

Once embattled museum marks 1-year anniversary

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The National Museum of Industrial History in Bethlehem marks its one-year anniversary.



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Of The Morning Call

JULY 29, 2017, 6:45 PM | BETHLEHEM

The National Museum of Industrial History opened nearly a year ago on the former Bethlehem Steel site with a **celebration** and a sigh of relief.

Praises came from retired steelworkers, local dignitaries and even the prosecutor who took the museum's leader to court when fundraising efforts dragged on for 19 years.

But as the museum approaches its anniversary Wednesday, the fanfare has faded to a formidable goal: making sure those doors stay open.

A lot has happened in the past year: The museum lost its CEO, downsized its staff, created new exhibits, wooed donors and chased grants. Its organizers also experimented with programs that would draw visitors to an

18,000-square-foot exhibition space that celebrates the steelmaking, silkmaking and propane industries and features massive machines that helped build skylines and win wars.

About 13,500 people from 50 states and 12 countries paid for admission to the \$7.5 million museum, which is a Smithsonian affiliate. Another 3,200 people attended special events. And 2,100 students went through school tours, according to the museum's records.

That adds up to nearly 19,000 people, far short of the 50,000 the museum hopes to attract annually when it ramps up. But museum leaders say it's a good start.

Seeing groups listening to experts explaining the giant machinery that fills the first floor provides a peek at what the museum can become, said Kara Cenni, the museum's chief financial and operating officer as well as its interim president and CEO.

"I know that there is hard work, definitely. We have an uphill battle. We have 20 years of history and only one year open," she said. "I feel really good about it, good about the response we're getting from the community."

Once billed as a marquee redevelopment project at the former Steel plant, the museum would chart the nation's transition from an agrarian economy to an industrial one that lay the foundation for America's future as a superpower.

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But as fundraising efforts spilled from the 1990s into the next century, other projects such as SteelStacks and the Sands casino opened around it, and there were few visible signs the museum would follow. That delay caught the attention of Northampton County District Attorney John Morganelli, who put the issue before a Northampton County grand jury.

The grand jury in 2014 issued a report that **found no criminal wrongdoing** but said the project was mismanaged. What followed was a shakeup in leadership as long-time CEO Stephen Donches retired after leading the nonprofit since its inception. A consent decree, overseen by the state attorney general's office, ensured that the museum's leaders would open it within two years or dissolve the nonprofit. The attorney general's office then would oversee the nonprofit for two years after the museum opened.

To date, the museum has complied with the decree, Joe Grace, spokesman for the attorney general's office, said Thursday.

So long as the museum complies with the law, he said, the office would not get involved in internal decisions.

Among the decisions this year was a change in leadership. President and CEO Amy Hollander, who was picked two years ago during a national search, **resigned in April**.

Board chairman Charles Marcon said the resignation was amicable, noting Hollander was key to getting the museum opened. And while the museum's leaders were not looking to remove her \$69,061 in salary and other compensation from the budget, Marcon acknowledged that losing that expense helped the bottom line.

"We're struggling financially," he said.

The number of visitors is not the issue, he said. The community has found and been enthusiastic about the museum, which offers a rich story of industry. Marcon thinks foot traffic will pick up as the museum is added to school field-trip lists and tour group circuits.

What is lagging, he said, are donors. He believes the grand jury investigation created a stigma that is leading potential donors to wait and see how the museum does before investing.

For the first six months of the year, Cenni said, the museum was tracking to fall slightly short of the \$1.024 million budget the board set for 2017 and it has dialed back its expenses to keep pace with that. She said the nonprofit is breaking even at about \$480,000 in revenue from January through June.

The staff has shrunk from eight full-time and two part-time employees when the museum opened to six full-time and three part-time employees. There are also 32 volunteers.

The nonprofit's 2016 tax returns were not available for The Morning Call's inspection since they don't have to be filed with the IRS until November.

The board is addressing some of the concerns by increasing its own number from eight to 15 members. Typically, board members provide financial support to the nonprofits they guide.

Rusty Baker, executive director of the Pennsylvania Museums, a statewide museum association in Harrisburg, said it's not unusual for museums to have a rough first year as they try to deal with the financial realities of operating.

"Opening a museum makes you fairly broke," Baker said. "The mechanisms that drive people to your door is advertising and marketing work. So, if you don't have the money, naturally, your visitor number will slide downward."

He said the rookies would be wise to establish partnerships with veterans in the field.

And that's exactly what the museum has been doing.

The IronPigs, for example, provided a radio advertisement about the museum's special exhibit, "[Making America's Pastime](#)," which explores how baseballs, bats, gloves and uniforms are made and how the MLB became a \$9.5 billion industry. Such in-kind contributions have enabled the museum to scale back its marketing budget for the first year, said Glenn Koehler, the museum's marketing and outreach coordinator.

Just a stone's throw from the museum is the ArtsQuest Center, run by the nonprofit that puts on [Musikfest](#). It has partnered with the museum during festivals, such as April's Arts and Music Festival.

ArtsQuest is marketing walking tours of the Hoover-Mason Trestle and Historic Bethlehem in a deal with the National Museum of Industrial History, taking \$2 off tickets bought as a package. Regular adult admission to the museum is \$12.

Museum leaders had hoped to secure Bethlehem Redevelopment Authority money to spruce up the plaza outside the museum.

While some projects, such as the Hoover-Mason Trestle and Bethlehem Landing visitors' center, have received money from the special taxing district the authority oversees, there is no money available for the plaza, Mayor Robert Donchez said. The city is reviewing federal grants, he said, to see if there are funds that could help the museum.

"I think it's a very impressive museum but the key is to getting people to come back, working with public school districts [for field trips] and making it an educational facility," Donchez said.

Cenni said the museum is working on events to help visitors understand the story of industry as officials map out a way to sustain the programs. The first major fundraising gala, a USO Dance, is set for Sept. 14. The gala, where people will be encouraged to dress in World War II-era clothes, has sparked mini-fundraisers such as swing-dance lessons.

The museum also is renting space for parties and so far, Cenni said, has hosted a baby shower, a March Madness party and the annual conference of the Pennsylvania Labor History Society.

She said there's more potential to develop that revenue, especially if the museum can raise the money to renovate the empty second floor, which provides views of the blast furnaces.

On the exhibition floor, visitors are easily impressed by the hulking structures. But the exhibits can offer a bit more, said Paul Polland, of Hamilton, N.J., who was among a few visitors at the museum on a Friday afternoon this month. A museum lover, Polland drove an hour to take in some of the big machinery such as the Corliss steam engine and the miniature models of the Bethlehem Steel plants. He liked the spectacle, but the interpretation, he said, needed some work.

"I think some of the displays could be easier to follow," he said, adding that with a new museum, that's to be expected.

Ann Bartholomew, the wife of a former Bethlehem Steel worker, is a frequent visitor and founding museum member. So it wasn't surprising to find her at the museum the day Pollard was there.

"It's empty now, but you should see it during special events," she said.

Marcon, Cenni and others intent on making the museum a destination are hoping crowds will become the norm, not the exception.

By the numbers:

The National Museum of Industrial History's admission numbers in its first year:

13,500: tickets sold

3,200: people who attended special events

2,100: students who toured the museum on school trips

Source: National Museum of Industrial History

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