

Grant Proposal:

*Funding Proposal for the Battleship TEXAS Hull of Heroes:
A Battleship Texas Foundation Major Giving Program*

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TABLE OF CONTENTS



Section 1: Cover Letter..... 3

Section 2: Proposal Summary..... 4

Section 3: Introduction..... 5

Section 4: Assessment..... 7

Section 5: Program Objectives..... 9

Section 6: Program Methods..... 11

Section 7: Outcome Measures..... 14

Section 8: Budget..... 18

Section 9: Future Funding..... 21

Section 10: Attachments..... 22

SECTION 1: COVER LETTER

Mr. Bruce D. Bramlett
Development Officer
Battleship TEXAS Foundation
One Riverway Suite 2200
Houston, Texas 77056
(713) 827-9620

Mr. Allan Matthews
Grant Director
Moody Foundation
2302 Post Office St # 704
Galveston, TX 77550
(409) 797-1500

September 23, 2018

Dear Mr. Matthews:

I am writing seeking funding for *The Hull of Heroes*, a bold initiative being pioneered by the Battleship TEXAS Foundation (BTF) aimed at honoring the legacy and accomplishments of our veterans, first responders, and friends of the Battleship TEXAS. Proceeds for the project will serve the twofold purpose of exalting these individuals in memoriam while simultaneously raising the funds needed to preserve and enhance one of the Lone Star State's most historic treasures, the Battleship TEXAS.

Our foundations share a mutual passion for historic preservation and the betterment of Houstonians by celebrating and commemorating our collective past. To that end, we are seeking a grant in the amount of \$28,500 that will both save the TEXAS from certain peril and advance our ultimate mission of converting the ship into a dry-berth museum dedicated to her proud history.

Your founder, W. L. Moody, was exceptionally passionate about the Battleship TEXAS. In 1971, he raised and donated \$50,000 that was used to resurface the battleship's main deck. The TEXAS might not be with us today had it not been for Mr. Moody's generous gift. Together, I am sure we can achieve his dream of protecting and honoring the TEXAS.

I look forward to our continued partnership and will be sure to follow-up with you regarding the enclosed proposal within the next 5-7 working days. In the meantime, please feel free to contact me at (713) 827-9620 or bbramlett@battleshiptexas.org. Thank you for your time and consideration.

Come and Save It!

Sincerely,

Bruce D. Bramlett
Executive Director
Battleship TEXAS Foundation



SECTION 2: PROPOSAL SUMMARY

The Hull of Heroes is a planned giving program that will benefit our constituents—veterans, local students, and fellow Houstonians—while also saving the Battleship TEXAS from a watery grave. Funds generated by our prospects will aid us in achieving our goal of converting the TEXAS into a multimillion-dollar, dry-berth battleship museum.

Your generous gift will help us realize this vision by providing the operating funds for an initial material investment in a program that will ultimately increase BTF membership, grow program revenue, and rejuvenate local interest in the Battleship TEXAS. Future society members will also be able to take comfort in knowing that their respective legacies will permit future generations of Americans to visit the TEXAS and celebrate her past.

Please review the enclosed proposal that details our strategy concerning targeted plaque sales, a cost-effective organic marketing campaign, and objectively measured program outcomes, which we will relay to you on a routine basis. Together, we can make *The Hull of Heroes* a reality. Together, we can save the Battleship TEXAS!



SECTION 3: INTRODUCTION

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. Since saving her from the naval scrapyards following WWII, the BTF has fought an ongoing battle to keep the TEXAS afloat. Rainwater and leaks in the hull have devastated the old ship and threatened to sink the TEXAS on several occasions. Decades of hard work, however, have kept the ship in one piece, with the BTF continuing to fight for the TEXAS today.

To date, we’ve raised more than \$4 million dollars to support the Texas Parks and Wildlife Department’s \$60 million Dry Berth Project—a partially subsidized program aimed at converting the TEXAS to a permanent battleship museum on the safety of dry land. With the day-to-day expenses of maintaining the TEXAS, however, our task has proved challenging, which is why we need your help in seeking a grant.

