

DIA Urges Detroit to Stay Away from Art Collection

by Joel R. Glucksman on September 6, 2013

Several creditors and pension groups have teamed up to challenge the constitutionality of the Detroit bankruptcy filing. Although the Detroit Institute of Art has opted out of the objections, it released a statement discouraging the city from including its multimillion-dollar art collection in the bankruptcy proceedings.

Prior to its petition for protection under Chapter 9 of the bankruptcy law, the appointed emergency manager Kevyn Orr had requested a valuation of the DIA's art collection, fueling fears that it might be used as leverage in the bankruptcy proceedings. However, the DIA has taken the position that, although it supports the city's decision to seek out municipal bankruptcy, the collection belongs to the State of Michigan, rather than to the city itself, and should therefore not be included in any financial negotiations with Detroit's creditors.

"We remain committed to our position that the Detroit Institute of Arts and the City of Detroit hold the DIA's collection in trust for the public, and we stand by our charge to preserve and protect the cultural heritage of all Michigan residents," said DIA director Graham Beal.

The museum also endorsed Orr's decision to place the city into bankruptcy, noting that it may be the only viable option given the severity of Detroit's finances. However, the DIA directly appealed to Orr in its statement, noting that it "continues to encourage him not to undercut those goals by jeopardizing Detroit's most important cultural institution and the economic, educational, and other significant benefits it brings to the city and the region."

The museum's city-owned collection still remains vulnerable to sale, but Orr has not yet announced a formal proposal to include the art in his reorganization plan for the city's finances. Should the city be permitted to move forward with its bankruptcy proceedings and include the museum's extensive collection in its plan, the DIA said it will challenge the move in court.