

House District 32

Senate District 15

**THE TWENTY-FOURTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES**

Log No: 229-C

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

DEPARTMENT OF DEFENSE

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Db/a: USS Missouri Memorial Association, Inc.

Street Address: 63 Cowpens Street, Honolulu, HI 96818

Mailing Address: P.O Box 879, Aiea, HI 96701-0879

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name SARAH TENNEY *ST*

Title Vice President of Development

Phone # 808.455.1600 x 244

Fax # 808.455.1598

e-mail sarah.tenney@ussmissouri.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

7. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

BATTLESHIP MISSOURI: INDUSTRIAL RENOVATION & MAINTENANCE SUPPORT

(Maximum 300 Characters)

4. FEDERAL TAX ID # _____

5. STATE TAX ID #: _____

6. SSN (IF AN INDIVIDUAL): _____

8. FISCAL YEARS AND AMOUNT OF STATE FUNDS REQUESTED:

FY 2008-2009 \$ 4,000,000

9. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 6,403,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[Signature]
AUTHORIZED SIGNATURE

DON R. HESS, CAPTAIN, USN (RET.) PRESIDENT & CHIEF OPERATING OFFICER

NAME & TITLE

1/30/08
DATE SIGNED

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawaii Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and assuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

USS Missouri Memorial Association, Inc.

(Typed Name of Individual or Organization)



(Signature)

1/30/2008

(Date)

DON R. HESS, CAPTAIN, USN (RET.)

(Typed Name)

PRESIDENT & CHIEF OPERATING OFFICER

(Title)

Application for Grants and Subsidies

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

1. Description of the applicant's background.

The mission of the Battleship Missouri is to create and maintain a fitting memorial to the people and historic events that reflect our nation's legacy of duty, honor, strength, sacrifice, and resolve. Representing the end of WWII with the signing of the surrender documents on the Mighty Mo, the Secretary of the Navy in 1996 approved the transfer of the Battleship to the stewardship of the USS Missouri Memorial Association (UMMA).

The ship itself is a historic artifact placed on the National Register of Historic Places. Over 15,000 students in school groups throughout Hawaii and the US mainland and more than 400,000 visitors arrive annually to experience history. UMMA is a significant nonprofit employer has been recognized with multiple awards, both locally and nationally, including National Trust for Historic Preservation Honor Award, and Award of Merit for Group Achievement by the Secretary of the Navy – which is particularly noteworthy as the Battleship Missouri is not part of the Navy, federally funded, nor government sponsored.

The battleship U.S.S. MISSOURI (BB-63) is a signature vessel in the annals of the U.S. Navy; she signifies all of the design experience and material culture that both the U.S. Navy and the American people brought to bear in a very tenuous period of our country's history. Her design parameters were vigorously discussed, modified and expanded upon in the late 1930s into the time this class of ship was on the building ways in the early 1940s. Battleship Division and Fleet Commanders, the Bureaus of Ordinance and Engineering, and, most importantly, the Bureau of Construction and Repair (the precursor of the Bureau of Ships and later Naval Sea Systems Command) and the General Board all had important input to her final design.

2. The goals and objectives related to the request.

On January 29, 2009, the Battleship Missouri will be celebrating the 10 Year Anniversary of the public opening of the Battleship Missouri in Hawaii. Without consistent federal or state funding, the ship has managed annual maintenance and facilities management with an internal staff and volunteers. This request aims to secure funding for industrial renovation and maintenance that can not be completed by the current employees or volunteers or the pier location.

