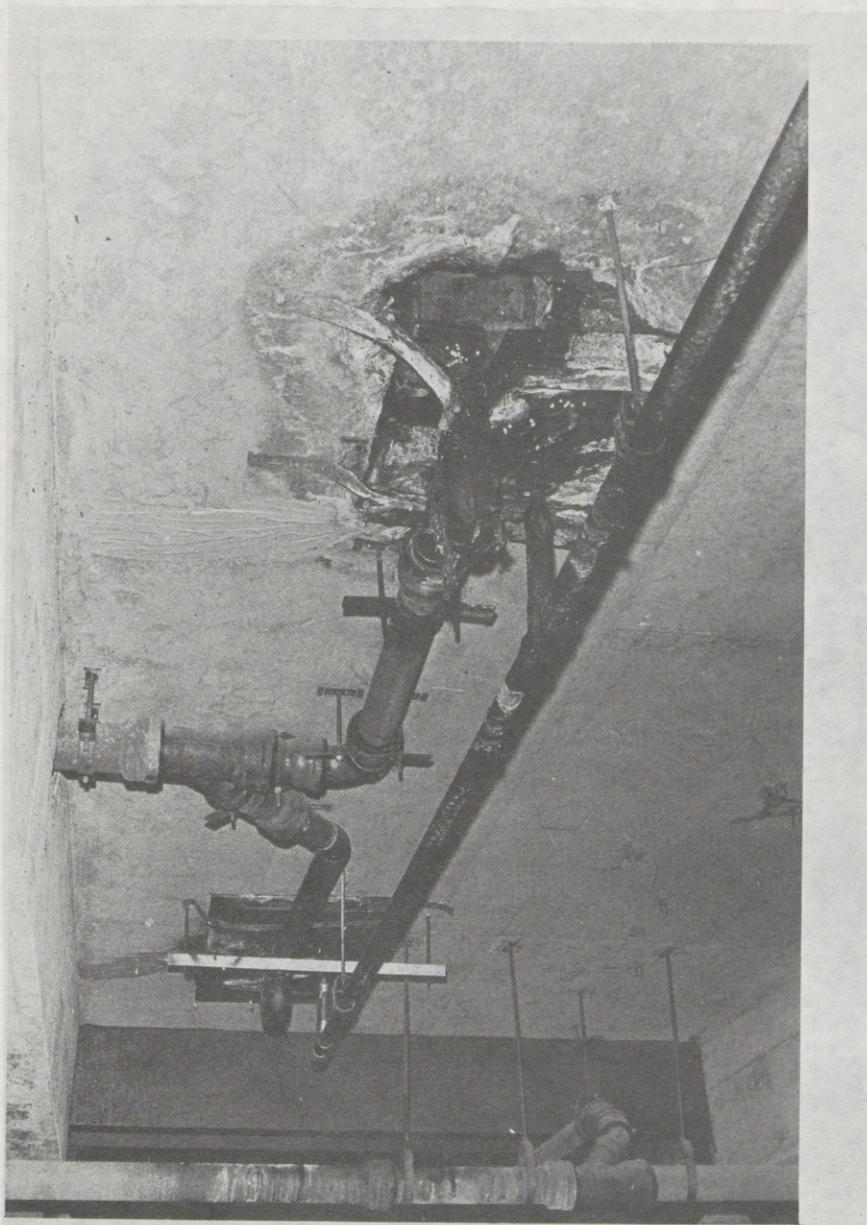
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**kennedy center photo by richard braaten**

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**kennedy center photo by richard braaten**

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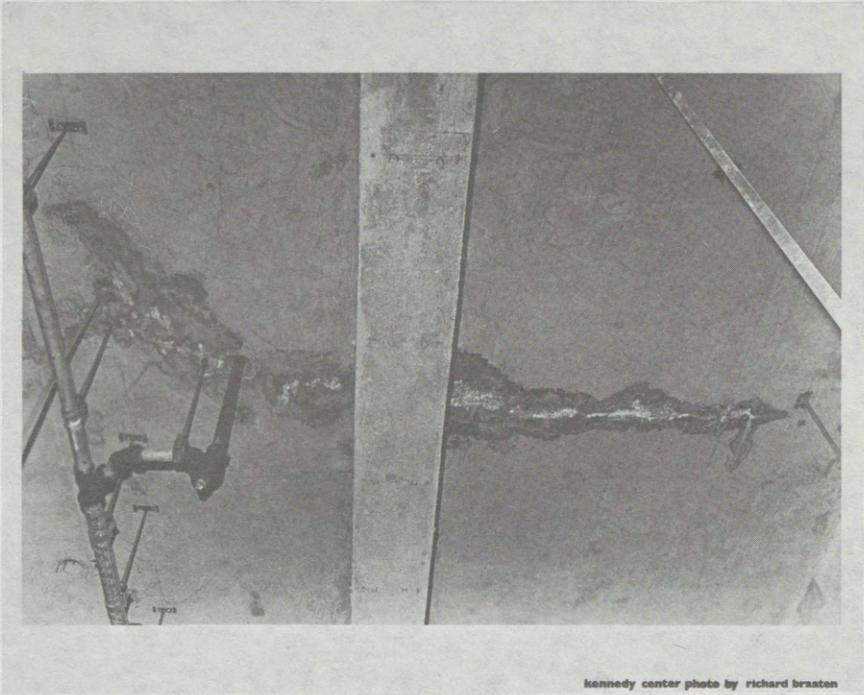
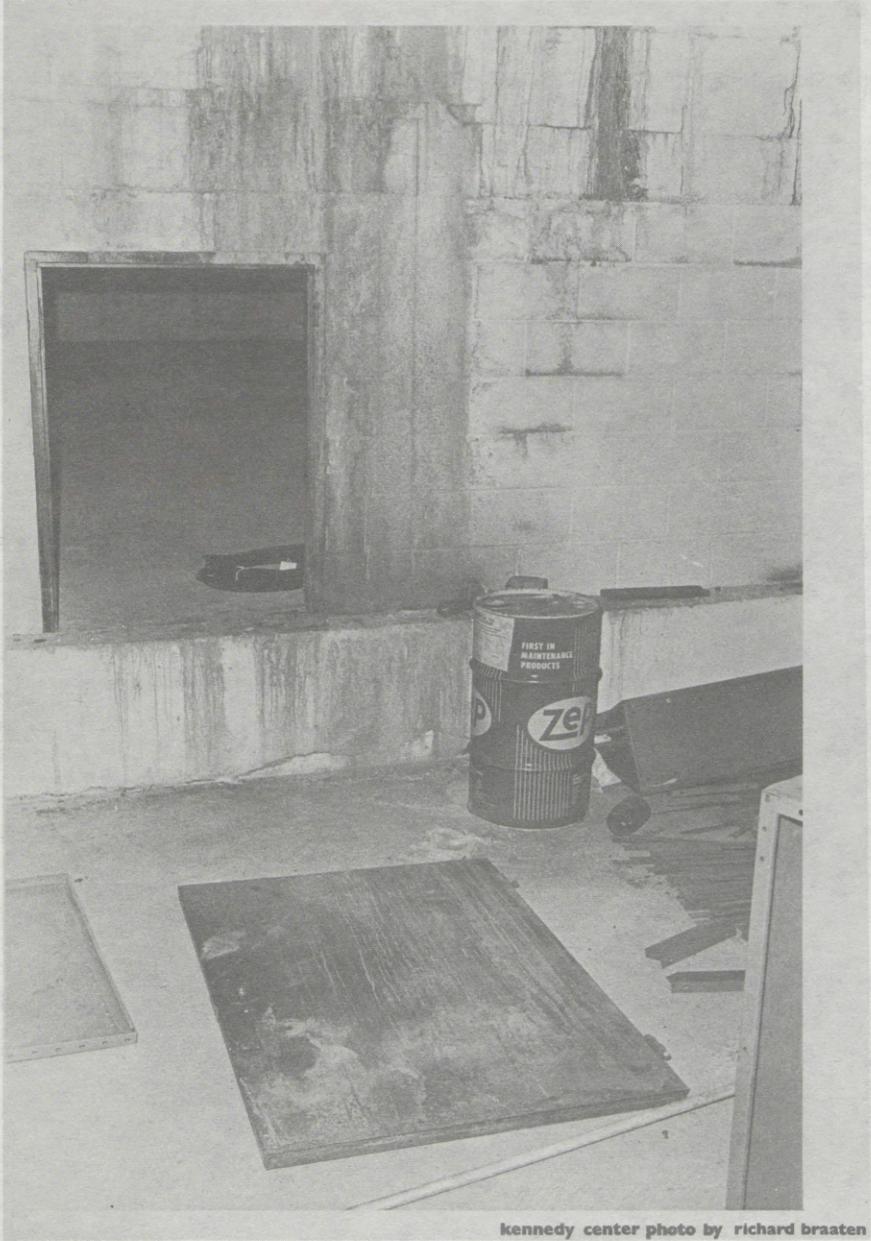


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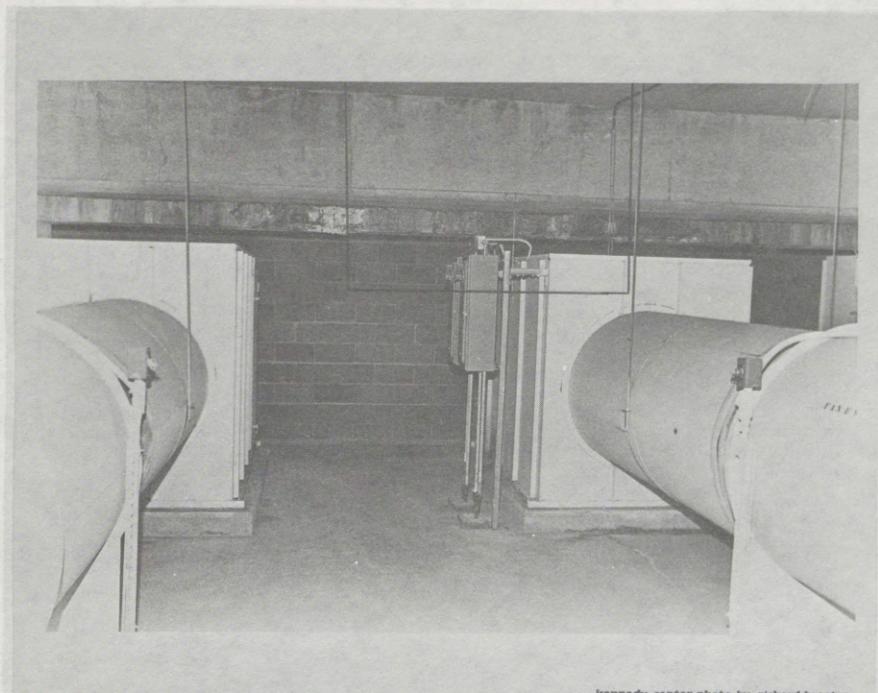
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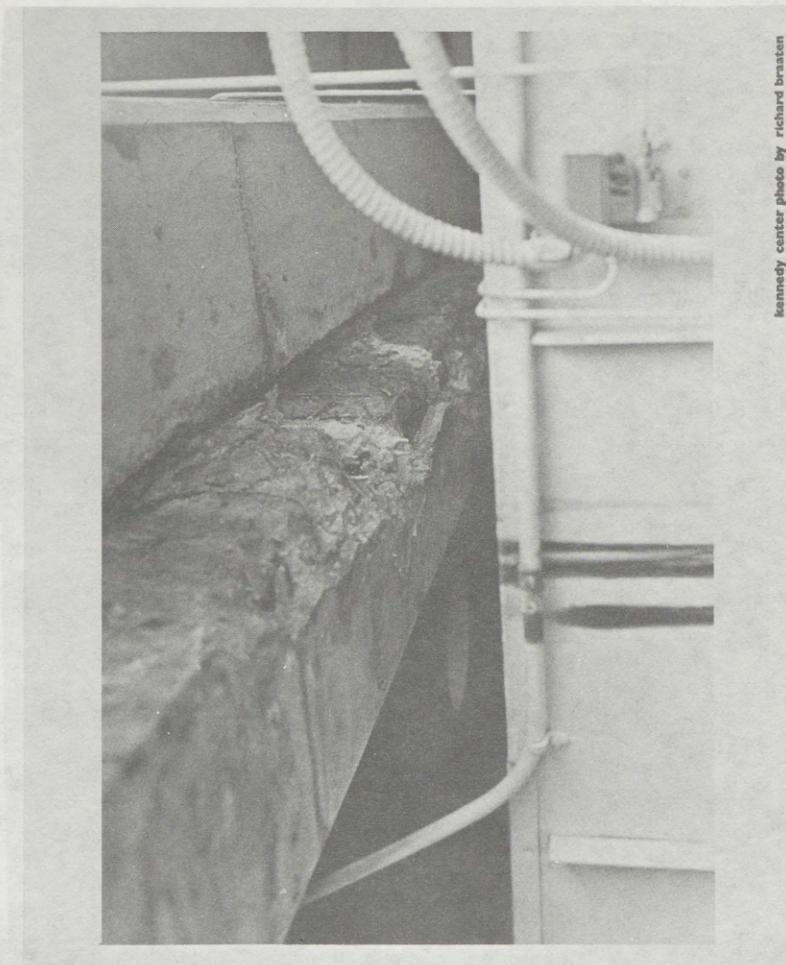
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Kennedy center photo by richard braaten

