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PERSPECTIVE

Rock bottom: Detroit's pricey art collection

By Jonathan Michaels

It's absolutely incredible when you think about it. How something so majestic, so profitable, could have fallen so far. At a point in time, it represented all that was right with America — all of the hope and opportunity that served as the foundation for the American Dream. Yet now, it is a shell of that existence, rife with lost ambition and viral despair.

Detroit once stood as the city with the highest per-capita income in the nation, stamping out products that continued to surprise and innovate. In the city that forever forged "made in the U.S.A." into our minds, Detroit represented America's pride, honor and dignity. Now, it is a symbol for all the world to see, of what happens when creativity and competitiveness are replaced with complacency and entitlement.

On July 18, 2013, Detroit filed for Chapter 9 bankruptcy protection, earning the title of being the largest municipal bankruptcy in U.S. history. The city owes \$18.5 billion to over 100,000 creditors, many of whom are counting on payment for sheer survival.

In fairness to city management, Detroit's troubles were not self-inflicted. A city is only as strong as its industries, and Detroit has long been captive to an automotive industry that refused to reinvent. For decades, the "Detroit 3" rested on the success of terrific products that came generations before, thinking that their stature could never be challenged. When it was, the automakers were far too slow to react, allowing substantial market share — and Detroit's future — to slip into the abyss.

Now, Detroit is hemorrhaging in every way imaginable. The city has some 78,000 abandoned homes, 40 percent of the street lights don't

work, and if you need the police to come in a hur-



The 1970 Alexander Calder sculpture "Young Woman and Her Suitors" is shown outside the Detroit Institute of Arts in Detroit in 2012.

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ry, it could be a problem: The average emergency response time is 58 minutes.

And it is likely to get worse before it gets better. Detroit has had a steady line of the city's brightest leaving for better opportunities — or any opportunity — for quite some time. Consider that in 1960, Detroit was the fourth largest city in the U.S. with 1.8 million people. Today its population is at 700,000, making Detroit the only city in the U.S. to have ever passed the 1 million person mark, and then retreat under it. In fact, between 2000 and 2010 the city's population fell by 25 percent; of those remaining, 60 percent are "functionally illiterate," meaning they have difficulty reading, writing and speaking.

Even if the city is able to shed its debt through the bankruptcy process, no one seems to have an answer to the question of how it will avoid an immediate return to insolvency. In 2012, Detroit's annual revenue was \$2.3 billion. Its annual expenditures: \$2.6 billion. If expenses are not cut — expenses that are already insufficient to run the city — in a mere decade, the city will be in the hole another \$3 billion.

And if these problems were not enough, in the midst of its financial turmoil, a rather unexpected, and serious, conversation has arisen. As the court and the creditors began trying to make sense of it all, it became apparent that the city has one very valuable asset that could provide major financial relief: its art.

The Detroit Institute of Arts is one of the largest, and most important, art collections in the U.S., with 100 galleries of classic art from around the world. Harkening back to the city's heyday, when "what was good for GM was good for America," Detroit began amassing a world-class collection of exquisite art that rivals the collections of nearly every U.S. city. In its 700,000 square-foot Italian Renaissance facility — a white marble fortress large enough to house 12 football fields — the museum owns some 65,000 pieces of classic art. And therein lies the controversy.

Creditors, who have long been suffering, are clamoring to have the art sold to help pay for the \$18.5 billion in debts. But should it?

Bending to mounting pressure, Detroit's city manager recently had Christie's auction house appraise the museum's art to see how much it might fetch; the result will shock you. In its December 2013 report, Christie's opined that the works could bring as much as \$867 million — and here is the part that is shock-

ing — for just 5 percent of the museum's art.

Now, a debate has ripped through the city about what it should do — or should be required to do — with opposing questions that are deep and philosophical. Can a city justifiably cling to its exquisite antiquities, when its citizens are struggling for daily survival? Would forcing the city to sell off its art tear out its soul, and do long term damage from which it might never recover?

To be sure, putting the art on the block will cause many of the works to be lost to the world forever, and this is a result we should all mourn. Billionaire collectors will grab what they can for their private compendia; Steve Wynn owns works by Pablo Picasso, Claude Monet, Andy Warhol and Vincent van Gogh, and record mogul David Geffen owns \$1.1 billion worth of art.

In truth, the question is as difficult as any ever posed. Selling the art will result in quick cash — cash that is so desperately needed by so many — but the damage will be deep, severe and lasting. The city will forever lose a critical part of its genetic makeup, like the blinding of a man who once stood on the sands to watch the tide roll in.

And then there is the economics. It cannot be forgotten that museums are revenue generators of all sorts. In a 2012 report by Americans for the Arts, the study found that the arts stimulate \$135.2 billion of economic activity and create 4.13 million full-time jobs.

But, of course, the real loss is the art's intrinsic societal value; the loss of creativity, imagination, exploration and all that is abstract. As Paul Allen, co-founder of Microsoft stated: "In my own philanthropy and business endeavors, I have seen the critical role that the arts play in stimulating creativity and in developing vital communities.... [T]he arts have a crucial impact on our economy and are an important catalyst for learning, discovery, and achievement in our country." For Detroit, one can only hope that all will not be lost.



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