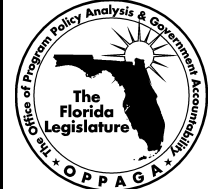




# Office of Program Policy Analysis And Government Accountability



John W. Turcotte, Director

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## Review of State-Owned Cultural Properties: Ringling Museum of Art and Coconut Grove Playhouse

### Abstract

- State ownership of cultural properties is warranted for sites that are accessible to the public and provide unique programs with a statewide impact.
- The state should retain ownership of the Ringling Museum of Art in Sarasota. The Ringling Museum includes a valuable art collection and historic properties accessible to the public with free admissions to Florida students and teachers. In addition, the art galleries are free to the general public on Saturdays. The Museum attracts two-thirds of its visitors from outside the local area.
- The Legislature may wish to consider alternatives to state control of the Coconut Grove Playhouse in Miami. While the Playhouse provides valued cultural programs, its productions primarily serve a local audience and public access is limited by the costs of theater tickets (\$20 to \$40 per play).
- The Department of State does not routinely collect information to evaluate the benefits and impacts of the Ringling Museum and the Coconut Grove Playhouse.

### Purpose

The Joint Legislative Auditing Committee requested that OPPAGA review the Department of State's oversight of state-owned cultural properties in response to a request from the House Committee on Tourism and Cultural Affairs. The Department of State is responsible for oversight of two state-owned cultural properties: the John and Mabel Ringling Museum of

Art in Sarasota and the Coconut Grove Playhouse in Miami.<sup>1</sup> Our objectives included assessing alternatives to state ownership of these properties and reviewing the Department of State's performance accountability system for evaluating the properties' benefits and impacts.

### Background

**Ringling Museum of Art.** The John and Mable Ringling Museum of Art is the official art museum of the State of Florida. John Ringling left the Museum to the state following his death in 1936. After ten years of litigation and negotiation, the state took possession of the 66-acre property in 1946. The Ringling Art Museum has an extensive collection that includes works by Medieval, Renaissance, and modern artists. The Circus Museum has a collection of circus artifacts (drawings, costumes, carved circus wagons). Ringling also includes two historic properties: the Ca'd'Zan, the historic residence of John and Mable Ringling; and the Asolo Theater, a 19<sup>th</sup> century Italian court playhouse that seats 150 people.

The Ringling Board of Trustees manages the Museum. The Board is appointed by the Governor and consists of 11 members (5 from Sarasota and Manatee Counties and 6 from other counties in the state). The Department of State is responsible for overseeing the Board's activities.

For fiscal year 1995-96, the Ringling Museum's operating expenditures totaled \$6.5 million. Sources of support included \$2.0 million in state funds with the remainder from other funding sources including

<sup>1</sup> Oversight of state-owned cultural properties is also assigned to the Department of Environmental Protection (for properties located in state parks) and to the Department of Education (for properties located in public schools and universities).

admissions, concessions, membership fees, gifts, and investment income. In addition, the state provided \$1.3 million for Ca'd'Zan renovations. The state provided \$3.7 million for Ringling for fiscal year 1996-97.<sup>2</sup>

**Coconut Grove Playhouse.** The state acquired the Coconut Grove Playhouse in 1980 by purchasing its mortgage for \$1.1 million. At that time, the Playhouse was financially distressed and a private developer had expressed interest in purchasing the property, tearing down the Playhouse, and constructing a new building on its site.

The Playhouse presently includes a 1,100-seat mainstage theater, a 125-seat cabaret-style theater, and administrative offices. The Department of State contracts with the Coconut Grove Playhouse, Inc., a non-profit corporation, to operate the Playhouse. Under this contract, the state is responsible for maintaining the premises and the theater group is responsible for operations. The Playhouse will offer eight plays this fiscal year.

The Playhouse's operating expenditures for fiscal year 1995-96 totaled \$ 4.2 million. Sources of support included \$0.7 million in state funds with the remainder from other funding sources including ticket sales, concessions, membership fees, donations, and investment income. The Legislature appropriated \$718,255 for the Playhouse for fiscal year 1996-97.<sup>3</sup>

## Findings

**The Ringling Museum's art collection and historic properties are accessible to the public, draw visitors from outside the local area, and has a statewide impact. The Coconut Grove Playhouse primarily serves the local community and has limited public access.**

Florida has a long history of preserving cultural properties deemed significant enough to belong to the public at large. In keeping with this tradition, the state

<sup>2</sup> The \$3.7 million includes \$1.8 million from the Cultural Institutions Trust Fund for salaries and benefits for 61 of the Museum's 106 employees. Another \$1.2 million was provided from General Revenue for Ca'd'Zan renovations. In addition, \$200,000 was provided from the Ringling Art Acquisition, Restoration, and Conservation Trust Fund. Finally, Ringling was awarded two grants totaling \$548,597 from the Department of State.