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Kennedy center photo by richard braston

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Kennedy center photo by Richard Bratton

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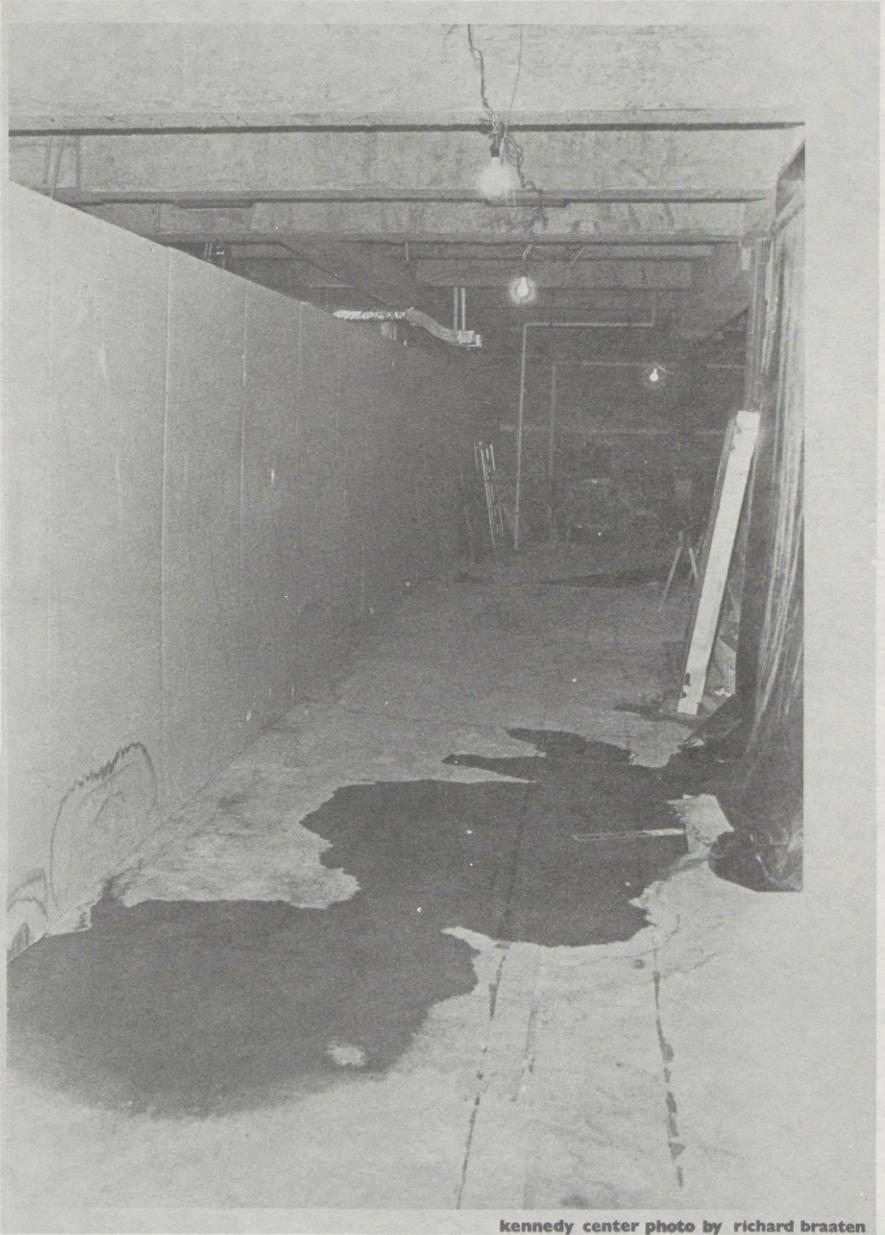
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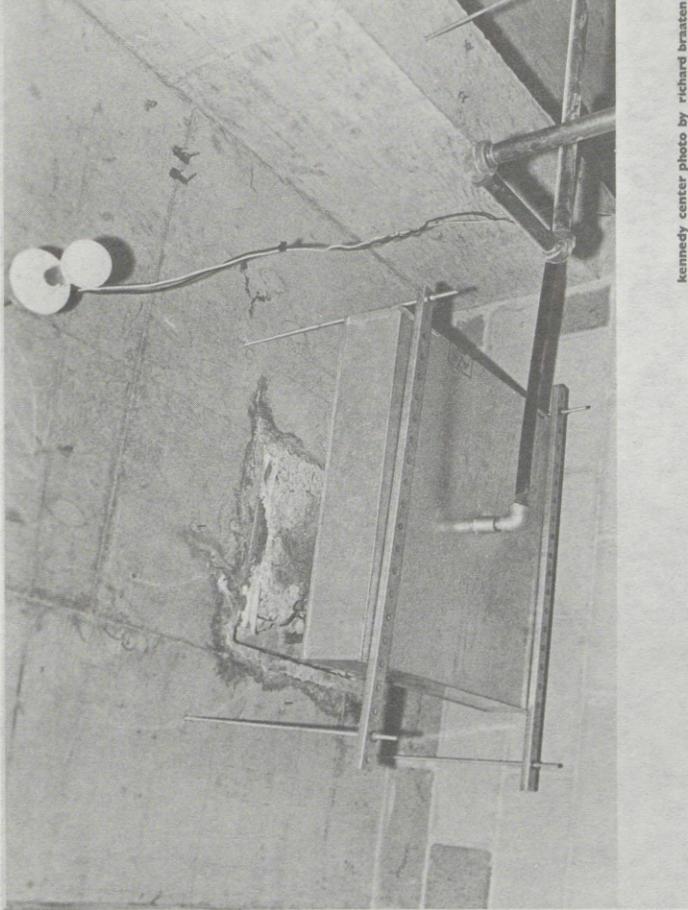
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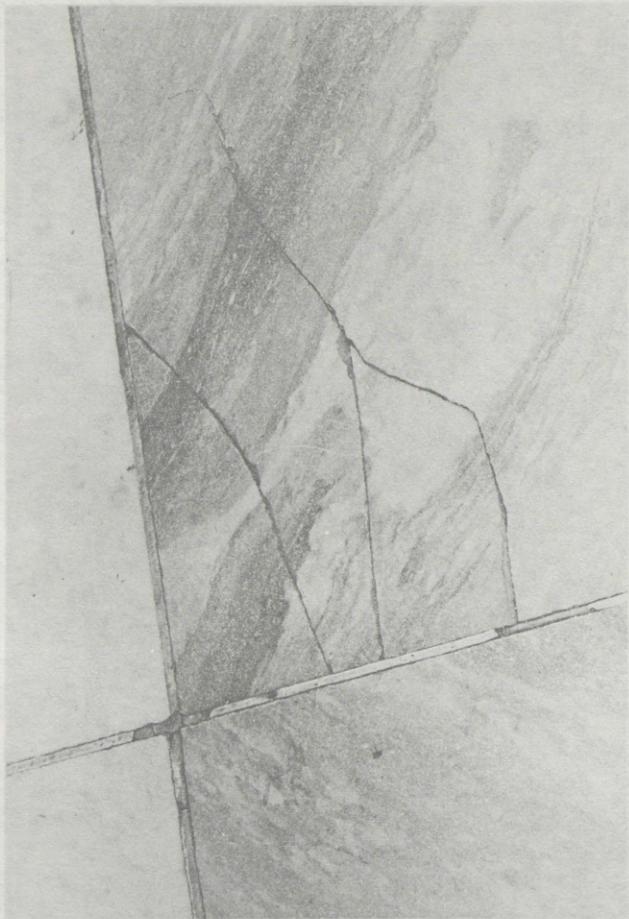
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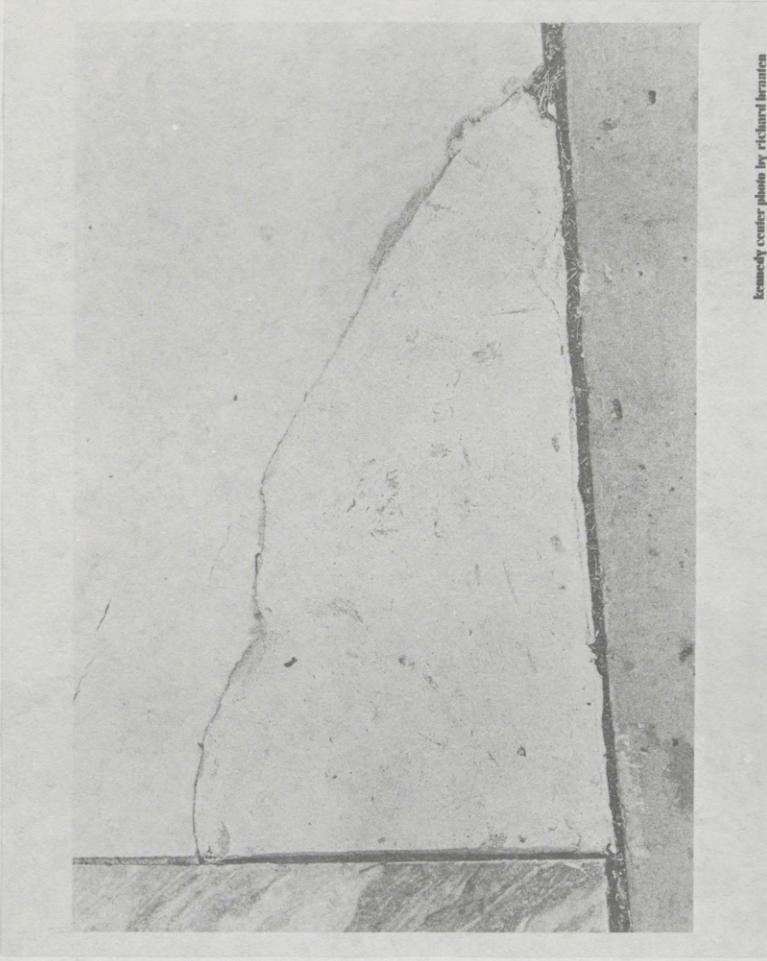
Kennedy Center photo by Richard Braaten

