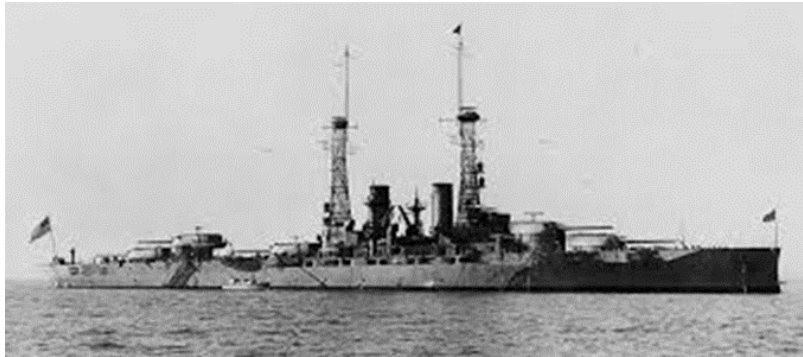


Case for Support:  
Battleship TEXAS Foundation

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MPA 8700 Fundraising for Nonprofit Organizations  
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September 8, 2018

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## SECTION 1: BRIEF ORGANIZATIONAL HISTORY



For 70 years the Battleship TEXAS Foundation has preserved and shared the amazing story of the Battleship TEXAS—last of world’s dreadnoughts, former flagship of the United States Fleet, and veteran warship of two world wars. Commissioned in 1914, the USS TEXAS steamed across the world for more than 30 years prior to facing retirement after WWII. Since then, the Battleship TEXAS Foundation has served as a constant advocate for the TEXAS and her storied past.

Originally established as the Battleship TEXAS Commission in 1948, the nascent group saved the TEXAS from the dustbin of history by raising the \$225,000 (over \$2.3 million in adjusted 2018 dollars) needed to relocate the retired warship from Baltimore, Maryland to La Porte, Texas.<sup>1</sup> Following her arrival, the state commissioned the TEXAS as the flagship of the Texas Navy. The Battleship TEXAS Commission, meanwhile, set to work converting the TEXAS into the nation’s first battleship memorial museum—a distinction she still holds today.

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<sup>1</sup> Figured calculated by using online tool available at Savings.org. Retrieved from <https://www.saving.org/inflation/inflation.php?amount=225>.

The intervening years proved challenging, with rainwater and leaks in the hull devastating the old ship. The Commission obtained financial support through the early 1970s, oversaw repairs, and even managed to have the TEXAS designated as a National Historic Mechanical Engineering Landmark (1975) and National Historic Landmark (1976). Despite these strides forward, unhappy legislators abolished the organization and turned the stewardship of the TEXAS over to the Texas Parks and Wildlife Department (TPWD) in 1983. Over the next few years, a government-led fundraising campaign netted the money necessary to provide the TEXAS with needed repairs.

**“It's quite an experience to see pictures of her from WWI and WWII and then reflect that you are standing right on that very ship that sailed the world for decades and participated in some of the most important and far-reaching historical events of the 20th century.”**

**-Visitor Testimony, 2018**

Following dry dock maintenance, the TEXAS returned to La Porte in 1990. Protecting the TEXAS against the ravages of time, however, proved even too daunting a task for the TPWD to handle on its own. Water began leaking back into the hull only a few short years after the TEXAS returned to her slip, with the TPWD relying upon a steady stream of volunteers to help keep the ship afloat. A group of concerned businessmen and veteran sailors subsequently reformed the Commission, renaming the nonprofit organization the Battleship TEXAS Foundation (BTF) in 1998.

Today, BTF members and volunteers continue to fight for the TEXAS. Community events, fundraisers, and educational tours gather some of the money needed to place the TEXAS in a permanent dry berth, where she will be safe from listing over into Burnet Bay and stand as a permanent memorial museum to the naval history. To date, we have raised more than \$4 million dollars, but our fight is far from over. The Dry Berth Project, while partially subsidized by the State of Texas, will cost \$60 million—twice as much as originally projected in 2004.