<sup>3</sup> Appropriations include \$500,000 from the Cultural Institutions Trust Fund and \$218,255 from the Playhouse Trust Fund which receives revenues from concessions and a \$200,000 annual lease with the City of Miami for off-street parking.

accepted the Ringling property and purchased the Coconut Grove Playhouse.

Using input from stakeholders, we identified the following criteria to determine whether the state should retain ownership of these cultural properties: does the property have a statewide impact on the public; is the property accessible to the public; is the cultural opportunity unique; and are the state's costs to maintain the property reasonable?

The Ringling Museum generally meets these criteria. The Ringling Museum is a unique property that attracts visitors outside of the local area, is readily accessible to the public since it is open year round with reasonable admission fees (\$8.50 or less) and Florida students and teachers are admitted free. In addition, admission to the art galleries is free on Saturdays. Maintenance costs of this historic property, however, have been high. The Ringling Museum Board is currently developing fundraising strategies to become more financially self-sufficient and decrease the level of state funding.

The Coconut Grove Playhouse only partially meets the criteria for continued state ownership. Its productions primarily serve the local community while other theatrical productions are available in the Dade County area. Further, the Playhouse's accessibility to the public is limited by the cost of theater tickets (\$20 to \$40 per play). The Playhouse also has high maintenance costs due to its deteriorated physical condition and may require nearly \$3 million in renovations, including \$750,000 to bring the property into compliance with the American with Disabilities Act. Under terms of its contract with the Coconut Grove Playhouse Inc., the state will be financially responsible for making these repairs.

Exhibit 1 summarizes our review of the Ringling Museum and the Coconut Grove Playhouse based on the above criteria.

**The Department of State does not routinely collect information to evaluate the benefits and impacts of the Ringling Museum and the Coconut Grove Playhouse. This information is needed to determine if the state is getting a good return on expended funds.**

Florida's recent efforts to redesign state government, such as performance-based program budgeting, have emphasized the need for agencies to evaluate program outcomes. Such evaluation is needed to assess a program's results relative to its costs.

**Exhibit 1**  
**Ringling Museum Generally Meets Criteria for Continued State Ownership**  
**and Coconut Grove Partially Meets Criteria for Continued State Ownership**

| Criteria for Evaluating State Ownership  | Ringling Museum of Art   | Coconut Grove Playhouse   |
|--|--|---|
| <p><b><u>Statewide Impact</u></b><br/>           State ownership is warranted for cultural properties that provide a statewide benefit.</p>  | <p>Has statewide impact with approximately two-thirds of the visitors from outside the local area.</p> <p>Assists the state economy by contributing to tourism.</p> <p>The Museum’s educational program serves all 67 state counties; develops and distributes education materials; and trains teachers.</p>   | <p>Primarily has a local impact; 60% of audience from Dade County.</p> <p>Educational program serves highly populated Dade and Broward Counties and brings original theatrical productions to approximately 75,000 students each year.</p>  |
| <p><b><u>Availability of Similar Programs</u></b><br/>           State ownership is warranted when it preserves unique cultural programs.</p>  | <p>Unique property and no comparable properties in the area.</p>   | <p>The Miami metropolitan area supports more than two dozen local theater groups including the Coconut Grove Playhouse.</p> <p>The Playhouse is the only local theater specializing in traditional theater productions such as <i>Death of a Salesman</i>.</p> <p>Broward County and Palm Beach County performing arts centers offer plays that also draw audiences from the Miami area.</p>  |
| <p><b><u>Public Access</u></b><br/>           State ownership should be tied to the public benefit. For the public to benefit, properties much be accessible to the public through reasonable entrance fees and operating hours.</p> | <p>Open year round, seven days a week. Entrance fee \$8.50; \$7.50 for senior citizens; children 12 and under free. Complimentary admissions for Florida teachers and Florida students. Admission to the art galleries is free to the public on Saturdays.</p> <p>Receives approximately 300,000 visitors each year.</p>   | <p>Offers eight major productions each year; six mainstage productions, and two productions for the cabaret theater.</p> <p>Tickets prices range from \$20 to \$40 per performance with discounts available for season ticket holders and \$10 tickets to youth under 25 on the day of the performance.</p> <p>Approximately 125,000 people attend productions each year.</p>   |
| <p><b><u>State Costs</u></b><br/>           State ownership is justified when the costs of maintaining the property are reasonable and do not place an undue burden on the state budget.</p>   | <p>High maintenance costs to maintain historic properties built in the early 1900’s with added costs associated with sun, salt, and wind damage from bayfront location.</p> <p>The state spent \$18 million for art museum renovations completed in 1991 and is currently spending \$3 million for Ca’d’Zan renovations.</p> <p>The Ringling Museum relied on state funding in the past and has only recently begun to develop funding strategies (such as establishing endowments) used by other museums to promote financial self-sufficiency. For example, the Museum established an endowment to provide funds to refurbish the Ca’d’Zan’s interior.</p> | <p>High maintenance costs to maintain building constructed in 1920s.</p> <p>Renovating the building will require approximately \$3.0 million, including an estimated \$750,000 to bring it into compliance with the Americans with Disabilities Act.</p> <p>Not likely to continue without state funding. Some state funding is likely to continue even if the state turns the property over to local government or a non-profit organization. The Playhouse will have continued eligibility to compete for state cultural program grants and has competed successfully for these grants in the past.</p> |

