

**HISTORY AND INTRODUCTION**

By

 David Madeira: President & Chief Executive Officer

Harold and Nancy LeMay amassed the largest privately owned collection of automobiles, other vehicles and related memorabilia in the world. At its peak, the LeMay Collection numbered in excess of 3,000 vehicles and thousands of artifacts. The Collection is broadly American and spans the 20th Century powerfully demonstrating both the dominance of the American auto industry in that time period as well as the American experience with the automobile.

Harold and Nancy intuitively knew the power of the Collection through the experiences they shared with family and friends at car shows and swap meets across the nation. They also knew its power from the stories it elicited from all who spoke with them at their Annual Car Show and Open House which has drawn thousands of people to the LeMay homestead each August for more than a quarter century. Harold and Nancy knew that the power of their Collection would be lost if it, like the wonderful Harrah’s Collection, was ever dispersed individually or in small lots to numerous buyers. It became their dream to ensure their marvelous Collection never suffered the fate that befell Harrah’s.

**1997:** The LeMays, with the assistance of business leaders from their home city of Tacoma, Washington, formed the Harold E. LeMay Museum and committed themselves to donating their Collection to the Museum for public benefit. As a not-for-profit, charitable organization, the Museum was chartered to preserve and interpret the history and technology of the automobile and its influence upon American culture. For several years the initial Board engaged in studies related to the feasibility of building a permanent home for the Collection; hired a small staff; and acquired a $1,000,000 federal planning grant to develop the Museum. Progress was slowed by Harold’s untimely death in November 2000. Nancy remained committed to the fulfillment of Harold’s dream that the LeMay Collection be preserved for posterity.

**2002:** The year 2002 was significant in the life of the new institution. A Chief Executive Officer, with extensive experience in strategic planning and development, was hired through a national search. The CEO led the institution through a situational assessment and strategic planning and began to undertake a number of strategic initiatives. These included:

* The acquisition of nine acres of land and improvements, valued at $17,500,000, as a gift from the City of Tacoma to provide the Museum with a superb location for its permanent home.
* The selection of its Design and Planning Team, led by Gensler Architects with Chief Designer, Alan Grant, to begin the process of Museum campus design and planning.
* Reorganization and expansion of the Board of Directors to provide an international Board with the stature requisite for a project of this magnitude.
* Formation of an advisory Steering Committee composed of prestigious members of the automotive community whose members commit their time, energy, expertise and influences to help us create the world’s foremost auto museum.
* Implementation of marketing and development efforts to promote the Museum regionally, to build an initial membership base, to expand its support, and lay the groundwork for a national capital drive.
* Continued assessment of the Collection to advise Nancy and the Board regarding the make-up of the permanent Collection.

With these initiatives well underway, the Museum ended 2002 with new vigor. Nancy purchased the one car Harold had always wanted—a 1948 Tucker—and pledged to donate it to the Museum at Grand Opening. Membership grew from 197 to over 800; operating reserves and a collection fund were established; record giving was achieved; five Directors were added to the Board; and, positive media awareness was generated.

**2003/2004:** Efforts during this time were focused upon planning the world’s foremost auto museum. The Building Committee, architects and consultants designed an iconic campus and created an economically viable operating plan. The team undertook “due diligence” visits to a broad spectrum of auto museums, car shows, auctions, and entertainment venues across America and Europe. Small and large groups of car buffs, collectors and volunteers participated in “vision” sessions and design charettes. The campus design was officially unveiled in August 2004 to a group of city officials, Board and Steering Committee members, media and other friends to enthusiastic response. This occasion marked the beginning of “The Drive for America’s Car Museum” with Nancy LeMay’s initial pledge of $15,000,000 to jump start the effort. Nancy also pledged, and the Board agreed to accept, 975 vehicles to the Museum to form the initial collection.

At the same time, the Museum made great progress in other ways:

* Charter membership (members who joined before 2007) surpassed 1,200 individuals.
* Reserves sufficient for six months operation were established.
* Total giving surpassed annual levels of $2,500,000.
* The Museum participated in major auto events such as the Pebble Beach and Kirkland Concours, Reno Hot August Nights, Motor Trend International Auto Show in Las Vegas. The Museum also became a regular feature at the Seattle International Auto Show.
* The Board and Steering Committees expanded and included their first members from other countries.

**2005:** At the onset of 2005, America’s Car Museum stood ready to present its vision to the world and to seek the capital and operational support to make that vision a reality. Campaign materials were completed and initial efforts launched to generate capital support. America’s Car Museum received recognition in Road and Track, Sports Car Market magazine, Motor Trend and other national publications. It continued participation in major enthusiast events including the inaugural Pebble Beach Motoring Classic from Kirkland, Washington to Monterey, California. At year’s end, campaign commitments totaled $40,000,000 and an additional $8,000,000 in State of Washington commitments.