Our objective is the secure underwater surfaces such as the hull and rivet seams as well as high risk maintenance areas that are impossible to reach for preventative corrosion maintenance without commercial crane access. The Battleship Missouri has not had industrial renovation or

maintenance since the late 1980s/early 1990s. The final scope of work will develop solutions for the following areas of need as defined by a professional marine surveyor:

a.) Update the preventative systems on the vessel's topside hamper (particularly the armored citadel decks, both masts and both stacks) with a focus on water and drainage issues. Clearing debris and blocked drains with high pressure hoses to alleviate conditions is necessary.

b.) Replace the vessel's teak deck system on main deck and other upper level decks as the welded steel attachment studs (of threaded mild steel) have rusted away allowing water and air to separate and deteriorate the teak planking, seam/bedding, caulking and steel deck.

e.) Train and update staff knowledge regarding the vessel's underwater impressed cathodic system. The proper understanding of the impressed cathodic system and the understanding of its importance by the maintenance team is paramount for the long term care of the ship. Proper training and the establishment of a log detailing weekly readings on 50' centers, bow to stern, port and starboard, deep and shallow readings is advised.

f.) Upgrade underwater and topside paint systems. The dive assessment showed bare steel hull with much growth and a serious breakdown on the remaining paint system viewed. Current and better technologies (paint systems) are available that will cut down the intervals and frequency between re-coatings.

g.) Assess and update the cathodic and paint systems with particular focus on the longitudinal rivet seams. The underwater rivet seams have demonstrated their ability to leak sea water; this is a direct result of corrosion at the rivet heads.

i.) Catalogue the vessel's sea valves with a numbered, color code system and secure with chain and padlock system.

j.) Improve 2nd and 3rd decks and the areas in the topside hamper to restrict public (and in some cases, unauthorized crew) intrusion.

k.) Update the vessel's fire fighting extinguishers inspection tags by a competent inspection contractor on an annual (or as required by local authorities) basis.

m.) Interior lighting in staterooms on the 02 & 03 levels should be secured until all fixtures and wiring harnesses are inspected and repaired.

n.) The vessel's outboard fuel/ballast tanks need inspection to determine if the installation of an inert gas system to preserve areas that are difficult to access, but supremely important barrier tanks is necessary.

o.) Centralize textual publications and drawings showing the hull and systems that will require the most scrutiny in the years ahead. This will provide faster access for multiple sources to provide input.

p.) Increase professional engineering staff to assist with the preparation, planning and implementation of a maintenance cycle that will provide for the long term ship's husbandry. The engineer should have a broad level of experience in shipboard structure, shipyard practices, HVAC, electrical, and safety that can add expertise to the current team that directs the prioritization of tasking, and the vessel's complex systems to advise management of needed changes that will simplify and reduce vessel maintenance requirements.

3. State the public purpose and need to be served.

This funding request will provide the necessary industrial maintenance to insure the integrity of the underwater battleship structure, preventative system design, staff training, and maintenance document archiving. The Battleship Missouri is an economic engine providing a memorial venue that attracts more than 400,000 visitors each year. Recognized as one of the top 10 attractions that bring visitors to Hawaii, it employs more than 125 full and part time staff. Locally the ship is a collaborative educational venue that engages Pearl Harbor partners such as USS Arizona, Pacific Aviation Museum, and the USS Bowfin Memorial. Although the ship is a venue that seasonally records more than 500-1800 visitors per day, the education department is scaling the "Mighty Mo Campus" outreach programs to neighbor islands and school visits. Without industrial renovation and maintenance work, which is commonly required on active Battleships, the integrity of the structure will be compromised.

4 & 5. Describe the target population to be served and the geographic coverage.

Preservation of the ship is critical to serve current and future global target populations. Our target population is two fold: future visitors over the next 15 years (an estimated 7 million people) and local kama'aina who have invested in the past 10 years in financial and volunteer service support (more than 50,000 people). By providing industrial funding, the integrity of the ship will be saved as well as the previous local investment of volunteer time and donation effort. Target segments include:

- More than 55,000 previous volunteers
- More than 400,000 annual visitors, 500-1800 daily visitors during seasonal cycles
- 125 full and part time staff
- Thousands of local, national and international veterans
- More than 2000 living crew members who served at one time or another on the ship
- More than 5000 military services personnel through free daily outreach services for re-enlistment to retirement ceremonies

II. Service Summary and Outcomes

Upon completion of the industrial renovation and maintenance services, the solution of the issues presented in #2 above will be our primary outcomes.