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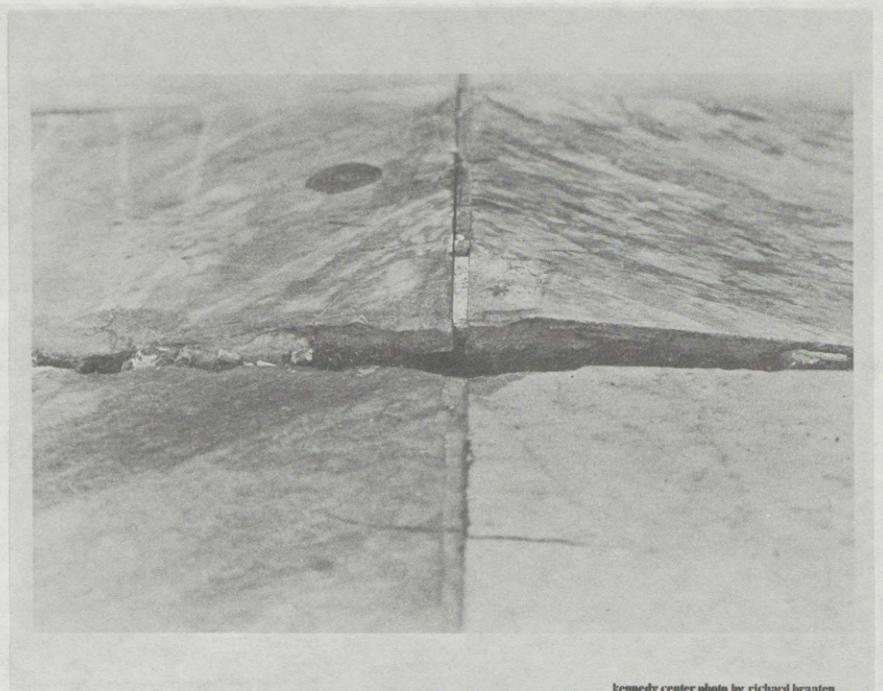
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Kennedy center photo by richard braaten

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Kennedy center photo by richard braaten

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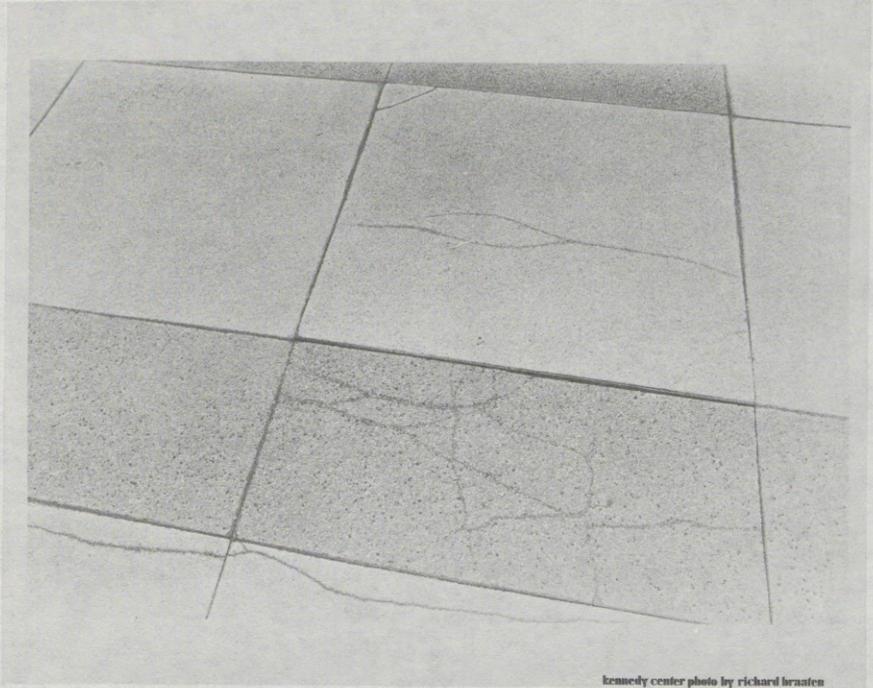
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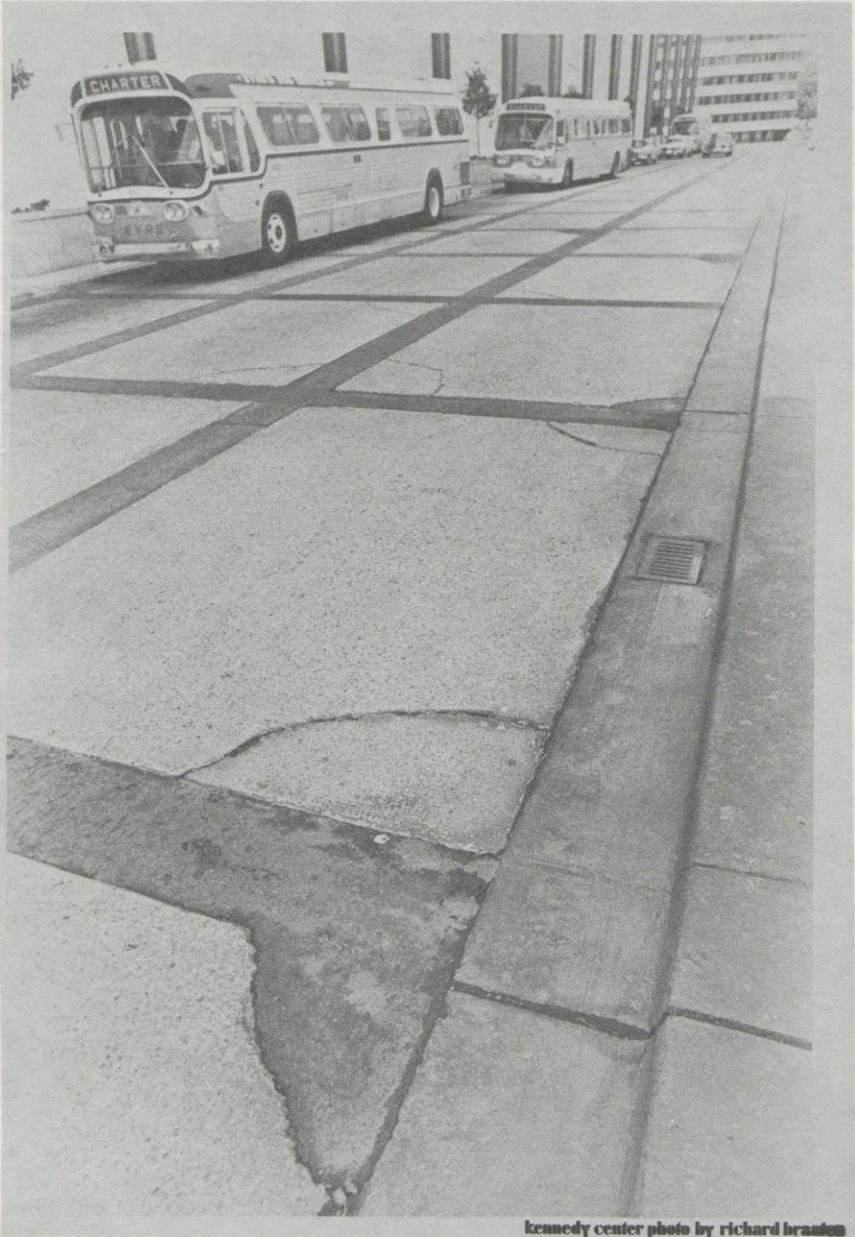
Kennedy center photo by richard branten

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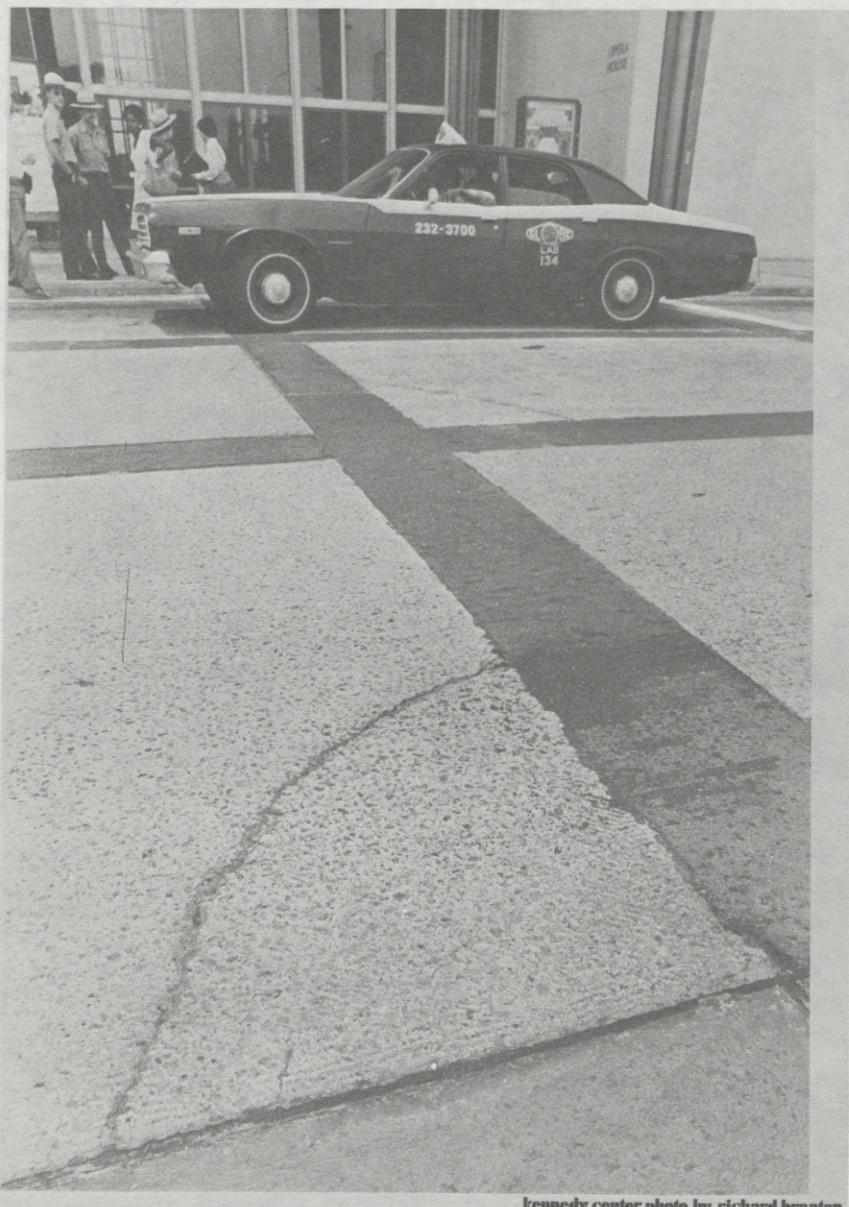
Kennedy center photo by richard braaten

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**kennedy center photo by richard branden**

PHOTO NO. 39



kennedy center photo by richard braaten

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AUG 27 1976

## Structural Defects - John F. Kennedy Center

The following is a general description of maintenance work performed by the National Park Service staff at the Kennedy Center to avoid additional damage to the building:

<u>MAINTENANCE FUNCTIONS COMPLETED</u>	<u>COST LABOR &amp; MATERIAL</u>
(A) Marble repairs	\$23,000.00
(B) Sidewalk repairs	4,000.00
(C) Install drain pans & run drain lines	10,000.00
(D) Waterproof fountains & reflecting pool	35,000.00
(E) Repair & replace humidifier pans	7,985.00
(F) Replace broken four inch main sprinkler line	2,500.00
(G) Repairs for defective remote control switches	3,968.00
(H) Replace & repair defective type V & W exterior lighting fixtures	41,128.00
(I) Remove watering bubbler head's from planter boxes & install sprinkler type heads to prevent planter box leakage	6,512.00
(J) East Plaza roadway repairs	5,000.00
(K) Maintenance due to water damage paint, plaster & replace ceiling tiles	6,000.00
(L) Remove trash & tear down, remove wire cages left by contractors	3,710.00
(M) Repair expansion joints	5,200.00
(N) Paint & repair 109 foot overhang (Building Perimeter) stained by planter box leaks - (incomplete)	30,100.00
(O) Paint Grand Foyer ceiling stained by water leaks (incomplete)	7,210.00
	<u>\$161,231.00</u>



## United States Department of the Interior

NATIONAL PARK SERVICE  
NATIONAL CAPITAL PARKS

John F. Kennedy Center for the Performing Arts  
Washington, D.C. 20566

IN REPLY REFER TO:

March 15, 1976

### Memorandum

To: Director, National Capital Parks

From: General Manager, John F. Kennedy Center

Subject: Water Leaks From Roof

Over a 12 month period as leaks appeared, 21 catch pans were installed in the ceiling of the multipurpose room in the Opera House. Due to the continuing deterioration of the roof, new leaks developed. The Kennedy Center contracted for emergency repairs of roof over the multipurpose room, which contains the America on Stage Exhibition. The \$5,400.00 contract did not possess a no leak guarantee, as the patch work was performed in isolated areas where leaks were suspected. The contract was completed on March 6, 1976. On March 9, 1976, it snowed quite heavily and many of the areas that leaked before the emergency repairs continued to leak. On March 13 and 14, the National Park Service maintenance staff installed 11 additional pans, bringing the total number of pans installed in this area to 32 pans.

The chronological breakdown covers cost of manhours and materials expended to install pans to catch water, preventing damage of exhibits and interior of space.



## Pans installed in multipurpose room

1-7-75

1 - 18"x18" pan	=	\$ 18.00
Man Hours 3 x 10.50	=	\$ 31.50
		<u>\$ 49.50</u>

1-8-75

1 - 24"x24" pan	=	\$ 20.00
Man Hours 3 x 10.50	=	\$ 31.50
		<u>\$ 51.50</u>

8-7-75

1 - 8'x6"x4" pan	=	\$ 16.00
Man Hours 6 x 10.50	=	\$ 63.00
		<u>\$ 79.00</u>

10-22-75

1 - 10' gutter and caps		
Man Hours 8 x 10.50	=	\$ 84.00

10-23-75

1 - 10' gutter and caps		
Man Hours 8 x 10.50	=	\$ 84.00

11-4-75

1 - 10' gutter and caps		
Man Hours 4 x 10.50	=	\$ 42.00

11-6-75

2 - 10' gutter and caps		
Man Hours 20 x 10.50	=	\$ 210.00

11-20-75

3 - 30"x30" pan	=	\$ 69.00
Man Hours 16 x 10.50	=	\$ 168.00
		<u>\$ 237.00</u>

12-9-75

4 - 30"x30" pan	=	\$ 92.00
Man Hours 16 x 10.50	=	\$ 168.00
		<u>\$260.00</u>

12-11-75

2 - 5' pc gutter		
Man Hours 3 x 10.50	=	\$ 31.50

12-16-75

1 - 4'x12"x6" pan	=	\$ 15.00
Man Hours 12 x 10.50	=	\$ 126.00
		<u>\$141.00</u>

12-30-75

1 - 30"x30" pan	=	\$ 23.00
Man Hours 15 x 10.50	=	\$ 157.50
		<u>\$180.50</u>

March 13 and 14, 1976

6 - 30"x30"x3"	=	\$120.00
2 - 9'-10"x30"x3"	=	80.00
2 - 5'x30"x3"	=	50.00
1 - 10' gutter & caps	=	10.00
50'- unistruct	=	20.00
<u>Material</u>		<u>\$280.00</u>

Labor

14 hours - time & half	\$197.40
14 hours - time & half	139.44
14 hours regular	89.32
	<u>\$426.16</u>

Total Material -	\$533.00
Total Labor -	\$1623.16
Total	<u>\$2156.16</u>

February 18, 1976

Memo for File

Subject: Water Leaks

A meeting was held Monday, February 9, 1976 at 1:00 p.m. in the office of Olof R. Anderson, to discuss water leaks resulting from construction defects. Attending were: Messrs. Schessler and William Becker, representing the Kennedy Center and Messrs. Carlos Goff, Olof R. Anderson, Edward S. Peetz, Edward J. Donnelly, Richard Robbins and Miss Ann Schmitt, representing the National Park Service.

Mr. Becker stated that the Kennedy Center was unable at this time, because of lack of funds, to make major repairs and he requested that the National Park Service do whatever was possible to assist in this regard. Mr. Robbins stated that the National Park Service was in financial straits itself due to the fact that appropriations had been cut back and in fact a reduction in force was under consideration at this time because of a lack of funds. He said it would be absolutely impossible for the National Park Service to expend additional funds or even request additional funds to take care of any major repairs at this time.

Mr. Becker then advised that the Kennedy Center had anticipated putting together a "package" which would include - among other things - approximately \$900,000 to repair the roof of the Kennedy Center. He admitted that he had planned to do this at a later date but advised he would immediately begin work on this, take it to OMB for approval before presenting it to Congress for favorable consideration and passage of an additional appropriation to cover these expenses. In the meantime it was agreed that Mr. Schessler would contract out the small repair job pertaining to the west wall of the Opera House for a total of \$5,400.00 to remove all blisters on the roof in this area as a "stop-gap measure."

Mr. Schessler also agreed to prepare the initial draft of the justification for the additional fund request, after which the staff at the Kennedy Center would work on it and forward their suggestions to Bill Becker for his consideration.

cc:  
JFKC-Chron. Files  
JFKC-Files

ASchmitt/dml 2/18/76

I CONSTRUCTION DEFICIENCIES  
COST ESTIMATE SUMMARY

A. <u>Water Leaks</u>		
1.	Entrance Plaza Drive.	\$ 283,483
2.	Kitchen	37,899
3.	Miscellaneous Leaks	
	a. Expansion Joints	6,174
	b. Pipe Sleeves and Flag Poles	2,119
4.	Emergency Generator Room	3,400
5.	Marble Terraces and Plaza - 40' Level	736,515
6.	Terrazzo - Roof Terrace - 109' Level	<u>601,863</u>
	Sub Total	\$1,671,453
B. <u>Humidifier and Related Installations</u>		
1.	Water Softeners	\$ 13,842
2.	Electric Steam Boiler Connections	27,338
3.	Service Platforms	18,767
4.	Humidifier Pans	
	a. Pan Replacement	28,750
	b. Remodel Boxes and Ducts	35,738
5.	Access Doors	<u>9,583</u>
	Sub Total	\$ 134,018
	Total A and B	<u>\$1,805,471</u>



## Moisture Protection Systems Analysts

1516 Spring Hill Road, McLean, Virginia 22101  
Phone (703) 893-2528

June 15, 1976

The Manager  
J.F.Kennedy Center for  
The Performing Arts  
National Capital Park Service  
Washington, D.C.

Dear Sir:

Herewith enclosed is the report of our investigation, including photographs of the leaks over the exhibit area.

We feel that the probable cause is the fact that the membrane is installed directly over concrete in one area and over insulation in the adjacent areas and therefore subjected to different stresses.

Installation of an expansion joint (neoprene sheet) would isolate the area and prevent future damage to the membrane. Existing breaks in the membrane will have to be located and repaired.

Should you have any questions, please do not hesitate to contact us.

Sincerely,

Sybe K. Bakker, C.S.I.

APPENDIX 10



# Moisture Protection Systems Analysts

1516 Spring Hill Road, McLean, Virginia 22101  
Phone (703) 893-2528

## INSPECTION REPORT

J.F. Kennedy Center  
for The Performing Arts  
Washington, D.C.

Subject: Roof Leaks central exhibit area  
Date: 3-24-76  
Ambience: Sunny, dry, 76° F.

The main roof is, in general, a large rectangle, with the long axis running North- South.

The membrane is an asphalt built-up type, with a white crushed stone cover.

The perimeter is formed by a parapet with marble coping, mineral surfaced base flashing and stainless steel cap flashing.

The roof is severely ponded as evidenced by the darker areas on the photographs.

Roof drains are surrounded by stainless steel gravelstops.

Expansion joint consists of mineral surfaced base flashing with stainless steel counterflashing and joint cap.

The flashing and expansion joint are generally in good condition, although some joints in the base flashing are beginning to open up.

The southern area of the roof contains some insulation vents.

Our investigation dealt specifically with a portion of the roof on the west side, about 20 to 30 feet south of the expansion joint, where leaks occur in the exhibit area below (see photographs). For convenience we will call this the depressed slab area.

We made four cuts in the membrane and found the following:

- Cut no.1 Membrane directly on concrete slab. When tested with the moisture meter \*), the top (outside) of the membrane showed dry, the inside face read 20 and the concrete 25.
- Cut no.2 To the north of cut #1, membrane over fiberglas insulation, no vapor barrier on concrete. The membrane tested dry with the moisture meter, while the insulation showed 20 near the top increasing to 25 near the bottom, with 22 on the concrete.
- Cut no.3 Membrane over insulation, top dry, insulation and slab 25.
- Cut no.4 At edge of depressed area, fiberglas insulation adjoining concrete; membrane dry, insulation and concrete 25.

#### CONCLUSION

The roof membrane covers without visible interruption a substrate consisting alternately of insulation, concrete and insulation.

We did not find water in the system, but a fairly high moisture content in the insulation and concrete slab directly below the membrane.

Over the depressed area the membrane is mopped directly to the concrete slab, while adjacent to that it lies on top of the insulation. The membrane must therefore be subjected to thermal stresses and maybe even to some structural movement and has undoubtedly failed somewhere along the perimeter of the depressed area.

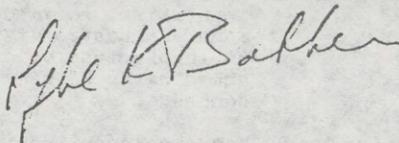
We recommend that the membrane be cut at the edge of the concrete slab and a neoprene expansion joint be installed. While this is being done, breaks in the membrane may become evident; otherwise these will have to be located and repaired.

Kennedy Center

Page 3

To improve the drainage we suggest that the gravel stops around the roof drains be either lowered or removed.

Report Submitted by: Sybe K. Bakker, CSI

A handwritten signature in cursive script, reading "Sybe K. Bakker". The signature is written in dark ink and is positioned to the right of the typed name.

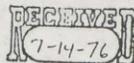
\*) Moisture Meter used - Delmhorst Model BD-7



# Moisture Protection Systems Analysts

1516 Spring Hill Road, McLean, Virginia 22101  
Phone (703) 893-2528

July 13, 1976



John F. Kennedy Center  
for the Performing Arts  
National Capitol Park Service  
Washington, D. C.

Attention: Mr. Carlos Goff  
Chief of Maintenance

Re: Roof Repair

Dear Sir:

We have reviewed the proposal by the Warren-Ehret-Linck Company, dated May 19, 1976, for the corrective roof work and agree with the three steps outlined.

