



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

JEROME H. POWELL
CHAIR

July 14, 2025

The Honorable Tim Scott
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Scott and Ranking Member Warren:

I am writing to follow up on your interest in the Federal Reserve Board's (Board) Marriner S. Eccles Building (Eccles Building) and 1951 Constitution Avenue Building project. The Board believes it is of the utmost importance to provide transparency for our decisions and to be accountable to the public through the Congress for our work. We take seriously our commitment to transparency. We respect the critical importance of the constitutionally-derived congressional oversight of our activities, and we are committed to working collaboratively and cooperatively with you.

In advance of Board staff discussing the project in further detail with your staff as you have requested, I wanted to share a set of frequently asked questions (FAQs) about the project and provide you with additional information. The FAQs address the project goals, engagement with state and federal entities, cost drivers, and various features of the project. The FAQs are enclosed and are also on our public website.¹

For historical perspective, the Eccles Building was constructed between 1935 and 1937 as the headquarters for the Federal Reserve Board. The 1951 Constitution Avenue Building was constructed in 1932 for the U.S. Public Health Service. Over its history, it housed a variety of

¹ See <https://www.federalreserve.gov/faqs/building-project-faqs.htm>.

government agencies, including the Combined Chiefs of Staff during World War II, the Atomic Energy Commission, the National Science Foundation, and the Department of the Interior. Both buildings are listed in the District of Columbia Inventory of Historic Sites, and the 1951 Constitution Avenue Building is listed on the National Register of Historic Places.

While periodic work has been done to keep the buildings occupiable, neither building has seen a comprehensive renovation since they were constructed. For some time, significant structural repairs and other updates were needed for the Eccles Building. Similarly, the vacant and dilapidated 1951 Constitution Avenue Building, across the street from the Eccles Building, needed significant repairs and updating.

Despite its condition, the 1951 Constitution Avenue Building provided an opportunity for the Board to consolidate its operations and reduce expenses over time on leased space in commercial office buildings elsewhere. In 2017, the General Services Administration (GSA) approached us about our interest in taking over the 1951 Constitution Avenue Building. In 2018, GSA transferred sole control of the 1951 Constitution Avenue Building to the Board. In a press release announcing the transfer in 2018, GSA's Public Buildings Service Commissioner stated "This transfer will put a vacant building back in productive use, allow the Federal Reserve Board to consolidate several leases and result in savings for taxpayers."²

To address the significant state of disrepair and unsafe working conditions, the Board is undertaking a complete overhaul and modernization of these two historic buildings. This includes remediation and updates to make the buildings safe, healthy, and effective places to work by removing asbestos and lead contamination and accommodating modern workplace technology. The project has also involved the complete replacement of antiquated systems that are beyond their useful life, such as electrical; plumbing; heating, ventilation, and air conditioning; and fire detection and suppression systems. As part of the project, the Board has undertaken major structural work to bring the buildings up to modern code, including current accessibility, security, and safety standards.

Throughout the process, the Board chose to consult with a range of state and federal agencies including the Commission on Fine Arts, the District of Columbia's Public Space Committee and its State Historic Preservation Office, the National Park Service, and the National Capital Planning Commission (NCPC). As discussed in the enclosed FAQs, although the Board is generally not subject to the jurisdiction of the NCPC, historically the Board has submitted building project designs to the NCPC and worked with the NCPC to address their feedback.

In recognition of the historic nature of both buildings and their prominent location on the National Mall, the project identified key architectural features to preserve the historic integrity of the buildings, such as stonework, including marble, façades, meeting rooms, and other spaces. Historic preservation work in the Eccles Building also includes elevators that are original to the building, and historic conference rooms. Construction involving the preservation of historic

² See <https://www.gsa.gov/about-us/newsroom/news-releases/gsa-transfers-federal-property-to-the-federal-reserve-board-07022018#:~:text=Washington%2C%20D.C.%20%2D%20Today%2C%20the,result%20in%20savings%20for%20taxpayers.%E2%80%9D>

spaces requires specialized processes and methods, which are generally more complex and have increased costs compared with new construction or renovation of spaces that are not historically significant or located on the National Mall.

Various factors drove cost increases following the NCPC's final approval of site and building plans in 2021. These factors include differences over time between original estimates and actual costs of materials, equipment, and labor, and unforeseen conditions in the properties, such as more asbestos than anticipated, toxic contamination in the soil, and a higher-than-expected water table.

As is to be expected in the major renovation of nearly 100-year-old historic buildings, the Board's designs have continued to evolve over the course of the project, and some features of the buildings, including rooftop spaces and new water features on the building grounds, were scaled back or eliminated as the project moved forward. These changes simplified the project and reduced the likelihood of further delays and cost overruns. None of them added cost to the project. We do not consider these changes to be substantial.

With respect to the specific concerns that were discussed at the hearing, I would like to provide additional detail regarding various elements of the project:

- The Eccles and 1951 Constitution Avenue buildings were originally built with marble in the façades and stonework. The project has salvaged the original exterior marble to be reinstalled and will use new domestic marble sourced from Georgia in places where the original was damaged or where needed to keep with historic preservation guidelines and to address concerns raised by external review agencies.
- The original elevators are being rehabilitated, including an elevator that services historic conference rooms. A short (eighteen inch) extension of this rehabilitated elevator will make the space more accessible for people with disabilities. There are no elevators where access is limited to governors. There are no VIP dining rooms being constructed as part of the project. The Eccles Building has historic multi-use rooms that are used as conference rooms and for mealtime meetings, which are being renovated and preserved.
- Although the Board's initial design included new water features for 1951 Constitution Avenue, they have been eliminated. Fountains that were original to the Eccles Building are being restored.
- The ground-level front lawn of 1951 Constitution Avenue serves as the roof of the parking structure beneath. It was referred to as a "garden terrace" in the 2021 submission to the National Capital Planning Commission. There are other references to "vegetated roofs," often referred to as green roofs, which are commonly used to help with stormwater management and to increase building efficiency and roof longevity. Green roofs are found on other federal government buildings, like the Departments of Justice, Interior, and many others, and are encouraged by the General Services Administration.³

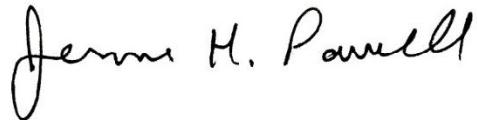
We take seriously the responsibility to be good stewards of public resources as we fulfill the duties given to us by Congress on behalf of the American people. We have taken great care

³ <https://www.gsa.gov/governmentwide-initiatives/federal-highperformance-buildings/resource-library/integrative-strategies/green-roofs/green-roof-tracker>.

to ensure the project is carefully overseen since it was first approved by the Board in 2017. The project has been subject to annual budget approval by the Board since then. In addition to oversight by members of the Board, our independent Inspector General (IG) has had full access to project information on costs, contracts, schedules, and expenditures and receives monthly reports on the construction program. The Board's IG conducted an audit in 2021 to assess the Board's process for planning and managing multiple renovation projects as well as procuring services under various renovation-related contracts. I have asked the Board's IG to take a fresh look at the project.

I hope you find this additional information helpful.

Sincerely,

A handwritten signature in black ink that reads "Jerome H. Powell". The signature is fluid and cursive, with "Jerome" on the first line and "H. Powell" on the second line.