## **SECTION 2: STATEMENTS OF PURPOSE**

### ***Mission Statement***

The mission of the Battleship TEXAS Foundation, in partnership with the Texas Parks and Wildlife Department, is to preserve the Battleship TEXAS while developing this historic ship into a premier museum and visitor attraction.<sup>2</sup>

### ***Vision Statement***

The Foundation exists not only as an advocate for the historic Battleship TEXAS but also as one of the Lone Star State's key partners in preserving history and educating future generations about the past.<sup>3</sup>

### ***Values Statement***

The Battleship TEXAS has served her country as a war ship, an escort, a training vessel, a gunnery platform, a flagship, a diplomatic envoy, a test bed, and was home for thousands of sailors and Marines. The Battleship TEXAS Foundation takes great pride in helping the TEXAS tackle her new mission as an educational platform for present and future generations of Americans. Members, staff, and volunteers of the Battleship TEXAS Foundation observe the core values of honor, courage, and commitment—the same ethos that guided the historic battleship's crew over their many years of dedicated and distinguished service. In practice, this means that the Battleship TEXAS Foundation will honor the past, have the courage to face the challenges of the present, and stay committed to the mission ahead.<sup>4</sup>

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<sup>2</sup> Edited for word count. Retrieved from <https://battleshiptexas.org/about/>.

<sup>3</sup> Original content created for this document.

<sup>4</sup> Original content created for this document.

### **SECTION 3: BENEFICIARIES OF THE ORGANIZATION**

The Battleship TEXAS Foundation primarily serves three constituencies. The first and most immediately served group of beneficiaries are our veterans; we wish to honor their service and memory by preserving the TEXAS for future generations. To that end, the TEXAS serves as a common venue for military reunions and memorial services as well as a full-fledged military museum, which houses dozens of priceless artifacts that celebrate the past.

The second group of constituents are public school students (K-12) who visit the TEXAS to fulfill learning objectives as set forth by the Texas Department of Education. We routinely hold informative field trips, Hard Hat Tours, and educational sleepovers where students are taught topics in both the physical and social sciences. Over 53,000 students have participated in the Battleship TEXAS Overnight Youth Education Program since its founding in 2001.<sup>5</sup>

The final group of beneficiaries include the great residents of our state, which profit from our services in a threefold capacity. First, Texans living in La Porte and the nearby Houston area reap the ecological benefits of our preservation program that is literally preventing 27,000 tons of steel and concrete from sinking in Buffalo Bay by removing over 80,000 gallons of water from the ship daily.<sup>6</sup> Second, the TEXAS is a popular tourist destination that hosts 250,000 annual visitors.<sup>7</sup> Our guests frequently inject money into the local economy via the purchase of local goods and services. Finally, the TEXAS remains a national landmark, ceremonial flagship of the Texas Navy, and a highly visible point of pride for many Texans. Preserving the ship and sharing her history provides residents with an enhanced sense of culture and tradition.

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<sup>5</sup> Kandace Trujillo, "Battleship TEXAS Overnight Youth Education Program," *The Dreadnought* (Summer 2018), p. 4. Retrieved from <https://battleshiptexas.org/wp-content/uploads/2018/05/2018-Summer-Dreadnought.pdf>.

<sup>6</sup> Ned S. Holmes, "From the Director's Chair," *The Dreadnought* (Summer 2018), p. 1. Retrieved from <https://battleshiptexas.org/wp-content/uploads/2018/05/2018-Summer-Dreadnought.pdf>.

<sup>7</sup> John D. Harden and Margaret Kadifa, "Can Battleship Texas Win Its War with Time, Corrosion?" *Houston Chronicle* (June 12, 2017). Retrieved from <https://www.houstonchronicle.com/news/houston-texas/houston/article/Can-Battleship-Texas-win-its-war-with-time-11214882.php>.