Number 3, installation of the expansion joint at the perimeter of the floating slab, is the same remedy as we suggested during our inspection in March 1976.

Although we did not find water saturated insulation, it is quite possible that some will become evident when this work is being done; and, therefore, I recommend that the contractor be asked to quote you a unit price for the installation of insulation vents (preferably the insulated type, McKinley or Tremco), where necessary.

We also noticed severely ponded areas and agree that additional roof drains be installed at the low points. The contractor could be asked to quote you a unit price per drain installed, and you would have to decide where it could be tied into an existing system.

The gravelstop around the existing roof drains tends to impede proper drainage and, I feel, should be removed.

Siphoning systems perform quite well and might be the answer to the ponding problem on the main roof but may not be aesthetically acceptable on the overhang.

APPENDIX 12

John F. Kennedy Center  
for the Performing Arts  
Attn: Mr. Carlos Goff

Page 2  
July 13, 1976

Installation of additional insulation vents may be necessary if wet insulation is found in other areas during repair work.

Should you have any questions, please don't hesitate to contact me.

Very truly yours,

MOISTURE PROTECTION SYSTEMS ANALYSTS



Sybe K. Bakker, CSI

SKB/dj

cc: Mr. William Becker  
Office of the General Council  
John F. Kennedy Center  
for the Performing Arts  
1819 H Street, N.W.  
Washington, D. C. 20006

## WARREN - EHRET - LINCK COMPANY

May 19, 1976

12200 Parklawn Drive  
P.O. Box 2181  
Rockville, Maryland 20852  
(301) 881-2244National Park Service  
Department of the Interior  
John F. Kennedy Center  
for the Performing Arts  
2700 "F" Street, N.W.  
Washington, D.C. 20566ATTENTION: MR. CARLOS GOFF  
CHIEF OF MAINTENANCE

Gentlemen:

On several occasions, most recently last Monday, May 17, 1976, we have examined carefully the roofing installation which we completed in December, 1970.

We propose to undertake the corrective work necessary both to restore the roofing membrane and to modify certain conditions which have appeared in the interim, all toward maintaining the integrity of the roof of the building.

1. Eliminate the observable, relatively minor blisters and bare-spots (exposed felts) utilizing materials approved for use in the original construction by cutting, patching and resurfacing as necessary.
2. Resurface areas exposed to and exhibiting normally expected wind-scour effect, found principally at corners of the roofs.
3. Eliminate the wrinkling effect found in the roofing membrane at the boundary line of the "floating slabs," owing to design, where the differing substrates to which the membrane is attached have produced differential movement, by anchoring a treated wood nailer flush with the

APPENDIX 11

## 2.

roof insulation immediately adjacent to the raised sections of the concrete slab and installing a flexible, sheet-neoprene and stainless steel expansion joint anchored and double stripped to the existing roof membrane on both sides of the boundary line.

Limited to a guaranteed maximum amount of \$50,000, the above three items would be performed for the actual cost of the work on-site, including labor, supervision, materials, tools, equipment, trucking, necessary insurance and taxes on labor and materials, plus a fee of fifteen percent for administration and profit.

Our estimate of the costs in connection with each of the three items of work is as follows:

- |   |           |
|---|-----------|
| 1. RESTORATION: (cutting, patching and resurfacing) | \$40,000. |
| 2. RESTORATION: (resurfacing where wind-scoured)    | 2,000.    |
| 3. MODIFICATION: (installing expansion joints)      | 8,000.    |

In the event the cost of any one or more of the three items of work listed above shall exceed the estimated cost shown, same shall nonetheless be payable to the extent that the total sum payable with respect to all three items shall not exceed the guaranteed maximum amount.

For a period of five years commencing with the completion of all of the above work, we propose to perform semi-annual inspections, and in connection therewith, to make any repair necessary to maintain the integrity of the roofing membrane occasioned by normal wear and tear, specifically excluding the cost of repairing damage caused by abuse or wind-storm, and to submit promptly written reports in connection therewith, all for a guaranteed maximum charge for each such inspection and repair of \$500.

To the extent that the actual on-site cost plus a fee of fifteen percent does not exceed the guaranteed maximum charge for any inspection and repair, the difference, if any, shall remain available against any later or prior cost of inspection and repair which may exceed the guaranteed maximum charge.

## 3.

The cost of performance and payment bonds, if required for any of the work proposed herein, shall be borne by the Owner in addition to the guaranteed maximum amount applicable to the work.

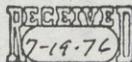
Consideration should be given toward the effective reduction of standing water or "ponding" which is occurring, owing to the design of the building, in the form of at least eight additional roof drains at the main roof level.

In this vein, consideration might be given, either additionally or alternatively, to the use of any automatic siphoning system as it accumulates and dispose of same through the existing roof drainage system.

Ponding is also occurring on the overhanging portion just below and completely surrounding the main roof. Here, a siphoning apparatus may well be the only practical means of reducing ponding exposure.

It may be necessary to take suitable steps with respect to moisture which may be present beneath the floating slabs, related to the leaks which appear in the Multi-Purpose room and the unfinished Theatre.

Prior to such undertakings, the amount of such moisture which may remain following the installation of the expansion joint in the membrane would first have to be determined, as well as what steps could be employed to effectuate its removal should that be necessary or desirable. For the present, such moisture does not appear to be affecting the performance of the roofing membrane.



*Recd 7/19*

*CA 7/22 M. Anderson  
John Johnson*

D18-DSC-TNE

JUL 14 1976

Memorandum

To: Assistant Manager, Mid-Atlantic/North Atlantic Team,  
Denver Service Center

From: Judson S. Ball, Architect, Mid-Atlantic/North Atlantic Team,  
Denver Service Center

Subject: Trip Report, July 5-8, Kennedy Center

PURPOSE

Inspection of leaks at Kennedy Center for the Performing Arts for the purpose of estimating design and construction costs for repairs.

BACKGROUND

For some time there have been a great number of water leaks and tar leaks in the roof, terraces, and entrance drive. These problems have been the subject of counterclaims by the Government in cases pending in the Court of Claims in which the general contractor and the architect are separate plaintiffs. For this reason, corrective action has been limited to control of damage due to the leaks and minor repair work.

FINDINGS

All of the pertinent drawings, specifications, and job records are in the custody of Justice Department Attorney Frances Nunn (202-737-8200, extension 3348), and kept at the Kennedy Center. Access to this material is readily available through Frances Nunn.

A detailed analysis and an estimate of the cost of corrections was prepared by Olympic Engineering Corporation, 1214 John Street, Seattle, Washington 98109 (206-624-9444). I have made an initial contact with Richard Smith, Project Management Services, for estimate details and recommendations on correction of defects. Frances Nunn gave permission for this since our work does not involve the determination of fault. We will have to pay for these consulting services.

APPENDIX 13

The National Park Service maintenance staff at Kennedy Center is supervised by Carlos Goff, Chief of Maintenance (202-254-3620). He and John Johnson described the problems and conducted a complete tour so that the problems, the damage, and the protective work could be seen.

The Federal Highway Administration has studied the entrance drive problems. We have received their report from Elwood Rensch, Assistant Manager, National Capital Team, Denver Service Center. They do not recommend that the concrete block pattern be retained. Any change will have to be approved by the Fine Arts Commission.

#### DISCUSSION

The problems can be discussed and resolved in these non-related categories: (a) roofing, (b) entrance drive, (c) elevation 40 and 109 terraces, (d) kitchen floor, and (e) consequential damage.

(a) Roofing: The main roof and the perimeter overhanging roofs leak and do not drain properly. A decision is needed promptly by the Department of Justice whether we will accept a proposal by Warren-Ehret-Link Company (original installer) to repair the roof or make major modifications and replace all the roofing. The Department of Justice has negotiated a settlement which would provide for the repair work by Warren-Ehret-Link. Dripping of asphalt at expansion joints and ponding will not be solved by the repairs.

(b) Entrance Drive: The Federal Highway Administration has recommended work to waterproof the structure below and replace the decorative concrete slabs with a bituminous surface. We need to examine this recommendation and determine the feasibility of retaining the present pattern. If a pattern change cannot be avoided, we must consult the Fine Arts Commission.

(c) Terraces: There are approximately 218 light fixtures in the terraces. It is probably not possible to stop water leaks and tar dripping under these fixtures. The building expansion joints also leak water and tar. It is impossible to determine the extent of leaks through the membrane under the surface marble and terrazo, but damage during construction is suspected.

(d) Kitchen Floor: The quarry tile floor leaks around trench drains and possibly elsewhere. The floor has settled at the wall about 1/4" in some locations.

(e) Consequential Damage: Wall and ceiling finishes have been damaged, tar dripping is a continual problem, water has caused rusting of steel structural members with resulting failure of the concrete fire proofing. Other minor damage was noted, but the overall damage is extensive and

will require a considerable effort to repair. The maintenance staff has constructed drain pans in a great many locations to protect finishes as much as possible. There has also been a great deal of work done to locate the source of the problems and correct them.

#### RECOMMENDATIONS

(a) Roofing: Since a roof membrane is not one of the more permanent parts of a building, I recommend accepting the repair work by Warren-Ehret-Link as the most cost-effective. We should consider supplementing the existing drainage with automatic syphoning in the low areas and drilling weep holes in drain body. Notify the Department of Justice of the National Park Service decision on repair work.

(b) Entrance Drive: Review the Federal Highway Administration proposal, check feasibility of retaining present pattern, contact Fine Arts Commission if necessary.

(c) Terraces: Do this work in phases. Contact Fine Arts Commission for approval of surface mounted lighting of special design, remove existing fixtures and seal terrace openings. Install new fixtures. Investigate and repair obvious leaks. Rework expansion joints without the use of tar. Wait for further developments before considering replacing the membrane under all of the marble and terrazzo. The marble cannot be obtained in the quantity needed for this major undertaking.

(d) Kitchen Floor: Kitchen must be closed and the entire floor removed. Install waterproofing pan. Replace drains with type which will drain the pan. Replace floor with non-skid quarry tile.

(e) Consequential Damage: Check structural members and repair damage to fireproofing. Check plaster for deterioration and repair. Redecorate as required. Redecoration should not be started until water tightness is demonstrated.

#### ESTIMATE

We need to consult with Olympic Engineering on their recommendations and estimate. This can be done by purchase order. It appears that this firm is qualified, and since they have worked on the project for more than two years, I do not recommend starting over with another consultant for purposes of estimating.

#### DRAWINGS AND SPECIFICATIONS

It is not yet clear whether we should employ an A/E firm for this work.

FUNDING FOR DENVER SERVICE CENTER

Based on the proposed appropriation of \$3,300,000, net construction funds would be \$2,260,000. Type 07 activity would be allotted 15% of the net, or \$339,000. We should request initial funding of \$40,000 to verify estimates, review correction recommendations and to set the wheels in motion for quick action as soon as Congress funds the project.

Signed

Judson S. Ball

Approved for Distribution: (Sgd.) Robert L. Steenhagen  
 Assistant Manager, Mid-Atlantic/North  
 Atlantic Team, Denver Service Center

cc:

Chief, Office of Programming and  
 Budget, WASO

Asst. Dir., Development, WASO

Director, NCP

General Manager, Kennedy Center,  
 2700 F St., N.W., 20566

Asst. Mgr., National Capital Team

Frances Nunn, Esq., Dept. of Justice,  
 Civil Division, Court of Claims Section,  
 Washington, D.C. 20530

July 14, 1976

## Memorandum

To: Chairman, Board of Trustees, Kennedy Center

From: General Manager, National Park Service

Subject: Water leaks

It seems superfluous to mention the condition of the roof, Roof Terrace and the water leaks we have been handling with emergency measures, since everyone concerned is aware of the problem. However, I do want to call your attention to the seriousness of the problem, which grows worse with each rainstorm we have.