**2006:** Efforts continued to focus on organizational development and expanded national promotion as we prepared to open the Museum in a few short years. At year’s end the Museum counted more than 1,500 charter members and 35 corporate sponsors. State Farm made the first major corporate commitment with a donation of $1,500,000 to name the State Farm Theatre in the Round. Partnerships developed with International Speedway Corporation, NAPA Automotive Parts, General Motors, AAA and other organizations. The Museum continued to gain international prominence through events including exhibits at the North American International Auto Show (NAIAS) and New York International Auto Show (NYIAS). The Museum closed the year with over $47,000,000 in commitments and began the processes of construction documentation as well as visitor experience design.

The Museum also acquired Suite 200 in Kirkland Washington, a private car club, and began our Club Auto program.

**2007:** A number of milestones were passed by the Museum in 2007. Once again the Museum participated in the North American, New York and Seattle International Auto Shows and continued to enjoy strong press coverage and website visitations. The Museum sponsored the growing Kirkland Concours and continued its involvement with Pebble Beach Concours d’Elegance and the Motoring Classic. The Board authorized a new staging plan for the campus development at its Board meeting at General Motors in June. The Museum presented this plan to the City Council of Tacoma where it was unanimously approved in September, upon which the Museum exercised its option on the land donated by the City of Tacoma.

News of the impending ground breaking spurred both membership and campaign support toward year end with significant increases in Collectors Club life memberships. Charter membership surpassed 2,100 from 44 states and 4 countries.

Interest in creation of a Club Auto Colorado, after great success with our Club Auto Kirkland location, prompted 10 “founding gifts” of $10,000 or more each and total gifts from the area of nearly $250,000. The concept of the Museum as a social network continued to generate momentum. As the year closed, campaign funding had attained $50,000,000 and 80% of our Stage One goal. Efforts were underway to secure a Guaranteed Maximum Price, General Contractor and construction financing with a hope to begin construction in the spring of 2008.

**2008**: In the spring of the year, the Museum began to explore construction financing with the hope of breaking ground by summer. Unfortunately, we were advised that the credit markets had “dried up” and that such funds were nearly unavailable for not-for-profit institutions, and funds that were available were too “expensive” to obtain. We were advised to delay groundbreaking and to continue fundraising. In the summer months, the credit crunch for not-for-profits were described in a major article in the New York Times highlighting the inability of stellar institutions, such as the Guggenheim Museum, to obtain financing for construction projects.

The misfortunes of the auto companies and slowing economy made fundraising difficult even for operating support. In response to the changing economic situation, the Museum began to cut staff and programming to reduce budgetary expenditures in the late spring of the year. These cuts accelerated in the fall. In November, the U.S. economy sank into recession, banks collapsed, credit markets “froze” and the U.S. auto industry faced bankruptcy only to be given a short term reprieve by the Bush administration with emergency funding. For the first time in our experience, a number of corporate sponsors failed to renew, a number of faithful major donors were unable to make contributions, and several major donors, including Board members, indicated that they would be making smaller gifts than usual.

As year-end approached, the Museum received several pieces of good news. AAA of Washington made the largest corporate commitment to the Museum to date**,** $1,600,000, and the Museum closed the year within $8,000,000 of successfully completing its campaign begun in 2004 and scheduled to end in December 2009. At the same time the Museum learned that it qualified for New Market Tax Credits (NMTC) and began to work to secure an allocation of these credits which would, through a complex transaction, net nearly $5,000,000 for the Museum and would enable us to break ground. At the same time, the Museum received Letters of Intent from Galaxy Theatres and from White Leisure Development Corporation to develop the retail and entertainment portion of the Museum complex. Should the Museum be able to close these transactions in early 2009, it would enable the Museum to begin construction and launch the final stage of its campaign. And so a difficult year in the life of the Museum closed with reasons for concern about its ability to survive until opening when it would be able to generate revenue for operations and, yet, with optimism that, if it survived for one more year, it would prevail in its campaign and attain its goal to open in early 2011.

**2009:** The economy worsened in 2009. Banks collapsed, Chrysler and GM filed for bankruptcy. Unemployment rose to over 10% of the population. Charitable giving declined nationally for the first time in years. Gifts to museums dropped by more than 10% with the Art Institute of Chicago suffering a 25% loss in its endowment. The Detroit Museum of Art cut its staff by 20% to survive and the Las Vegas Museum of Art closed its doors. The major automotive museums suffered a downturn in revenue as well—and so did we. Donors became unwilling or unable to make major contributions citing the “uncertainty” of economic times and concern with whether or not The LeMay Museum would survive the economic downturn.

