



April 29, 2019

Greenville County Council
301 University Ridge, Suite 2400
Greenville, SC 29601

RE: GREENVILLE COUNTY MUSEUM OF ART

Honorable Chairman Kirven and Greenville County Council:

In 1963, the South Carolina (the "State") General Assembly, pursuant to Act No. 537, as amended, established the Greenville County Museum Commission (the "Commission") as the governing body of the Greenville County Museum of Art (the "Museum"). The Museum was birthed from the Greenville Fine Arts League (the "League"), which was formed in 1935. In 1958, the League acquired its first permanent home with the purchase of the Gassaway Mansion. A public-private partnership was formed to raise funds for a new building to be sited on downtown's Heritage Green in 1974, at a cost of approximately \$1.5 million, of which half was provided by Holly and Arthur Magill, and the remaining half by Greenville County (the "County"). The facility provides about 75,000 square feet of exhibition, education and storage space, which originally housed an art collection valued at \$1 million and has grown to a value of over \$100 million today.

With the establishment of the Museum in 1963, the State authorized 0.25 mills be levied pursuant to Act 414 of 1965 to support the Museum, while programs and art acquisitions have been and continue to be funded by private sources through contributions of art and donations supporting purchases. Pursuant to Act 678 of 1973, the State raised the millage levy requirement to 1 mill and pursuant to Act 1416 of 1974, the State raised the millage requirement again to 1.25 mills. Any future millage adjustments, post Home Rule in 1975, would be approved by the County. Most people are not aware of the symbiotic relationship between the Museum and the County, however, without the County's continuous partnership with the Museum, there would be a large void in the arts community. State and County officials determined early on that a thriving community requires a strong presence of the arts, to educate, enrich, and inspire.

With experienced public relations and fundraising professionals on staff, over the past 35 years, the Museum has raised over \$35 million from private sources to build the art collection, which includes over \$20 million in the past ten years.

The Museum, in 1985, refined its collections policy to focus on creating a comprehensive survey of American art with an emphasis on southern-related examples. In 1995, the Museum published *The Southern Collection*, including 126 essays about 146 different works in the collection. The Museum houses the world's largest public collection of watercolors by the iconic American artist Andrew Wyeth as well as an impressive collection of works by South Carolina artist Jasper Johns, and the largest institutional collection of clay vessels by enslaved artisan David Drake.

The American Alliance of Museums originally awarded accreditation to the Museum in 1973 and has subsequently renewed accreditation to this day.

We come before you with a two component request today: (1) the immediate issuance of a general obligation bond for urgently needed capital improvements (discussed in greater detail below) in an amount not to exceed \$3 million, and (2) an immediately needed increase of approximately 0.2 mills (maximum allowed pursuant to Statute) for operations and approximately 0.1 mill in order to re-establish a fund balance reserve.

GENERAL OBLIGATION BOND REQUEST

The Museum is in desperate need of capital funds to provide for major building and systems repairs. Over the past several years, the Museum has had to utilize a significant portion of its cash reserves in order to provide repairs necessary to keep the Museum running and protect its growing art collection. The improvements have included replacing the HVAC chiller, upgrading environmental control systems, and updating security measures. A list of critical needs is attached.

Not to exceed \$3 million is requested in a general obligation bond to allow the Museum to adequately provide for the capital replacements and repairs necessary to keep its facility in a position to adequately protect its collection and maintain its level of program services to the Community. A millage increase of 0.1 mill would be required to service \$2.9 million in general obligation bonds amortized over 16 years. Per \$100,000 in assessed value, this 0.1 mill increase for debt service would equate to approximately \$0.40 / year on the tax bill for owner-occupied residential property.