The water is leaking through the Grand Foyer ceiling; the acoustical plaster, the chandeliers and newly installed rug have all been seriously damaged. Over the past weekend the leaks were so bad a row of garbage cans was placed down the center of the Grand Foyer to catch the water -- not an appealing sight for visitors to a National Memorial, nor to theater patrons. The leaks are constantly increasing in the IBM Exhibit area as well. With the ceiling in the Grand Foyer deteriorating so rapidly, we fear for the safety of visitors and should the ceiling begin to fall, the building could conceivably be closed for obvious reasons.

We will, of course, do all in our power to handle the problem from day to day, but urge you and everyone else involved, to do all possible to have the roof permanently and promptly repaired.

cc:  
 Mr. E. Schessler, Kennedy Center  
 Mr. William Becker  
 Mr. Fish, NCP  
 Mr. E. Peetz, NCP  
 JFK Files  
 JFK Chron File

OLOF R. ANDERSON  
 Olof R. Anderson



APPENDIX 14

ORAnderson:as

KENNEDY CENTER TENTATIVE BUILDING REPAIR ESTIMATE  
 -As of May 5, 1976

<u>A. Water Leaks</u>	<u>Cost Estimate</u>
1. Entrance Plaza Drive	\$ 360,000
2. Kitchen	45,000
3. Miscellaneous Leaks	
a. Expansion Joints	7,400
b. Pipe Sleeves and Flag Poles	2,500
4. Emergency Generator Room	4,800
5. Marble Terraces and Plaza-40' Level	985,400
6. Terrazzo - Roof Terrace-109' Level	<u>679,560</u>
Subtotal	\$ 2,084,660
 <u>B. Humidifier and Related Installations</u>	
1. Humidifier Pans	
a. Pan Replacement	\$ 34,500
b. Remodel Boxes and Ducts	<u>42,886</u>
Subtotal	\$ 77,386
Total A and B	\$ 2,162,046
 <u>C. Replace Roof</u>	
1. Symphony	\$ 211,580
2. Opera	290,650
3. Theater	221,140
4. Weather Protection	<u>30,000</u>
Subtotal	\$ 753,370
Total A, B, and C	\$ 2,915,416

# Proposal

Page No. \_\_\_\_\_  
of \_\_\_\_\_ Pages

*Quality Roofing and Sheet Metal, Inc.*

4905 Edmonston Road - E. Hyattsville, Maryland 20781

Phone: 864-8811

PROPOSAL SUBMITTED TO:		PHONE: 254-3732	DATE: Nov. 11, 1975
NAME: Edward G. Schessler, Sr. Director, Bldg. Management	JOB NAME: John F. Kennedy Center (Opera House)		
STREET:	STREET:		
CITY: Washington	CITY: Washington	STATE: D. C.	
STATE: D. C.	ARCHITECT:	DATE OF PLANS:	

We hereby submit ~~our proposal to:~~ our proposal to:  
 Replace roof on Opera House; Remove entire existing roof, insulation,  
 cant strip, wall flashings and vent flashings and replace with new  
 roof according to plans and specifications.

We hereby propose to furnish labor and materials — complete in accordance with the above specifications, for the sum of  
 Three Hundred Twenty-Five  
 Thousand Three Hundred & 00/100 dollars (\$ 325,300.00 ) with payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature \_\_\_\_\_

NOTE: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ day

### Acceptance of Propo

APPENDIX 16

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_  
 Signature \_\_\_\_\_

# Proposal

Page No. \_\_\_\_\_  
of \_\_\_\_\_ Pages

## Quality Roofing and Sheet Metal, Inc.

4905 Edmonston Road - E. Hyattsville, Maryland 20781

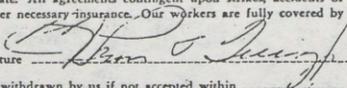
Phone: 864-8811

PROPOSAL SUBMITTED TO:		PHONE: 254-3732	DATE: Nov. 11, 1975
NAME: Edward G. Schessler, Sr. Director, Bldg. Management	JOB NAME: John F. Kennedy Center (Eisenhower)		
STREET:		STREET:	
CITY: Washington	CITY: Washington	STATE: D. C.	
STATE: D. C.	ARCHITECT:	DATE OF PLANS:	

We hereby submit ~~xxxxxxxxxxxxxxxxxxxx~~ our proposal to:  
 Replace roof on Eisenhower Theater: Remove entire existing roof, insulation, cant strip, wall flashings and vent flashings and replace with new roof according to plans and specifications.

We hereby propose to furnish labor and materials — complete in accordance with the above specifications, for the sum of: ~~Two Hundred and Sixty-Five Thousand and 00/100~~ dollars (\$ 265,000.00 ) with payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature 

NOTE: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ days.

### Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Signature \_\_\_\_\_

JOHN F. KENNEDY CENTER FOR THE  
PERFORMING ARTS  
WASHINGTON, D.C.

PROPOSED RECOMMENDATIONS  
FOR  
THE REPLACEMENT OF THE DETERIORATED WEARING  
SURFACE AT THE EAST TERRACE

DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
REGION 15

MARCH 3, 1975

FEDERAL HIGHWAY ADMINISTRATION  
REGION 15  
ARLINGTON, VIRGINIA

ENGINEER'S ESTIMATE  
JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

East Terrace  
Roadway Wearing Surface Replacement

Item Name	Estimated Quantity	Unit	Unit Price	Amount
Mobilization		Lump Sum		\$ 17,000.00
Maintenance of traffic		Lump Sum		3,000.00
Remove concrete wearing surface & curbing	630	Cu.yd.	\$ 50.00	31,500.00
Remove paving	310	Cu.yd.	25.00	7,750.00
Remove & reset marble curbing & surfacing	100	Sq.yd.	30.00	3,000.00
Furnish & install longitudinal drains	1,384	Lin.ft.	75.00	103,800.00
Furnish & install expansion joints	200	Lin.ft.	15.00	3,000.00
Furnish & install guard angles	200	Lin.ft.	4.00	800.00
Concrete lift	610	Cu.yd.	135.00	82,350.00
Membrane waterproofing	5,570	Sq.yd.	10.00	55,700.00
Bituminous wearing surface	570	Ton	65.00	37,050.00
Reconstruct settled area north approach		Lump Sum		4,000.00
Total for Contract				\$348,950.00
Construction Engineering				\$ 42,000.00
Total for Construction				\$390,950.00

DISCUSSION

The National Park Service has requested that Region 15 of the Federal Highway Administration (FHWA), investigate the deteriorating condition of the wearing surface now existing at the East Terrace of the J. F. Kennedy Center for the Performing Arts. A contingent of FHWA Bridge Engineers inspected the site, witnessed maintenance repairs in progress and studied all available area plans. The reviewing engineers mutually concluded that the deteriorated concrete wearing surface was primarily the product of a poorly drained roadway.

The existing East Terrace roadways, consisting of some 45,700 square feet, are pitched at the nominal slope of  $1/8$  inch per foot towards the median curbs. There are six roadway drains on each side of the median. These drains must drain the entire East Terrace. There is no longitudinal camber in the terrace between the north and south ends of the building, therefore, the water must puddle before it is able to flow to the drains.

Surface water is penetrating the pervious and jointed wearing surface and coming to rest on the waterproofing. There is no apparent provision for draining the water off the top of the waterproofing material, hence the water saturates the wearing surface and base material making the pavement unstable under live load. This build-up of standing water finds weaknesses and imperfections in the underlying waterproofing and soon seeps through the structural slab and leaks into the service and parking areas below.

The water retained in and under the wearing surface will either freeze or build-up a hydraulic pressure under a wheel load, which will result in the cracking and deterioration of the wearing surface.

The dip in the north approach roadway closest to the building is caused by settlement of the backfill. The boring log which is included in this report indicates that select material was not provided for backfill and that compaction was inadequate. This can be remedied in a satisfactory manner.

In general, it is the opinion of the investigating engineers that the East Terrace can be restored to the satisfaction of all concerned without an inordinate inconvenience to the theater-going public.

Until the water is dealt with decisively extensive maintenance efforts can be expected. Restoration as proposed will be effective and will eliminate the necessity for restricting live loads.

PROPOSED WORK

After many hours of deliberation, augmented by an independent structural analysis of the terrace deck itself, the following work is recommended to restore the East Terrace and its approaches to a serviceable condition:

- a. Traffic Control - two-stage construction. Repair one roadway at a time.
- b. Remove all of the existing wearing surface and waterproofing material down to sound structural concrete.
- c. Remove all armoring at end dams and expansion joints.
- d. Protect and leave in place the 12 roadway drains.
- e. Scarify and remove the bituminous wearing surface at the north approach. Remove designated sidewalks and curbs.
- f. Alter existing catch basins.
- g. Install new (full length) drainage grates and frames.
- h. Set new end dams which will be held in place by new concrete headers.
- i. Apply new waterproofing, enabling its surface to drain toward weep holes in the new catch basins.
- \*j. Place new bituminous wearing surface.
- k. Restore north approach to original profile grade.
- l. Reset marble sidewalk where required and marble curb.
- m. Clean and restore site.

\*Although a bituminous wearing surface is not in keeping with present architecture, compatibility with the more effective waterproofing systems requires it.



# United States Department of the Interior

NATIONAL PARK SERVICE

NATIONAL CAPITAL PARKS

1100 OHIO DRIVE SW.

WASHINGTON, D.C. 20242

IN REPLY REFER TO:

A44-NCP (JFKC)

NOV 7 1975



Mr. Roger L. Stevens  
 Chairman, Board of Trustees  
 John F. Kennedy Center for the  
 Performing Arts  
 Washington, D.C. 20242

Dear Roger:

In accordance with our oral understanding, the National Park Service and the Board of Trustees of the John F. Kennedy Center for the Performing Arts are mutually agreeable to continue operating under the terms and conditions of the Cooperative Agreement dated July 1, 1973, which expired June 30, 1974.

This extension will terminate upon the execution of the new Cooperative Agreement, to be negotiated in the near future.

If this is agreeable to you, will you kindly sign the enclosed copy of this letter on behalf of the Board of Trustees, in the space provided below.

Sincerely yours,

*Jack Fish*

Director, National Capital Parks

Agreed to and accepted:

*Roger L. Stevens*  
 Chairman, Board of Trustees

*Nov 15 1975*  
 Date

*cc B. Bicker ✓*  
*A. Mark*

AGREEMENT BETWEEN  
 THE BOARD OF TRUSTEES  
 OF THE  
 JOHN F. KENNEDY CENTER  
 FOR THE  
 PERFORMING ARTS  
 AND  
 THE UNITED STATES OF AMERICA

This Agreement, entered into by and between the United States of America, acting by the Secretary of the Interior (hereinafter referred to as "the Secretary"), and the Board of Trustees of the John F. Kennedy Center for the Performing Arts (hereinafter referred to as "the Board").

W I T N E S S E T H:

WHEREAS, the National Cultural Center Act (Public Law 85-874, 85th Congress, 72 Stat. 1698), as amended, presently known as the "John F. Kennedy Center Act" (Public Law 88-260, 78 Stat. 4), as amended, (hereinafter referred to as "the Act") established the John F. Kennedy Center for the Performing Arts (hereinafter referred to as "the Center") as a national memorial to President John F. Kennedy; and

WHEREAS, the Secretary has the authority and responsibility to provide maintenance, security, information, interpretation, janitorial and all other services necessary to the nonperforming arts functions of the Center pursuant to Section 6 (e) of the Act.