## **SECTION 4: ORGANIZATIONAL OBJECTIVES AND TARGETED OUTCOMES**

As physical and fiduciary stewards of the Battleship TEXAS, our constituents—namely, veterans, public school students, and the residents of Texas—expect us to meet certain needs. From the broadest perspective, our efforts center around the material condition of the TEXAS, in that the aging battleship must remain safe and serviceable as both a national landmark and naval museum. This is of critical concern to all our stakeholders, both internal and external. Veterans expect us to cherish and honor a vessel that served in two world wars; students visiting the TEXAS must be afforded an appropriate level of safety and comfort while aboard the ship; and residents must be able to revel in a historic ship that physically reflects the pride and history of the Lone Star State. Projects presently set in place to meet this objective include:

- The Dry Berth Project
- Guided Hard Hat Tours
- The Battleship TEXAS Overnight Youth Education Program
- The Battleship TEXAS “Come and Save It” fundraising campaign
- A running petition, addressed to State lawmakers, requesting legislative action
- A traveling, life-sized Battleship game that garners support across Texas
- A living history program that allows visitors to physically interact with the ship
- Battleship TEXAS Day, an annual event that generates significant revenue and support
- Ticket sales (admission to ship museum)
- Gift shop/merchandise sales
- Community events and partnerships with local businesses



In short, we must either keep the TEXAS afloat in Buffalo Bayou or place her in a safe, dry berth location. Given the current condition of the aging ship, experts generally view the former option as cost prohibitive and materially improbable. The latter option is therefore the current aim of the present Dry Berth Project, which will cost an estimated \$60 million. Consequently, the present focus of the BTF is the raising of the funds necessary to place the TEXAS in dry berth before the ship suffers a catastrophic leak that will force it list over and sink to the bottom of Burnet Bay. Moreover, the potential sinking of the TEXAS also raises several ecological concerns, which our constituents also expect us to address as good stewards of the local environment.

While many of our fundraising milestones and constituent needs are being met, there is always room for improvement. We therefore propose the implementation of the following two programs, which are discussed in greater detail in the following implementation narrative (Section 5):

- **Organizational Objective #1:** Obtain a total of \$250,000 in planned/major gifts, which have dramatically decreased since last year.
- **Program #1:** *The Red Sky Requiem Society*—an exclusive group of donors (primarily aging or retired military veterans) interested in legacy or in memorial gift giving.
- **Organizational Objective #2:** Increase annual fundraising events revenue by an additional 20% (approx. \$20,000), thereby continuing the aggressive growth of one of our most viable streams of income.
- **Program #2:** *Veterans Day Benefit Brunch Aboard the Battleship TEXAS*—an annual fundraiser where visitors/donors are served an authentic shipboard meal straight from the galley of the TEXAS.

## SECTION 5: IMPLEMENTATION NARRATIVE

### *Program #1: The Red Sky Requiem Society*

**Description:** An in memoriam/legacy planned giving program that will focus on a select group of prospects—military veterans, first responders, and BTF members—interested in leaving a lasting mark on the TEXAS. The name of the program stems from the old maritime adage, “Red sky at night, sailor’s delight.”

**Structure:** In return for their planned gifts, recently deceased donors will posthumously receive a personalized plaque that will be placed on the quarterdeck of the TEXAS, in full view of everyone who visits the ship. The plaques will be positioned under an emblazoned banner or marquee displaying the words:

***THE BATTLESHIP TEXAS FOUNDATION RED SKY REQUIEM SOCIETY***

***FAIR WINDS AND FOLLOWING SEAS...***

The plaques shall measure approximately 8” x 11” in size; be uniformly cast or gilded in a corrosion/weather resistant metal; framed in scarlet pipping; and list the following information:

- Donor’s military rank or professional title (e.g., Captain, Sergeant, Doctor, etc.)
- Donor’s legal name
- Donor’s nickname (if desired)
- Branch of military service or organization (e.g. Navy, Police/Fire Dept., etc.)
- Military or civil award (e.g., Medal of Honor, Distinguished Service Cross, etc.)
- Date of birth
- Date of death

- A logo correlating to the donor’s branch of service or professional affiliation (e.g., USMC Eagle, Globe & Anchor, sheriff ‘s badge, etc.)
- In lieu of one of military or first-responder logos, donors may opt to have a Texas “Lone Star” placed beneath their name (the adopted logo of the BTF)



**Staffing:** The staffing investment for the Red Sky Requiem Society Program would be minimal, with most of the work being outsourced to a local awards/signage company capable of producing the marquee and plaques described above. Worker investment beyond the initial creation of the marquee and casting of the donor plaques would only require the installation of the items along any of the several bulkheads abutting the quarterdeck of the TEXAS (performed by a contracted professional). Routine cleaning of the plaques to prevent excessive weathering or corrosion would be attended to by our dedicated group of volunteers. Stewardship of plaque funds, the ordering of plaques, and the scheduling of plaque installation could be handled by board members and staff.

**Facilities:** The staging and showcasing of the plaques and marquess associated with this program would not require any additional facilities. The TEXAS is a big ship, with a large quarterdeck, and ample enough space to theoretically display over 200 plaques.

**Resources:** Similar to facilities, there will be little to no need for new resources. The materials used to construct the plaques and marquee will be sourced by the contracted entity producing those items. Cleaning materials that will be used to maintain the plaques are already available as part of the battleship's cleaning locker, which our volunteers make use of daily. Advertising/event promotion is outlined in Section 7 (Budget and Budget Narrative).

***Program #2: Veterans Day Benefit Brunch Aboard the Battleship TEXAS***

**Description:** An annual event, observed every Veterans Day, where BTF members, staff, volunteers, prospects, donors, stakeholders, the general public, and friends of the TEXAS will be afforded the opportunity to eat a military-inspired brunch prepared in the ship's galley (kitchen). In observation of the signing of the armistice that heralded the end of WWI, for which Veterans Day was originally based upon, a small memorial ceremony will take place at 11 AM (i.e., "on the 11<sup>th</sup> hour, of the 11<sup>th</sup> day, of the 11<sup>th</sup> month"). This year marks the centennial of the end of WWI, which we plan to leverage to our marketing advantage.

**Structure:** The brunch will be a fully-catered event, with food and beverages provided by the sponsors outlined below. BTF members and volunteers, along with a handful of representatives from the TDPW, will serve food, bus tables, and clean dishes free of charge. Guest will enter the ship normally, proceed to one of several galleys, select food in a cafeteria-style line, and enjoy their meal in the ship's mess (dining room). The TEXAS is an aging ship, but she fortunately has a semi-functional galley, refurbished mess, and working scullery (washroom). Each compartment is heated, well-lit, and approved by the TDH&HS as a certified dining facility. Upon finishing their meals, guest will be free to tour the ship and purchase

merchandise. A pair of paid photographers will additionally be available to take professional portraits and remembrance photos of guests if they so desire.

**Staffing:** The brunch will last six hours (9 AM – 3 PM). Provided we reach our target goal of 1,000 guests, roughly 166 diners will have to be served per hour (or about 83 patrons per half hour), which is just under the maximum dining capacity of the ship. Members and volunteers serving guests, busing tables, and cleaning dishes will rotate in hour-long shifts, with some individuals working more than one shift. In toto, we estimate that approximately 50 people will be needed to staff the brunch. This will be in addition to the ship's normal complement of visitor service representatives, docents, and sales associates. Our Executive Director and Treasurer will additionally make a small presentation at 11 AM. Finally, two paid photographers will be on the TEXAS for the entire duration of the event.

**Facilities:** The TEXAS is fully outfitted to provide food service to a large number of guests. Nine mess compartments, including the officer's mess, can seat 84 diners simultaneously. Bathrooms, however, are off-limits to guests who can instead make use of several porta potties and wash stations already staged immediately outside the ship.

