

# Long Beach Museum of Art

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FOR OPEN FORUM

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## **LBMA Bond Issue**

*By Ronald Nelson, Executive Director*

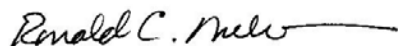
As the City of the Long Beach continues to battle a whirlwind of troubling budget cuts, job losses, and reduction of city services, the Long Beach Museum of Art suddenly finds itself in the eye of this fiscal storm. Although the Museum's current financial situation is a familiar song to many, a clarification of the circumstances is necessary. The Long Beach Museum of Art is currently facing a \$3 million bond obligation to the City of Long Beach, which is due in September. The bond was granted to the Long Beach Museum of Art Foundation in 1999 to complete a \$7 million capital campaign to build a new exhibition pavilion and renovate the historic residence.

Although the Museum has made every effort to secure the funds necessary to repay this bond, the financial backing in this economic climate is simply not there. Although the Museum has been paying interest on the bond for a number of years, the Museum will most likely be unable to repay the obligation in September. The LBMA Foundation has proposed transferring ownership of the exhibition gallery pavilion to the City in lieu of a cash payment. This proposal is offering the City an asset worth \$8.5 million – a far more wealthy return on the City's investment than was originally proposed in 1999. Additionally, the Museum has reserved approximately \$400,000 in cash to go toward this bond obligation as well.

As the City analyzes the many options that could help remedy this challenge, it is necessary to keep in mind that the Museum provides a wealth of services to the City. Although the current economic climate is ripe with challenges, divesting from the cultural tapestry of a community undermines the very quality of life for its residents. The Long Beach Museum of Art provides artistic and educational programming to over 150,000 children, families, students and adults each year. It serves as an invaluable resource to the Long Beach Unified School District, serving almost 8,000 students each year. It provides local and emerging artists a world-class venue to present a diverse array of exhibitions and collections. It cares for an important art collection – over half of which belongs to the City. It attracts visitors from throughout Southern California and beyond, and serves an integral and irreplaceable role in promoting tourism and visitor services for the City.

Although this issue is likely to continue in the coming months, the Museum staff and Board of Trustees are committed to working with the City to resolve this issue in a rational and timely manner. Edward Degas once astutely observed that "*art is really a battle.*" We hope that the community we so proudly serve will join us in this fight.

Sincerely,



Ronald C. Nelson