1. Describe the scope of work, tasks and responsibilities.

The detailed scope of work is still in development. Both exterior and interior renovation, staff training, and system updates are included.

2. Projected annual timeline. The following is our general timeline of the comprehensive project:

Phase 1 Jan08 – Jun08	Phase 2 July08 – Dec08	Phase 3 Jan09 – Jun09	Phase 4 Jul09 – Dec09
Planning, survey, and request for proposal specification design. Visits with Legislators and community information groups.	Notification and training of staff of funding. Dedicate internal funding sources until state funding allocation released.	Planning and payment deposits to chosen vendors. Ship movement to certified work location.	Preparation and move to industrial locations. Return to pier and resume operations.

3. Describe the quality assurance and evaluation plans for the request. Specify how you plan to monitor, evaluate, and improve their results.

Monitoring the program will be the responsibility of the President & Chief Operating Officer. The Board of Directors has a capital committee and professional consultants managing the project. The US Navy standards and professional shipping industry evaluation methods of work will be applied.

4. Measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program’s achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

Our measure of achievement and accomplishment is reported to our state agency sponsor, the Department of Defense. We aim to report to our stakeholders and donors via media announcements and our online e-newsletter updates. Our staff and project teams will measure effectiveness in weekly project management meetings.

III. Financial

Budget

- The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

Please see attached budget.

2. The applicant shall provide its anticipated quarterly funding requirements for the fiscal year 2008-2009.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$1,000,000	\$2,500,000	\$240,000	\$260,000	\$4,000,000

IV. Experience and Capability

A. Necessary Skills and Experience

The USS Missouri Memorial Association operates the Battleship Missouri after being designated by the Secretary of the Navy. While employing more than 125 full & part-time staff, the Battleship Missouri repaid the first business seed loan of \$5 million. The Battleship Missouri has been recognized locally and nationally with multiple honors including National Trust for Historic Preservation *Preservation Honor Award*, Hawaii's *Governors Preservation Honor Award*, and an Award of Merit for Group Achievement by the Secretary of the Navy. These achievements have been without recurring funding from federal or state resources and are dependent on annual program and donation revenue.

With more than 125 full and part time staff, the Battleship Missouri has the necessary skill and experience to implement and assist this endeavor. See management list below.

B. Facilities

The Battleship Missouri is moored at Ford Island Pearl Harbor, Pier 5. The facilities include first aid stations, flight simulator, onboard staterooms, mess decks, operations locations, and training rooms that have been EPA approved for use. For educational purposes, the venue offers authentic living and the development of "laboratories" for radio/communications, computer/robotics (in development), WWII collections with oral history archives, a teacher resource library/database and two training rooms to deliver lessons in a classroom and experiential educational setting. We own and operate vans and shuttle services for transportation as needed. Storage and retail areas are on the pier as well as inside the ship.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

With more than 125 full and part time staff, the Battleship Missouri has the necessary skill and experience to implement and assist this endeavor. The request for funds for salaries is small portion dedicated to scaling our education department in the first year. Here are a few of the management that are already UMMA funded and are supporting this effort:

President & Chief Operating Officer. Don Hess, Captain, USN (Ret), PMP. Captain Hess has over 40 years experience with naval ships, their operation, maintenance, construction, and preservation. He oversees all operations.

Vice President of Finance & Administration. Tom Manuel, CPA. With over 30 years of finance and accounting, he is one of two employees that have been with the organization since it's inception.

Vice President of Development. Sarah Tenney, CFRE and EMBA. More than 10 years of business, consulting and fundraising experience in the local and national non-profit industry. Recognized author and educator on professional fundraising techniques and methods. Previous business owner and a specialist in nonprofit donation and accounting database administration.