**Resources:** We plan to serve approximately 1,000 guests during the day of the brunch (roughly 10-15% more people than visited the TEXAS this past Veterans Day). A sufficient amount of flatware, utensils, cups, and glasses are already available for use and will require no additional cost. Food and beverages should undoubtedly prove the largest expense but will, hopefully, be provided by one or more of our many local food service partners at little to no cost. Specific amounts and types of food and beverages, along with a sample menu, will be determined after meeting with these partners. Advertising/event promotion is outlined in Section

7 (Budget and Budget Narrative). We plan to solicit the following organizations to cater the event:

- Anheuser-Busch
- Blue Bell Ice Cream
- H-E-B Grocery
- Shipley Do-Nuts
- Taste of Texas Restaurant



## **SECTION 6: PHILANTHROPIC OPPORTUNITIES FOR DONORS**

Today, the TEXAS faces a new and completely different enemy. Rather than weathering enemy bombs, bullets, and torpedoes, she is fighting a war against time. A series of pumps remove more than 2,000 gallons of water per minute from her hull, which is deteriorating at an alarming rate. Left unchecked, the intruding water will eventually overcome the pumps and send the TEXAS to the bottom of Burnet Bay. This would prove a sad fate for a 100-year-old veteran warship and national landmark that served as a test bed for innovations in naval gunnery and aviation, protected the North Sea in WWI, fought off the beaches of Normandy during D-Day, and ferried hundreds of thousands of troops home at the end of WWII.

Lawmakers are reluctant to aid the TEXAS because the Dry Berth Project, which has been underway for more than a decade, has a \$60 million price tag—roughly double the cost of simply scrapping the ship. This is where the BTF, and her generous donors come into play. To date, we've managed to secure \$4 million in private funds. Along with \$25 million of state subsidies, originally allocated to the Dry Berth Project in 2004, we're steadily approaching the halfway mark in our fundraising goals. Operational costs and ongoing restoration efforts make our mission challenging, however, which is why we urgently need the help of current and future donors.

The two new initiatives presented in this case statement were crafted with the above goals in mind and will provide new philanthropic opportunities for our current donors and potential prospects. Our donors' generosity will yield several tangible benefits:

- The preservation and enhancement of the TEXAS, as both a national landmark and naval history museum

- The honoring of our veteran, both past and present, who share a deep connection with the ship, her history of service, and their collective sacrifice to our nation
- The eventual fulfillment of the Dry Berth Project, when the TEXAS will be removed from harm's way
- Red Sky Requiem Society Members will leave an indelible and lasting mark on the TEXAS that will symbolize their eternal devotion to duty and service
- Supporters and guests of the brunch will be able to socialize with friends and family while commemorating Veterans Day and assisting the BTF in its continuing efforts

The specific levels of support required to meet these goals, for each of the specified programs in this case statement, are outlined below:

- \$1,500 – Cost of plaque and lifetime membership within the Red Sky Requiem Society (includes free subscription to the BTF quarterly e-mail newsletter, the TPWD's bi-weekly e-mail newsletter, two Hard Hat Tours, and personalized invitations to future BTF and TPWD events)
- \$18.50 – Cost of brunch ticket that includes one meal, unlimited non-alcoholic drinks, admission aboard the TEXAS, and access to the ship's museum and gift store (participants will also be offered the chance to upgrade to individual or family BTF memberships at the reduced price of \$30 and \$40, respectively)
- Corporate partners will also be solicited to provide varying levels of support and in-kind donations specific to each program