OPERATING MILLAGE INCREASE

With the exception of a millage equalization due to re-assessment in 2008, the Museum has not had a millage increase in over 35 years. The annual growth rate in the millage has not kept pace with the compounded annual growth rate in the Museum's operating expenses, particularly considering the costs associated with maintaining a 45 year old facility. In 2013, total annual operating expenses began to exceed annual revenue, and the Museum had to begin using its reserve funds. While cutting personnel, programs and foregoing compensation increases for employees, the Museum for the past five years has had to borrow funds to operate during a portion of each fiscal year, as reserve levels are no longer sufficient to get the Museum through until the ad valorem taxes revenues come in each year. Therefore, to maintain current level of operations, retain its work force, adequately maintain its facilities and avoid interim borrowings, the Museum must increase its revenue through an operating millage increase, which would be capped at the CPI + POP increase for the current + three year lookback, estimated at 12%, such determination to be finalized when the County receives the final increase for 2019 from the State. A 12.6% increase would equate to approximately 0.2 mills. Per \$100,000 in assessed value, this 0.2 mill increase for operations would equate to approximately \$0.80 / year on the tax bill for owner-occupied residential property.

RESERVE FUND MILLAGE

As previously mentioned, the Museum began drawing down cash reserves for operations in 2013, but during the past two years, has had to spend significant funds on emergency capital expenditures. At the end of FY2013, the Unassigned Fund Balance was \$1,067,913, and at the end of FY2018 had decreased to \$387,596. This significant reduction has forced the Museum no alternative but to enter into a short-term, tax anticipation style of borrowings on an annual basis. This year's borrowing is projected at \$400,000. The Museum is requesting a 0.1 mill increase to begin replenishing cash reserves and stabilizing the Museum's cash flow. Per \$100,000 in assessed value, this 0.1 million increase for operations would equate to approximately \$0.40 / year on the tax bill for owner-occupied residential property.

MILLAGE REQUEST SUMMARY

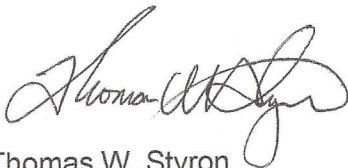
A 0.1 mill increase for debt service, a 0.2 mill increase for operations and a 0.1 mill increase for a reserve fund would equate to a total millage increase of approximately 0.4 mills, represents an approximate increase of \$1.60 / year per \$100,000 in assessed value on the tax bill for owner-occupied residential property. Added to the Museum's current 1.2 mills would increase the total Museum millage to 1.6 mills.

Attached you will find a Resolution recently adopted by the Commission; the expenditure and capital improvement plans; the Millage Request Application, as well as numerous supporting documents. As you review the attached information, please let us know if you have any questions. Thank you very much for your continued support and consideration of the Museum's requests.

Sincerely,



Brad Campbell
Chairman



Thomas W. Styron
Executive Director



RESOLUTION

A RESOLUTION TO APPROVE THE EXPENDITURE / CAPITAL IMPROVEMENT PLANS FOR THE GREENVILLE COUNTY MUSEUM COMMISSION

Whereas, the Greenville County Museum Commission (the "Commission") is a public body within Greenville County (the "County") created for the purpose of owning and operating the Greenville County Museum of Art (the "Museum") which showcases and promotes the visual arts to the citizens and visitors of the County; and

Whereas, in order to provide for the care of the Museum's facility and art collections, certain capital improvements must be undertaken; and

Whereas, proper planning and management for the Museum requires long-range expenditure and capital improvement plans to operate and adequately care for the Museum; and

Whereas, it is the finding of the Commission that not only are the expenditure and capital improvement plans necessary to adequately serve the needs of the residents of the County, but if implemented, will assist in preserving the Commission's art collection and continue to enhance the level of those services provided; and

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby approves the expenditure and capital improvement plans that are included hereto and made a part hereof by reference.

IT IS FURTHER RESOLVED that the Commission design and carry forward a plan to provide funding sources for the expenditure and capital improvement plans and seek requisite approvals from the County necessary to fund these plans.

DONE IN REGULAR MEETING this 17th of April, 2019.