Our solution is *The Hull of Heroes*, an in memoriam/legacy planned giving program that will focus on a select group of prospects—military veterans, first responders, and other friends of the Battleship TEXAS—interested in leaving a lasting and indelible mark on the TEXAS. The name of the program, while obviously a bit of a play on the words “hall” and “hull,” will ultimately serve the twofold purpose of preserving the battleship for future generations while honoring the past.

In return for their planned gifts, recently deceased donors will posthumously receive a personalized memorial plaque that will be placed on the quarterdeck of the TEXAS, beneath an emblazoned marquee, in full view of everyone who visits the ship. Ultimately, each plaque will serve as a remembrance piece for society members and their families, who will be honored during our annual Memorial Day commemoration.

Projected income from *The Hull of Heroes* will be a windfall for the TEXAS. Some of the proceeds will offset operating costs but most funds will be diverted to the Dry Berth Project. The total funding required to kick-start our program is \$55,800. Your generous grant of \$28,500 would cover approximately half these costs and provide us with the needed “start-up” capital to officially launch the program later this November.



SECTION 4: ASSESSMENT

The Battleship TEXAS Foundation primarily serves three constituencies. The first and most immediate group of beneficiaries are our veterans, who we honor by preserving and enhancing the TEXAS for future generations. Next, are local public school students (K-12) who visit the TEXAS while participating in informative field trips, Hard Hat Tours, and educational sleepovers—over 53,000 students have participated in the Battleship TEXAS Overnight Youth Education Program since its founding in 2001.¹

Last, but certainly not least, are the other great residents of our state who reap the ecological and economic benefits of our preservation program, which is literally preventing 27,000 tons of steel and concrete from sinking into the bay by removing over 80,000 gallons of

¹ 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>.

water from the ship daily.² The TEXAS is also a popular tourist destination and national landmark that hosts 250,000 annual visitors who frequently inject money into the local economy through the purchase of nearby goods and services.³

Our programs don't come without a price, however, which is why we urgently need your assistance. We plan to make *The Hull of Heroes* the new cornerstone of a major giving program that will honor our donors, help pay daily operating costs, fund conservation efforts, and accelerate the completion of a \$60 million Dry Berth Project that will cost nearly twice what state lawmakers originally projected in 2004.

² 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>.

³ 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 5: PROGRAM OBJECTIVES

At the Battleship TEXAS Foundation, we understand that time and money are precious; we are racing against both to save an important piece of history. To that end, we’ve structured *The Hull of Heroes* with the following three objectives in mind:

Objective #1: Increase Revenue

Put simply, our mission isn’t cheap and efforts to save the TEXAS get more expensive every day. Plaque sales and membership inductions into *The Hull of Heroes* will net the BTF nearly \$250,000. We plan to obtain this goal, through the sale of all 200 plaques in approximately two years, by May 25, 2020 (Memorial Day).

Objective #2: Increase Membership

In addition to the purchasing of a plaque, society members must also belong to the BTF for at least one full calendar year. Dues shall be paid in conjunction with the purchase of each

plaque and are included in our revenue projections. We plan to achieve a 50% increase in annual gifts (membership dues) within the next two years.

Objective #3: Increase Visits

Although a slightly less tangible goal than the two above objectives, we envision that the program, in conjunction with annual Memorial Day observations, will increase our annual attendance numbers by 10% during the next 3-5 years (to over 270,000 yearly). Tertiary benefits will include increased income from word-of-mouth fundraising, guided tours, merchandising, etc.

SECTION 6: PROGRAM METHODS

Proper planning obviously goes far in meeting one's goals, which is something not lost on anyone at the Battleship TEXAS Foundation. With that in mind, we plan to achieve our three aforementioned objectives by following the below methods.