As campaign fundraising virtually stopped leaving us unable to break ground and operating reserves dried up, the Museum focused on attaining NMTC funding to achieve its capital goals, break ground and re-energize its funding campaign. At year end, it had secured a General Contractor and guaranteed contract price, was formalizing the financial plan for the NMTC funders and awaiting word of approval. A number of Board members made major renewed funding commitments to enable the Museum to survive the economic downturn.

In spite of these difficulties, membership actually increased to over 2,400 Charter Members from 44 states, 4 Canadian provinces, and 10 foreign countries. Club Auto membership, a $1,200 annual commitment, continued to increase to over 100 members. Hagerty Insurance pledged a major sponsorship to help promote Club Auto nationwide and the Museum began serious exploration of expansion in the Northeast, Florida and Arizona. Total campaign funds raised surpassed more than 90% of our goal with $60,000,000 having been raised through December 2009 for operating and capital support. Enthusiasm for the Museum’s “brand” as “America’s Car Museum” continued to gain viability in the automotive world.

**2010: It was a groundbreaking year!**  Finally, we were able to secure full funding for the Museum construction in May as we closed on the $32,000,000 New Market Tax Credit transaction which netted us about $6,000,000 equity for construction. Quickly, we scheduled a groundbreaking event for June 10, 2010 which featured Washington State Governor, Chris Gregoire, as speaker and drew a crowd of about 300 community members and enthusiasts. Many arrived at the construction site for the ceremony in their collectible cars—nearly 200 of these cars were on the field that day making quite a show. On June 11, 2010 construction began in earnest!

With construction underway, the Museum launched a $9,500,000 campaign called Race To The Finish (RTTF) designed to garner operating support during construction and through Grand Opening as well as to raise monies for building fit, finish and exhibitry and for collection preparation. As the year ended about $3,500,000 had been raised in this effort and the Museum began planning in earnest for its long-anticipated opening.

**2011: A Hard Hat and High Heels Celebration!** The economy did not improve. Political gridlock kept businesses and investors on edge. As a result, fundraising remained difficult. Yet construction was completed on the new Museum campus in Tacoma and on September 24, 2011 the Museum’s first major function was held—the Hard Hat and High Heels celebration. Nearly 700 enthusiastic attendees in their finest “construction chic” attire dined and danced the night away, and in doing, so raised over $550,000 for the Museum! Not a bad first event!

The year ended with the relocation move of the Museum staff and Collection into our new digs and, while not yet open to the public, we “opened for business” hosting a number of events including an Auto Week party, University of Puget Sound dinner, Northwest Sinfonietta Gala, and Key Bank reception. The enthusiasm generated for the Museum was palpable at each event and the year closed with much optimism for the pending Grand Opening set for June 2012.

**2012: A GRAND OPENING CELEBRATION!**  On June 2nd, 2012 the Museum opened to the public with great acclaim and with State Farm serving as “Presenting Sponsor”. The Museum was featured in more than 500 newspapers, periodicals, and radio/TV stories as well as millions of social media impressions. The New York Times, Road &Track, Automobile, Forbes, Sports Car Market, Auto Week, Hemmings and other important publications provided major coverage.

The Grand Opening Preview party featured the Annual Gathering of the Concours Club where donors whose support surpassed $33,000,000 were honored and Jay Leno helped Museum President, David Madeira, and Chairman, Jamie Will, lead the activities. Nicola Bulgari presented the inaugural Nicola Bulgari Award to General Motors Vice President Ed Welburn for outstanding efforts in the preservation of America’s automotive heritage.

The high energy party with 1,100 guests enjoying a preview of the new Museum enjoyed dining and dancing among the cars, a brief “schtick” by Jay Leno, and a wonderful fireworks display courtesy of the Puyallup Tribe.

On Saturday, the Museum opened officially to the public with formal remarks by Lt. Governor Brad Owen, Chairman Will and President Madeira. Nicola Bulgari publicly presented his Award to Ed Welburn and praised the Museum for “opening in Tacoma”! Mr. Welburn, design chief for GM commented on the magnificent and automobile-evocative architecture. A throng of thousands watched as David Madeira handed the keys to the Museum to Nancy LeMay and opened the door for her to be the first to enter the Museum bearing the LeMay name.

Nearly ten thousand people visited the Museum on the opening weekend and by summer’s end 100,000 people had passed through its gates. The Museum had launched its inaugural Vintage Motorcycle Festival and hosted the Kirkland Concours d’Elegance now a permanent fixture of the Museum. Membership tripled during the year nearing 4,000 active members.

As the year drew to a close the Museum had received numerous awards from the American Institute of Architecture, a number of construction groups, and been named a finalist for “World’s Best Museum” in the prestigious International Historic Motoring Awards sponsored by Octane magazine in London. PBS sent a film crew to shoot a show on the Museum for its national TV program “Motor Week” and the New York Times sent renowned cultural critic, Ed Rothstein, to “review” the Museum for a future Times story. LeMay—America’s Car Museum had arrived on the world “stage”.