WHEREAS, it is intended by the parties hereto, that the Board shall retain sole responsibility for all performing arts activities at the Center and has other functions pursuant to Section 4 of the Act at the Center.

WHEREAS, it is the intent of the Congress that the functions of the Secretary be undertaken pursuant to an agreement between the Board and the Secretary in regard to the manner in which the respective responsibilities of each for providing services are to be carried out.

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises herein contained, the parties hereto do hereby agree as follows:

I. Responsibilities of the Secretary. Upon the effective date of this Agreement, the Secretary shall undertake the responsibility, as

hereinafter set forth, for providing maintenance, security (excluding additional security required primarily for performing arts activities), information, interpretation, janitorial and all other services necessary to the nonperforming arts functions of the Center during the term of this Agreement. The burden of payment for such responsibilities shall be as described in Section II. F. hereof.

A. Exclusions.

(1) The Secretary shall not be responsible for any work which is described in subsections (a) and (b) below:

(a) activities or functions directly related to the production of performing arts attractions presented or to be presented in theaters at the Center; and

(b) while the following areas are in actual use in connection with performing arts productions to be presented in such theaters, work performed on the stages of such theaters and in the fly galleries, stage grids, orchestra pits, and areas immediately adjacent to the stages of such theaters.

(2) Any maintenance, janitorial and repair functions required to be performed by permittees, licensees, concessioners or contractors under agreements existing as of the date hereof with the Board, and the maintenance and repair of the areas occupied by them pursuant to such agreements, are excluded from the scope of responsibility of the Secretary for the duration of such agreements, and the Secretary is in no way liable for payment or responsible for supervision of such activities unless he expressly assumes such responsibilities by subsequent agreement. However, in the event the Secretary determines that any permittees, licensees, concessioners or contractors have failed to perform maintenance, repair or janitorial services as required under their respective contracts, the Secretary will advise the Board of inadequate performance, and the Board shall take such actions as may be necessary to compel performance of such maintenance or janitorial services.

B. Rules and Regulations. To the extent permitted by law, and with the prior approval of the Board, the Secretary shall promulgate and enforce written rules and regulations regarding conduct of persons at the Center, which rules and regulations shall not materially interfere with the Board's Section 4 activities.

C. Interpretation and Information.

(1) The Secretary shall provide and have responsibility for interpretive and informational programs at the Center, including, with the approval of the Board, the placement of interpretive markers. The Board shall assist the Secretary in the preparation and implementation of the interpretive and informational programs within the Center.

(2) To assist the Secretary in providing interpretive and informational services, and when such activities, in the reasonable discretion of the Board, will not interfere with the preparation for, rehearsal of, or performance of programs on stage, or the undertaking of other Section 4 activities, the Board shall make available to the Secretary for public tours the Concert Hall, Opera House, Eisenhower Theater, film theater, or any subsequently constructed theaters.

(3) Nothing in this Agreement shall limit the jurisdiction of the Board to provide for interpretive and information services relating to the Board's functions under Section 4 of the Act.

(4) In providing the interpretive and informational services contemplated by this Agreement, the Secretary shall, to the maximum extent possible, utilize as volunteers the Friends of the Kennedy Center, and the activities of the Friends shall be continued as the Board provides.

D. Maintenance and Repair Services.

(1) Subject to the Exclusions set forth in Section I. A. above, the Secretary shall provide maintenance for the Center building and grounds consistent with the requirements for high quality theater operations, and with other public memorial facilities under his jurisdiction. The Secretary shall provide those services which are required to meet a reasonable standard of operation and to replace those parts when required by normal wear and tear.

(2) Unless otherwise permitted by law, and appropriations are available therefor, maintenance and repair services do not include or contemplate:

(a) expenditures for capital improvements and renovations, other than those required by normal wear and tear;

(b) major repairs or maintenance resulting from design or construction failure or corrections of construction defects; or

(c) other repairs, maintenance or alterations which do not result from normal wear and tear and required because of acts or omissions of the Board and of parties under prior, present or future contract to the Board (other than the Secretary), all of which maintenance, repair or alterations shall be the responsibility of the Board or of such parties.

(3) The Secretary shall be responsible for damages caused by actions of his employees or agents.

(4) The Board shall be consulted on the preparation of that portion of the annual budget of the National Park Service (hereinafter referred to as the "Service") for the Center related to expense items for which the costs are to be shared by the Secretary and the Board pursuant to Section II. F. hereof.

(5) Should the Secretary determine that any conditions described in subsection (2) above are materially affecting or increasing his maintenance and repair costs, then the Secretary shall advise the Board of such defects in writing if possible. If there is no action by the Board within 30 days, or such lesser period as the conditions may require because of danger to health or safety, the Secretary may make necessary corrections and the Board agrees to fully reimburse the Secretary for his costs, subject to the availability of funds for such purpose. In the event sufficient funds are not available to the Board, the Secretary shall be relieved of all maintenance and repair responsibilities the costs of which are materially increased by such conditions, and, if the Secretary so chooses, may terminate this Agreement pursuant to Section III. F. hereof and/or take such other actions as are authorized by law.

E. Utilities Service. Except as otherwise provided in this Agreement, the Secretary shall provide for the Center's heat, electricity, water, sewage, and public telephones, but shall provide private telephones for use of the Service only.

F. Janitorial Services.

(1) The Secretary shall provide janitorial services for the Center.

(2) The Secretary will not provide any services or undertake any related responsibilities when such services or responsibilities are excluded from the Secretary's responsibilities under Section I. A. above.

(3) The Board will not hire or contract with any parties to perform maintenance or janitorial services which are or shall become the responsibility of the Secretary under this Agreement without specific approval thereof by the Secretary.

G. Personnel. The Secretary shall designate an employee of the Service to implement the responsibilities of the Secretary under this Agreement, and shall provide personnel required for maintenance, security, information, interpretation, janitorial and all other services necessary for the nonperforming arts functions of the Center, including law enforcement, traffic control, and security of facilities.

H. Pre-existing Liabilities. The Secretary shall not be responsible for any obligations, contractual or otherwise, unless directly incurred by him in the exercise of his responsibilities pursuant to this Agreement. Particularly, and notwithstanding any other provision of this Agreement, the Secretary shall not be responsible for payment or supervision of any work or activities performed pursuant to contracts, licenses, permits, etc., entered into by the Board either prior to or subsequent to the effective date of this Agreement, unless the Secretary, in writing, hereafter expressly assumes such responsibilities. In the event that any Board agreements existing as of the date hereof are inconsistent with the terms of this Agreement, resolution of any such inconsistencies shall be by subsequent negotiation and agreement between the Secretary and the Board.

II. Responsibilities of the Board. The Board shall have the right to conduct all activities authorized under the Act.

A. Maintenance, Security and Janitorial Services. The Board agrees to provide for all maintenance, security, and janitorial services which are excluded from the Secretary's responsibilities under Section I. A. above at a level comparable with that to be provided by the Secretary under this Agreement. The Board and the Secretary agree to cooperate

fully in the performance of their respective obligations under this Agreement. It is understood by the parties that the Secretary will consult with the Chairman of the Board or his designee on all matters arising under this Agreement.

B. Notification and Use of Facilities.

(1) Pursuant to established procedures, the Board will advise the Secretary of program schedules, rehearsals, and other uses of the building and will notify the Secretary as promptly as possible of any changes in such programs, rehearsals and other uses. Likewise, through established procedures, the Service shall advise the Board of any Service activities that might affect the Board in carrying out its responsibilities under Section 4 of the Act. The Board shall give the Secretary adequate notice of any activities to be undertaken by the Board which shall materially affect the carrying out of the Secretary's responsibilities under the Act and this Agreement.

(2) In the event of an emergency situation threatening the physical plant or the security of persons within the building, the Secretary shall notify the Board so that appropriate action can be taken. If the Board cannot or does not take appropriate action in a timely fashion, the Secretary may take such actions as deemed necessary to protect the public and the Center.

C. Space. By mutual agreement with the Service, the Board shall provide, without charge, both office and storage space in the Center for the use of the Service in carrying out the Secretary's responsibilities under this Agreement. The office space to be provided shall consist of the eight warm-up rooms, plus corridor at the 27' elevation of the Concert Hall. The storage space to be provided for the Secretary shall consist of storage rooms Nos. 4B-14, 4B-9, 4B-39 (small room west), No. 4 and No. 5 together with the Grounds Maintenance Room. Also, the reception vestibule in the Hall of States and the Central Service Room on the 27' elevation will be provided jointly to the Friends of the Kennedy Center and the Service for their use in carrying out their responsibilities for providing information and interpretive services. The cost of refinishing and furnishing such areas for the use of the Service shall be carried out, and the costs thereof borne, by the Secretary. The Board by mutual agreement with the Service will provide, without charge, adequate and suitably located parking space for Service vehicles.

D. Access. The Secretary shall have the right at any time to enter any portion of the Center for any purpose deemed necessary in

connection with his responsibilities hereunder, including a right of access to and control over all work areas, storage spaces, devices, lighting equipment, fixtures, bulbs and lamps, as may be necessary to carry out his maintenance, security, information, interpretation and janitorial responsibilities; provided that, such right shall not be exercised in a manner which will unreasonably interfere with preparation for, rehearsal of, or performances of programs presented by or contracted for by the Board or on behalf of the Board and any access to theater areas for interpretive and informational purposes shall be pursuant to Section I. C. (2) hereof.

E. Performing Arts Functions. The Secretary will not be responsible for providing, replacing, or modifying equipment, sound amplification equipment and stage and backstage equipment which is required for the production and presentation of programs in the theaters, and which is not used by the Secretary in the performance of his responsibilities hereunder.

F. Payment of Costs.

(1) The following costs, except as otherwise provided in this section, are to be allocated between nonperforming and performing arts functions, and the Secretary shall pay for that portion allocated to nonperforming arts functions.

(a) Operation and maintenance of mechanical and electrical systems (interior and exterior) exclusive of the operations and maintenance of areas and equipment located therein which are identified in Section I. A. above;

(b) Utilities;

(c) All maintenance, repair and janitorial services which are the responsibility of the Secretary to perform hereunder and which are not included in the activities described in Section II. F. (4) hereof.

(2) The Board will reimburse the Secretary for a share of the above costs to be allocated on the basis that the theaters will average two dark days per week and that five hours of the fifteen hours per day of operation costs are allocable to the performing arts. The reimbursement by the Board to the Secretary shall be one-third of five-sevenths of the total costs to be allocated to the above.

(3) The Secretary shall render detailed statements of the Board's share of such costs on a monthly basis, on or before the fifteenth of the month following that in which the costs were incurred, and the Board will reimburse the Secretary not later than the thirtieth day of the month in which the bill is rendered.

(4) The Board shall fully reimburse the Secretary for all maintenance, janitorial and security costs incurred by the Secretary pursuant to his responsibilities hereunder and attributable to private activities and uses of third parties authorized by the Board and not open to the general public, or attributable to activities and use of space by concessioners or other parties under contract to the Board (not including this Agreement or usual performing arts agreements).

G. Third Party Agreements.

(1) After expiration of the agreements referred to in Section I. A. (2) above, the Secretary shall be responsible for all maintenance, janitorial and repair functions in the areas covered by such agreements, provided that, in areas occupied by restaurant and parking concessions, the Secretary shall be responsible for only basic structural maintenance and repairs (which shall not include fixtures or materials located within parking and restaurant concession areas).