Chairman

ATTEST:


Executive Director/Secretary

Greenville County **Museum of Art**

420 College Street Greenville, South Carolina 29601
864.271.7570
gma.org



Millage Request Application

Contact Information



District Name: Greenville County Museum Commission
Mailing Address 420 College Street City, State, Zip Greenville, SC 29601
Contact Person's Name: Tom Styron Email: tstyron@gcma.org
Address: 420 College Street City, State, Zip Greenville, SC 29601
Phone: 864-271-7570 Fax: 864-271-7579

Financial Operations

Please Check One of the Following Options:

- Our district is seeking to maintain our current millage rate
- Our district is seeking a millage rate increase
- Our district is seeking bond, lease purchase transaction approval

Annual Budget \$2,865,000 Value of One Mill \$2,400,000
Current Millage Rate 1.2 mills Value of Total Millage \$2,800,000
Taxes collected last fiscal year (July 1-June 30) \$2,818,000
Supplemental non-tax income last fiscal year (grants, fundraisers, etc.) \$2,787,457
Number of Full Time Employees: 20 Number of Volunteers: 150

*For the following financial measurements, please provide a dollar amount.
(Any additional pertinent information can be detailed in an attached sheet.)*

Debt Service \$400,000 annual payment on operating loan / \$476,000 annual payment on art loan
(include annual amount of any/all payments on stations, apparatus, and equipment)

Operating Expenses \$3,286,000
(include all normal operating expenses, including operational overhead and salary expenses)

Reserve/Savings FY18 Ending \$387,596 / FY19 Ending Projected \$0
(include any/all reserve and/or savings currently on hand for breakdowns, purchases or replacements)

When did your district last request a millage increase? 2017

Was your request granted? No (withdrawn)

If so, please detail your accomplishments with the additional revenue? (You may attach a separate sheet if necessary.)

Please assign a priority rating to your millage increase request from the following options: Priority 1

Priority 1: Without the increase, we cannot continue to provide the level of service that we are giving currently. Our facility and art collection will be affected negatively. The need is dire.

Priority 2: Without the increase, we cannot complete repairs to protect our facility and the art collection that have currently been achieved. This priority level also allows for needed repairs required.

Priority 3: Without the increase, we can continue to provide excellent service to the community, but the increase will allow us to improve our operation in an exemplary way.

Opportunity for Council person(s) statement:

I, _____, County Council representative to this fire district, **Support / Do Not Support** this request.

I, _____, County Council representative to this fire district, **Support / Do Not Support** this request.

I, _____, County Council representative to this fire district, **Support / Do Not Support** this request.

Please include with your application the following documents:

- A formal letter from the Commission stating the intentions to either maintain or increase millage;
- Last year's financial audit;
- A five-year plan (spreadsheet) showing projected revenues as well as operating and capital expenditures;
- Any background information necessary to justify the need of a millage increase; and
- A signed resolution from the governing body approving the operating/capital plan and millage increase.

All applications should be mailed or emailed to:
Greenville County Finance Committee
Attn: John Hansley, Deputy County Administrator
301 University Ridge, Suite 2400
Greenville, SC 29601

or

jhansley@greenvillecounty.org

Critical Capital Expenditures

Request Not to Exceed \$3 Million Bond Issue to Fund

Environmental Control

Replace two original (c. 1974) air handlers

Replace original back-up generator (natural gas)

Installation of new chiller

Replace existing aging steam boilers with 11 new Nortec steam humidifiers

Replace all gallery lighting with LED lighting to meet conservation standards and to lower utility costs

HVAC upgrade for art storage vault annex

Air lock front and rear lobbies and replace deteriorated wood doors

Building-wide fresh air exchange improvements

Insulate shipping-and-receiving area, including roll-up doors (interior/exterior)

Replace cooling tower pump

Structural | Building Systems

Re-roof building

Main and service elevator modernization (required for public access)

Re-design, demolish, and rebuild front entrance to be ADA compliant

Eliminate the chronic below-ground leak that intrudes into Level 2

Replace the deteriorating exterior insulated pre-fab metal interlocking panels on the building's parking lot side



Morning at the Museum

Greenville County Museum of Art
A Local Treasure with Global Impact

Greenville County **Museum of Art**
420 College Street Greenville, South Carolina 29601
864.271.7570
gcma.org

In 1984, the Greenville County Museum of Art collection was valued at \$1,368,000. Most educational programming was centered on 27 Andrew Wyeth paintings on loan from the private collection of Holly and Arthur Magill.