## SECTION 7: BUDGET AND BUDGET NARRATIVE (200-350)

### *Annual Budget*

<b>Projected Revenue</b>	
Contributions and Grants	\$155,983
Program Service Revenue	175,787
Investment Income	108,907
Other Revenue	6,451
<b>Total Projected Revenue</b>	<b>\$447,128</b>
<b>Estimated Expenses</b>	
Salaries, Other Compensation, Employee Benefits	\$138,032
Professional Fundraising	27,518
Other Expenses	216,308
<b>Total Estimated Expenses</b>	<b>\$428,858</b>
<b>Forecasted Net Position (Revenue Less Expenses)</b>	<b>\$18,270</b>

### *Budget Narrative*

#### *Program #1: The Red Sky Requiem Society*

<b>Projected Revenue</b>	
Planned Gifts (Plaque Sales)	\$300,000
<b>Total Projected Revenue</b>	<b>\$300,000</b>
<b>Estimated Expenses</b>	
Plaque/Marquee Procurement	\$40,500
Plaque/Marquee Installation	5,000
Plaque/Marquee Upkeep & Maintenance	200
<b>Total Estimated Expenses</b>	<b>\$45,700</b>
<b>Net Proceeds</b>	<b>\$254,300</b>

#### **Supplementary Information:**

- All figures based on 200 plaques sold
- Custom bronze plaque individual cost is \$198 (including tax)
- Marquee will cost an estimated \$1,700

***Program #2: Veterans Day Benefit Brunch Aboard the Battleship TEXAS***

**Projected Revenue**

Ticket Sales	\$18,500
Photograph Sales (BTF Share)	1,500
Merchandise Sales	4,000
Guided Tours Fees	3,000
New Membership Dues (Discounted Price)	5,400
Spontaneous Giving	350

**Total Projected Revenue** **\$32,750**

**Estimated Expenses**

Catering Service (Food, Beverages, Condiments)	\$8,000
Cleaning Supplies	200
Trash Bags/Bulk Waste Removal	220
Additional Porta Potty Rentals and Service	1200
Professional Photographers (2)	600

**Total Estimated Expenses** **\$10,220**

**Net Proceeds** **\$22,530**

**Supplementary Information:**

- All projected data is based upon 1,000 guests attending the event
- Tickets price will be \$18.50
- Photograph revenue is figured on BTF gathering 33% of total sales
- Merchandise sales assume half of our guests will spend at least \$8
- Guided tour revenue assumes ¼ of guests will pay for \$12 tour
- New membership dues assume 8% increase in individual memberships and 6% in family memberships at the discounted price of \$30/\$40
- Spontaneous giving assumes that 3.5% of guests will gift \$10
- Catering expenses estimated at total subsidized cost of \$8/meal
- Bulk waste removal includes weekend rental of large dumpster
- Additional porta potty service will include 4 toilets and 1 wash station
- Photographers charge \$50/hour

## SECTION 8: GOVERNANCE

### *Board of Directors*

<u>Name</u>	<u>Job Title/Professional Affiliation</u>	<u>Location</u>
Anthony K. Gregory	Chairman – President, Cornerstone Automotive	Houston, TX
Thomas J. Perich	Vice Chairman – Partner, Huton Andrews Kurth	Houston, TX
Rey Gonzales	Secretary – CEO, U.S. Importpro	Houston, TX
Donald H. Fischer	Treasurer – Independent Oil & Gas Professional	Humble, TX
Brad Bouillion	Trustee – Bank Office President, Allegiance Bank	Houston, TX
Clifford H. Royal	Trustee – Captain, U.S. Navy (Retired)	Houston, TX
David W. Dewhurst	Trustee – Former Lieutenant Governor, Texas	Houston, TX
J. Weldon Koenig	Trustee – President, Koenig Consulting Group	La Grange, TX
Jimmy Burke	Trustee – Senior Vice President, Aliant Insurance	Houston, TX
John E. O’Neill	Trustee – Partner, Winston & Strawn, LLP	Houston, TX
Michael N. Pearson	Trustee – Banking Executive/Philanthropist	Houston, TX
Theodore S. Hirtz	Trustee – Attorney, Private Practice	Houston, TX