

Dear Colleague:

As your colleague in many joint endeavors from the Cultural Advocacy Coalition to the Portland Arts Alliance and the Cultural Trust, I'm writing to update you on the future of the Oregon Historical Society and make myself and members of our board of directors available to answer any questions you might have.

Unusual among the states, Oregon never created a state history museum but chose to serve as a major supporter of the Society. Its history museum is the de facto state history museum, and its Research Library is the repository of the largest collection of resources pertaining to the Oregon Territory, the State of Oregon, Portland, Multnomah County, and the West in general. Our library sees more research use than the Special Collections Department of the University of Oregon. Because of the depth of our local history collections, there is no Multnomah County or Portland Historical Society other than OHS. For a time, in recognition of the local riches of the collections, OHS received support directly from the Multnomah County library levy.

The traditional funding model for OHS, an institution in existence since 1898, has consisted of heavy private fundraising, revenue generation from users, endowment earnings, grants, and significant state and local support. Compared to performing arts organizations, for example, our revenue opportunities are limited, and collection care and service issues are huge, labor-intensive, and costly. Public funding for state and very large urban history museums tends to be a significant percentage of the total revenue, unless there is also a large endowment.

Over the last ten years, as state funding has dwindled to the point of nearly disappearing, our Board worked to retain the important services of the Society. These include hosting school kids on field trips, opening the research library for public use, presenting regular exhibitions about Oregon history, and collecting and housing the documents, photos, and artifacts that help define our state's history.

In an effort to maintain public services at a decent level, the board expended a great deal of unrestricted cash while working toward a traditional legislative solution. None has come, and we now project that OHS will expend all cash reserves in late 2011 or early 2012. Endgame, in other words. We then began to pursue all other possible avenues for public funding. At this point, they boil down to the following:

Participation in CAN, the Mayor's "Creative Advocacy Project," in order to generate adequate revenues. The steering committee of CAN has not yet decided whether or how heritage organizations will be included or when the measure will come before voters. Yet, even if OHS were included, based on current formulae under discussion, we could expect about \$400,000 or less per year, a sum insufficient to solve our problem.

Creation of a county-wide Heritage Tax District through a November 2010 ballot measure, State law allows creation of a 'Heritage Permanent District' that can support "establishing and maintaining programs for heritage societies within the district." The District can generate its own funding and would support OHS and the twenty or more affiliated, smaller heritage organizations in the area. With it, we could expand library

hours to 40 per week, add museum curators—we now have none—expand services to schools, and offer free admission to schoolchildren and residents of the heritage district. The permanent Oregon Heritage District could produce up to \$2.6 million per year with a local property tax rate of up to five cents per \$1,000 of home value. Recent public opinion research shows we have good support from our voters and community for the Heritage District.

In order to proceed, we are working with local elected officials to refer this measure to the ballot. Nearly every single person and elected official we've spoken with, who understands the situation of Oregon's Historical Society, is very supportive of our effort to save ourselves.

The Portland Mayor remains opposed, feeling that OHS should be part of CAN somehow and that the 2010 heritage ballot measure could interfere with CAN's future.

In fact, the contrary is true.

The Heritage District for OHS and the twenty or more OHS-affiliated heritage organizations in Multnomah County solves a looming problem for CAN. So far, I have heard no discussion of including Multnomah County heritage organizations other than possibly OHS in CAN. If smaller arts organizations participate, won't the smaller heritage organizations want a fair chance, too? The heritage tax district resolves that problem by funding the heritage organizations, which could then be excluded from CAN funding, along with OHS.

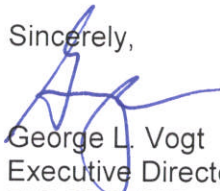
We are continuing to work with city commissioners and the Mayor, who must agree to the inclusion of Portland in a heritage district. Meanwhile, we have brought all necessary financial, legal, and campaign preparations to a state of readiness, but have not made the final decision to proceed.

Our Board of Trustees needs to make a decision on the heritage tax district very soon. In discussions with the Mayor's office, we are presenting the facts and our proposal to assist ourselves and other heritage organizations with the formation of an Oregon Heritage District. The Mayor asks for more discussions of other possible options, yet unnamed, and we have agreed to meet and consider them. If there are other creative solutions to the public funding dilemma, we welcome them. But we need to raise adequate funds this year, and there are not other options yet named that produce what the Heritage District does. Without a path to rescue ourselves, the OHS will have to begin shutdown in 2011.

We hope this clarifies the situation for the Oregon Historical Society. We hope to continue to work with you in the future as one of the area's cultural treasures.

Please feel free to call me if you have questions or suggestions.

Sincerely,



George L. Vogt
Executive Director
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