Source: OPPAGA staff analysis of information provided by the Ringling Museum and Coconut Grove Playhouse, and review of related records and documents.

Over the last five years, the state provided \$12.6 million for the Ringling Museum and has expended approximately \$4.2 million for the Coconut Grove Playhouse, including nearly \$0.8 million to repair damages caused by Hurricane Andrew in 1992. However, the Department has not routinely collected information to evaluate the impacts and benefits of the Ringling Museum and the Coconut Grove Playhouse. The Department requires annual independent financial audits from the Ringling Museum and the Coconut

Grove Playhouse. However, these audits do not provide information related to benefits and impacts.

**Recommendations**

We recommend the state retain ownership of the Ringling Museum. The Museum is a unique property that attracts visitors outside the local area. It is also accessible to the public with free admissions every Saturday and entrance fees of \$8.50 or less on other days.

We also recommend the Legislature consider the following options for the Coconut Grove Playhouse, which only partially meets the criteria for continued state ownership:

1. **Turn the Playhouse over to local government or to a not-for-profit organization.** Under this option, the state would relinquish control of the site with the condition that it be used primarily for the purposes of providing theatrical productions. Because local governments or not-for profit organizations may not be willing to accept the property in its current state of disrepair, the Legislature would likely need to appropriate funds (up to \$3 million) for needed renovations. However, turning the property over to local government or to a not-for-profit organization would provide longer-term savings as the state would no longer be responsible for paying for future maintenance costs.
2. **Sell the Playhouse.** Selling the Playhouse to a private purchaser would have the advantages of providing the state with funds from the sale and relieving it from having to make needed repairs.<sup>4</sup> However, selling the Playhouse would also have some disadvantages. A new owner may close the theater and raze the building due to its high maintenance costs. Closing the theater would likely have a negative impact on the local economy. Local businesses in the surrounding area could be adversely affected by the loss of customers that theater productions bring into the area. However, if the new owner establishes a successful business on the property, it may provide more employment opportunities and thereby creating a positive impact on the local economy. Another disadvantage of selling the property is the state would lose a valued cultural activity and that has been available to local area residents for more than 40 years and the Playhouse educational program.

<sup>4</sup> The current market value of the property is unknown. The Department has estimated the property is worth \$7.5 million for insurance purposes. However, the property has not been appraised to determine its potential market value.

3. **Continue state ownership of the Playhouse and continue to pay for the ongoing maintenance costs.** The primary advantage of this option is that the Playhouse can continue to be used for theatrical productions. In addition, it will allow the Legislature to control the property and monitor all repairs made to the structure. The primary disadvantages are that the Playhouse's facilities are in poor condition and will require extensive renovations, and that the state will have an ongoing commitment to maintain the premises.

Finally, we recommend the Department of State develop a performance accountability system that will allow it to assess the benefits received from the state's investment in these state-owned cultural properties.

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## Agency Response

The Secretary of State provided the following written comments to our review.

**“Recommendation 1** - We concur with the recommendation that the state retain ownership of the Ringling Museum.

**“Recommendation 2** - We will consider the options presented concerning the Coconut Grove Playhouse. At this point we are not able to make a final recommendation concerning the options presented. We will, however, work with the Legislature in reaching a final consensus.

**“Recommendation 3** - We will develop a performance and accountability system which will allow us to assess the benefits received from the Ringling Museum and the Coconut Grove Playhouse.”

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (904/488-1023 or 800/531-2477), by FAX (904/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

Web site: <http://www.state.fl.us/oppaga/>

Project Supervised by: Thomas S. Roth (488-1024)

Project Conducted by: Dot Gray (487-9277)