(2) All agreements which are entered into by the Board subsequent to the effective date hereof (including extension or amendments of existing agreements and including agreements entered into by the Board after the expiration of the agreements described in Section I. A. (2) above), will be reviewed by the Secretary prior to execution insofar as they may directly affect the Secretary's operational maintenance, security, interpretive and janitorial responsibilities under this Agreement. The Secretary shall provide the Board with a statement of the increased costs, if any, estimated to be occasioned by such proposed agreements, and if any such agreement substantially affects or increases the Secretary's obligations or responsibilities under this Agreement without the Secretary's written consent thereto, the Secretary shall not be responsible for such obligations and responsibilities. The Secretary's right of review under this subsection shall not include review of standard and ordinary performing arts agreements pertaining to the use of the theaters in the Center and the normal catering type contracts of the Special Events Office and the restaurant concessionaire.

(3) The Board hereby declares and warrants that, except as to usual performing arts agreements and usual special events agreements relating to the carrying out of its responsibilities pursuant to Section 4 of the Act, the agreements listed in Exhibit "A", and copies of which are

annexed hereto, constitute all outstanding agreements between the Board, the Center, or any of its members, officers, or employees, and third parties, relating to or affecting the Center, its operations and activities, and agrees that if such listing is not complete that the Secretary, upon his determination that such additional agreements substantially affect or increase his obligations under this Agreement, may terminate this Agreement in accordance with Section III. F. at such time as such additional agreements become known to him.

(4) Except for contracts entered into by the Board under Section 4 of the Act and relating to use of theaters, the Board shall place the following provision in every agreement, contract, license or permit it executes or issues subsequent to the effective date of this Agreement in regard to activities by third parties relating to the Kennedy Center and provide a copy of each such agreement to the Secretary. In the event that oral permission is given by the Board to third parties in regard to undertaking of any activities at the Center, such oral permission shall be conditioned on agreement to the substance of the following provision, including its enforceability by the National Park Service.

"The Contractor (Permittee, Licensee) agrees to comply with all directives of the National Park Service in regard to health, safety and security matters at the Kennedy Center, and agrees to comply with all written rules and regulations of the National Park Service in regard to Kennedy Center activities and to grant access to the Park Service to any and all of its areas of operations. This provision shall be enforceable by the National Park Service as well as by the Board and breach hereof shall be grounds for immediate termination of this Agreement."

### III. General.

A. Term. This Agreement shall become effective upon execution and the appropriation of funds to the Secretary for the performance of his functions under this Agreement, and the payment in full by the Board to the Secretary for all amounts due and owing for past services, and shall thereafter terminate on June 30, 1974.

B. Definitions. Wherever the term "Secretary" is used in this Agreement, it shall also be deemed to mean and include his duly authorized representative; and his duly authorized officers and employees of the National Park Service. Whenever the term "Board" is used in this Agreement, it shall be deemed to mean and include its duly authorized officers and employees.

C. Consultation Between the Board and the Service. The Board and the Service, through their representatives, shall maintain close liaison and consult regularly on all matters pertaining to the activities of the Center and to properly coordinate each other's activities in order that maintenance, janitorial, interpretive, informational, security responsibilities, and Section 4 activities can be properly planned and implemented.

D. Headings. The headings throughout this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in interpretation, construction, or meaning of the provisions of this Agreement.

E. Invalidity. If any provision of this Agreement or its application to any person or in any circumstances shall be invalid or unenforceable, the other provisions of this Agreement shall not be affected by such invalidity or unenforceability.

F. Termination. In the event that either party shall fail to abide by any of the terms and conditions of this Agreement, or to render performance in accordance with the obligations each has incurred herein then, and in that event, the other party may by notice in writing to the other, declare this Agreement to be terminated upon sixty (60) days notice.

G. Non-Discrimination. The parties hereto will abide by the provision of Executive Order 11246 and 11375, which are attached hereto and made a part hereof; will not discriminate in the selection of participants for any program on the grounds of race, creed, color, sex, or national origin; and will observe all the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. 200 (d)).

H. Appropriations. Nothing herein contained shall be construed as binding the Secretary to expend in any one fiscal year any sum in excess of appropriations made by Congress for the purposes of this Agreement for that fiscal year, or to involve the Secretary in any contract or other obligation for the further expenditure of money in excess of such appropriations.

I. Board Expenditures. Nothing herein contained shall be construed as binding the Board to expend in any year any sum in excess of funds available to it for the purpose of this Agreement for that year, or to involve the Board in any contract or other obligation for the future expenditure of money in excess of funds available to it for the year.

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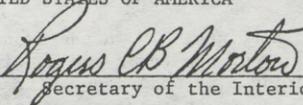
J. Public Laws. Nothing contained in this Agreement shall be deemed to be inconsistent with or contrary to the purpose or intent of any Act of Congress establishing, affecting, or relating to the John F. Kennedy Center for the Performing Arts, including but not limited to Public Law 85-874 (72 Stat. 1698), as amended.

K. Members of Congress.. No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefits that may arise therefrom, but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this first day of July 1973.

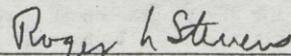
UNITED STATES OF AMERICA

By

  
Secretary of the Interior

The Board of Trustees for the  
John F. Kennedy Center for the  
Performing Arts

By

  
Roger L. Stevens  
Chairman, Board of Trustees

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS,  
OFFICE OF THE GENERAL COUNSEL,  
Washington, D.C., June 8, 1976.

Senator ROBERT B. MORGAN,  
U.S. Senate,  
1251 Dirksen Building,  
Washington, D.C.

DEAR SENATOR MORGAN: Roger Stevens, Chairman, requested that I outline for you the proposed legislation which we seek for the John F. Kennedy Center. We would appreciate your consideration of the following proposed amendments to the Kennedy Center Act, which we are discussing currently with the House, OMB and The Treasury Department, in addition to the Senate.

*First*, it is proposed that Section 8(c) of the John F. Kennedy Center Act (compilation enclosed) be amended to provide authorization for such sums as may be necessary for repairs and improvements to the Kennedy Center building. At the present time, the roofs, plaza areas, and roadways are leaking and deteriorating rapidly, and there are several other serious construction or design deficiencies in the building which pose a potential health and safety hazard and are adding substantially to the cost of maintenance. There are in excess of 100 pans installed in the building as a stop-gap measure to prevent further damage. Repairs are urgently and immediately needed.

These construction or design deficiencies are the subject of counterclaims in two Court of Claims cases involving the construction of the Kennedy Center. *John McShain, Inc. v. United States*, U.S. Court of Claims No. 357-72 and *Edward Durell Stone v. United States*, Court of Claims No. 277-74. Any recoveries out of these legal actions, which are being handled on behalf of the United States by the Justice Department, will accrue to the benefit of the United States and will not be paid over to the Kennedy Center.

In addition to the above-mentioned repairs that are urgently required, the parking problems at the Kennedy Center will be increased substantially when the new studio theater on the 109' level of the Kennedy Center is completed, with the \$3 million being donated to the Kennedy Center by the Japanese as their Bicentennial gift to the American people. Instead of incurring the substantial expense for construction of a new parking area, it is proposed that a proposal made several years ago before construction of the Kennedy Center and of Columbia Plaza be reactivated. That proposal called for construction of a pedestrian overpass in front of the Kennedy Center running to Columbia Plaza. This overpass will make available for users of the Kennedy Center approximately 1,000 parking places located at Columbia Plaza and not utilized in the evening hours. The Kennedy Center would enter into a long-term lease arrangement for this Columbia Plaza parking area if the pedestrian overpass is completed.

The estimated cost for the building repairs and the overpass is \$3.5 million. Work on cost estimation is still being done.

You should be advised that some House members consider it appropriate that a Comptroller be appointed to disburse funds appropriated for the repairs and improvements. While we would have no objection to such a provision limited to appropriated funds, we consider it unnecessary. First, it is noted in this regard that the most recent GAO Report on the Kennedy Center affirmed that its financial controls generally are unobjectionable. Periodically financial statements are rendered and, yearly audited financial statements are prepared that are submitted to the Congress. Second, Title 31 United States Code already requires that there be a disbursing officer for all appropriated funds, who is personally liable for any misapplication of such funds. Accordingly, there are adequate safeguards for any funds appropriated.

*Second*, it is proposed that a new subsection be added to Section 6 of the Act, providing that no action of the Board of Trustees shall personally obligate any Trustee or agent thereof. As you may be aware there was a suit arising out of construction of the Kennedy Center building which was brought against the Trustees individually. This has caused some concern among the Trustees, although it is our opinion that generally the Trustees are not personally liable for actions of the Board. However, a clarifying amendment is necessary to allay the concerns of the Board about their exposure to suit.

*Third*, it is proposed that Section 9 of the Kennedy Center Act be amended to provide that all interest, including that accrued and that due in the future be forgiven. It has been suggested that forgiveness be conditioned on payment of the principal amount outstanding on Treasury Revenue Bonds in equal annual installments through the date of maturity of the Bonds. There are presently outstanding \$20.4 million in Bonds. Interest has been deferred through 1978 with interest on interest and interest on the principal payable beginning December 31, 1979, in an approximate amount of \$2.1 million per year. An examination of the enclosed financial reports of the Kennedy Center for fiscal years ended June 30, 1974 and June 30, 1975, plainly indicates that the Trustees will not be in a position to pay this obligation in 1979 or thereafter. The matter also has been reviewed by the General Accounting Office and I am enclosing a copy of pertinent portions of the most recent report given to the Senate Public Works Committee concerning this issue.

We have discussed the possibilities of interest forgiveness with the House Public Works Committee and there appears to be some reluctance to pursue it this year. The matter is also under advisement at OMB and the Treasury Department. We anticipate that Treasury may be favorably inclined on interest forgiveness. The continuing accrual of the interest obligation creates a serious problem for the Kennedy Center Board of Trustees who are charged with the responsibility of administering the Kennedy Center in a fiscally responsible manner. The Kennedy Center is, as you are aware, a public building and it would appear appropriate that the terms of the Bonds which are owed by an instrumentality of the United States to the United States be revised so that the Kennedy Center can carry out its mandate, which I trust you will agree has been properly met by the Board of Trustees in recent years.

In this regard it also should be noted that the Kennedy Center Act originally contemplated that the Federal Government and the Kennedy Center Trustees would share equally in the cost of construction of the building. You should be advised that the Trustees have raised substantially more than \$14 million in excess of the Federal matching appropriation for construction of the building, albeit much of the Trustees' fundraising of this excess amount has been for programming purposes. Given that the Trustees have successfully operated the building with non-federal funds it would appear justifiable to forgive interest at least in an amount equal to the funds raised by the Board of Trustees.

We appreciate your consideration of these legislative matters and look forward to having your views and counsel. Proposed language for the bill is enclosed also for your review.

Sincerely yours,

RALPH E. BECKER.

A BILL to amend the John F. Kennedy Center Act to authorize funds for repair, reconstruction, and certain improvements, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That (a) subsection (a) of section 6 of the John F. Kennedy Center Act (P.L. 85-874, as amended) is amended by adding at the end thereof the following new sentence: "No action of the Board which is within the powers conferred on it by This Act shall personally obligate any trustee or any agent of the Board."

(b) Section 8 of the John F. Kennedy Center Act is amended by adding at the end thereof the following new subsection:

"(c) There is authorized to be appropriated to the Board not to exceed \$5,000,000 for the repair and reconstruction of the John F. Kennedy Center for the Performing Arts and for the construction of a pedestrian walkway to such Center."

(c) Section 9 is amended by adding at the end thereof the following new sentence:

"The Secretary of the Treasury shall waive all interest which shall accrue, provided that the Board shall repay the principal amount outstanding on each bond in equal annual installments beginning December 31, 1979, through the maturity date of each bond."