Director of Operations & Facilities. Les Lancaster, BMCM, USN (Ret). With over 30 years experience, he is charged with the maintenance and preservation of the Battleship and related facilities.

Director of Curation. Mike Weidenback. Holding a Master of Fine Arts with focus on Museum Studies from the University of Hawaii, he worked with Bishop Museum, Pacific Aviation Museum, and Pearl Harbor.

Director of Volunteers. Beth Remick. Manages more than 100 monthly volunteer crews and projects to achieve maintenance and preservation of revenue for critical operations.

Director of Security. Rudy Akina. Oversees the systems & relationships with staff, Navy, State, and City security partners in addition to the health and well being of more than 300,000 visitors to the ship.

B. Organization Chart

Please see chart attached.

VI. Other

A. Litigation

No pending litigation. The Battleship Missouri Hawaii state business registration and our federal 501 (c)(3) tax exempt status is in good standing.

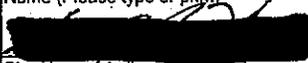
B. Licensure or Accreditation

The Battleship Missouri holds some special qualifications that are relevant to this request and help us insure the highest standards of operation:

- Registered National Historic Site. We are a National Trust for Historic Preservation site.
- Annual Navy Standards review for battleships. Even though we are a decommissioned ship, we invite the Navy to review our operation for recommendations and suggestions.
- Financial Policy Standards. We solicit and process donations in accordance with the International Association of Fundraising Professionals Standards of Ethics and adhere to the “Donor Bill of Rights”.
- Security Guidelines. Our security department manages operations in accordance with American Society of Industrial Security – Museum Security guidelines.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2008 to June 30, 2009)

Applicant: Battleship Missouri

BUDGET CATEGORIES	Total State Funds Requested (a)	Battleship Missouri (b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	150,000	4,000,000		
2. Payroll Taxes & Assessments	10,000	400,000		
3. Fringe Benefits	8,000	32,000		
TOTAL PERSONNEL COST	168,000	4,432,000		
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	0			
2. Insurance	6,000	6,000		
3. Lease/Rental of Equipment	25,000			
4. Lease/Rental of Space	30,000			
5. Staff & Volunteer Training	40,000			
6. Supplies & Postage	0			
7. Telecommunication	2,500			
8. Utilities (25% of group visit days)	0	40,000		
9. Industrial Exterior Maintenance	1,843,500	225,000		
10. Industrial Interior Maintenance	975,000	1,000,000		
11. Corrosion Prevention	400,000	400,000		
12. Teak Deck & Mast Superstructure Prep	200,000	300,000		
13. Hull Cleaning	100,000			
14. 600 Tanks Inspection	100,000			
15. Fire Suppression	75,000			
16. Document Replication & Archiving	35,000			
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	3,832,000	1,971,000		
C. EQUIPMENT PURCHASES	0			
D. MOTOR VEHICLE PURCHASES	0			
E. CAPITAL	0			
TOTAL (A+B+C+D+E)	4,000,000	6,403,000		
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	4,000,000	Don R. Hess, Captain, USN (Ret.)	808.455-1600 x 244	
(b) Battleship Missouri	6,403,000	Name (Please type or print)	Phone	
(c)			1/30/2008	
(d)		Signature of Authorized Official	Date	
TOTAL REVENUE	10,403,000	President & Chief Operating Officer		
		Name and Title (Please type or print)		

USS Missouri Memorial Association, Inc.

Corporate Officers

Board of Directors

Don Hess
President and COO

Tom Manuel
VP and CFO
Admin and Finance

Sarah Tenney
VP of Development

Vickie Kim-Lancaster
VP of Special Programs

Paul Dyson
VP Marketing & Sales

USS Missouri Memorial Association, Inc.

Directors & Department Heads

Don Hess
President