As of June 30, 2018, the cost value of the collection is \$72,300,000. Thus, over the past 35 years, more than \$70 million worth of art has been acquired by gift or purchase with privately donated funds. Today the collection includes more than 3500 works of art and is valued at more than \$100 million. It stands as the solid foundation of the Southeast's premier American art museum, an extraordinary resource and attraction for Greenville County and the entire state of South Carolina.



Sculptor Grainger McKoy speaks at a free, Sunday afternoon gallery talk.

Today, the GCMA is recognized as one of the two Top Attractions in South Carolina by USA Today's 10 Best and is among the Top Three Things to Do in Greenville according to US News & World Report Travel. The GCMA has been featured on New York 1 Television, *The National*, *Antiques and Fine Art*, *Clemson World*, and *Furman Magazine*. The museum has been mentioned in hundreds of art and travel publications, podcasts, and blogs.

Widely known as home to the world's largest public collection of watercolors by the iconic American realist Andrew Wyeth, the museum's permanent collection explores the breadth of American art and history from the colonial era to the present and features exceptional holdings of four of the nation's greatest artists, each of whom has called South Carolina home:

- the largest collection of inscribed vessels by enslaved Edgefield potter and poet David Drake
- one of the world's largest institutional collections of works by America's most acclaimed living artist, Jasper Johns who grew up in Allendale
- the largest museum collection of work outside the Smithsonian by Florence-born African-American artist William H. Johnson, a pioneering modernist painter
- an important collection of work by Sumter sculptor Grainger McKoy, who captures our state's wild fowl in realistic and dramatic portrayals

In addition to David Drake and William H. Johnson, the major GCMA African-American Collection includes:

- the entire archive of negatives of work by Elise Harleston, a Charleston native and the first African-American woman to work as a photographer in the South
- important works by Romare Bearden, Jacob Lawrence, Robert Colescott, Kara Walker, and Hale Woodruff, among many others



Visitors in the David Drake exhibition

The GCMA is regularly asked to lend works from its collection to some of the world's most prestigious museums, including:

- The Metropolitan Museum of Art (New York)
- The National Portrait Gallery (Washington, DC)
- The Tate Modern (London)
- The Museu d'Art Contemporani (Barcelona)
- The Galeries Nationales du Grand Palais, the Centre Pompidou, and the Musee National Picasso (Paris)



Museumgoers enjoy selections from the GCMA collection of works by Andrew Wyeth.



Students look at an abstract painting by African-American artist Sam Gilliam

Because of its policy of free admission, made possible through operations taxes collected by Greenville County, the GCMA welcomes thousands of schoolchildren, university students, local citizens, and tourists each year.

More than 30 GCSD schools visited the GCMA this past year along with groups from six in-state colleges and universities, and numbers of church groups, senior groups, neighborhood groups and special needs organizations, including Thrive Upstate.

One in three of our visitors is from more than 150 miles away, and these cultural tourists often spend the day and night here in the Upstate.



Touring the William H. Johnson exhibition

As one of the premier American art museums in the country, the GCMA is an important and valuable asset in drawing both small and large businesses to our region.

Major donors include United Community Bank, AVX/Kyocera, Daniel-Mickel Foundation, Gordon and Sarah Herring, Lucy and Jack Kuhne, Rachelle and Charlie Mickel, Tammy and Dan Adams, Libby and Bill Kehl, Sydney and Ed Taylor, The Wallace Foundation, Scott Christopher, Heather and Glenn Hilliard, Mary Burnet and Ellis Johnston, Mary and Jeff Lawson.

Almost \$1 million raised in private funding supported the expansion of the building's exhibition space in 1999 and again in 2011, renovating underused space to create galleries within the facility's existing footprint. Although entirely funded with private monies, the 1999 renovation was completed under Greenville County's "Design/Build" Contract, using Craig Gaulden Davis and Cely Construction.



 GCMA_60 sec video