

Long Beach Museum of Art

FOR OPEN FORUM

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LBMA Bond Issue

By Ronald Nelson, Executive Director

As the City of the Long Beach continues to struggle with troubling budget cuts, job losses, and reduction of city services, the Long Beach Museum of Art finds itself in a fiscal storm. Although the Museum's current financial situation is familiar 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, which raised \$4 million of private funds to build a new exhibition pavilion and renovate the historic City-owned residence.

Although the Museum has made diligent efforts to secure the funds necessary to repay this bond, the financial backing in this economic climate offers few options. 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. This proposal is offering the City an asset worth \$8.5 million. Additionally, the Museum has reserved approximately \$400,000 in cash to be paid towards this bond obligation.

As the City and Museum Management analyze the options that could help remedy this challenge, it is necessary to keep in mind the wealth of services the Museum provides. The Museum serves as an invaluable resource to the Long Beach Unified School District, serving almost 8,000 students each year, with an additional 7,000 children, families, and adults partaking in education workshops from the surrounding community. 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 with over 150,000 visitors each year.

Although this issue is likely to continue in the coming months, the Museum staff and Board of Trustees are committed to partnering with the City to resolve this issue in a timely manner.

*Coming together is a beginning,
Keeping together is progress,
Working together is success.*

–Henry Ford

Sincerely,



Ronald C. Nelson