Method #1: Plaque Sales

The principle income stream of the program will be our plaque sales, which are projected to total over \$264,000 in program revenue. Each plaque will be cast in bronze and feature a relief with varying levels of information depending on the amount gifted (outlined below). Basic information on each plaque will include the donor's name, date of birth, date of death, and level of support (see TITLE below). All plaques will be conspicuously placed underneath an emblazoned marquee reading, "The Battleship TEXAS Foundation Hull of Heroes, *Fair Winds and Following Seas...*"

<u>GIFTING LEVEL</u>	<u>TITLE</u>	<u>PLAQUE SIZE</u>	<u>FEATURES</u>
Tier I	<i>Benefactor</i>	16" x 20"	All the below plus gilded lettering, borders, and red piping
Tier II	<i>Patron</i>	16" x 20"	All the below plus personalized quotation (e.g., "Beloved Husband")
Tier III	<i>Advocate</i>	11" x 14"	All the below plus custom relief (service logo, Texas "Lone Star," etc.)
Tier IV	<i>Sponsor</i>	8" x 10"	All the below plus professional title, branch or place of service, rank, etc.
Tier V	<i>Inductee</i>	5" x 7"	Membership title

Battleship TEXAS Foundation
Red Sky Requiem Society
Advocate

Capt. John J. Smith, USN (Ret.)

1942 - 2018



Sample Advocate Plaque

Method #2: Concentric Recruiting

Increasing membership within the BTF and *The Hull of Heroes* are a pair of concurrent and interdependent goals that, once achieved, will enhance the program, galvanize our foundation, and bolster overall revenue. Fortunately, recruiting new members into the society will require a minimal investment of time and money. After conducting extensive donor research, we've determined that an overwhelming number of prospects (aging veterans, first responders, military history enthusiasts, etc.) share immediate or proximate relations with most (over 80%) of our existing members. We plan to internally disseminate information about the society among our members, staff, and volunteers, who will both participate in the program while simultaneously recruiting new members/donors.

Method #3: Organic Advertising & Marketing

The program, once implemented, will also be a boon to our visitation numbers, which have suffered recently due to a series of unfortunate events that dissuaded local residents from visiting the TEXAS (physical and economic devastation wrought by Hurricane Harvey last summer and a community health scare caused by a local outbreak of disease-bearing mosquitoes). The BTF has already taken proactive steps to combat these adverse developments by investing in several advertising campaigns for three programs presently unrelated to *The Hull of Heroes*. With a few minor adjustments, we plan to fold *The Hull of Heroes* initiative into two of these existing campaigns at no additional expense. The first occasion is Battleship TEXAS Day, which is a state-wide event that gathers thousands of supporters annually. The second method will include broadcasting prepaid radio spots that are heard across Southern Texas.



SECTION 7: OUTCOME MEASURES

Measuring outcomes and determining the effectiveness of new programs is often a challenging process, especially for non-profit organizations that sometimes gage abstract results in less than quantitative terms. While *The Hull of Heroes* will certainly provide its members with a host of subtle benefits, such as a profound sense of belonging and continuity, we've also established a series of more tangible metrics that will appraise the program's overall success. Each of following criteria correspond to the Program Objectives and Program Methods discussed in the two preceding sections.

Outcome Measure #1: Increase Revenue—Plaque Sales

- **Anticipated achievement/benchmark:** Sell not less than 75% of plaque stock with most income derived from the bottom four tiers of prospects (Tiers III-V at \$123,375) and minority of sales from 50% of the top tier of prospects (Tiers I-II at \$80,000)

- **Clients/consumers served:** Initially, current BTF members; other clients will include proximate prospects as outlined in Outcome Measure #2
- **Location:** Sales conducted in person or through the Battleship TEXAS Foundation online store at <https://battleshiptexas.org/donate/>
- **Times/days:** Normal business hours aboard the Battleship TEXAS (10AM – 5PM daily) or anytime of the day or week online
- **Activities:** Induction ceremonies (the initial unveiling of new plaques) conducted by board members or staff at the bequest of donors or their families; an annual Memorial Day observation conducted by our Chairman and Executive Director
- **Staffing/personnel:** Day-to-day upkeep of the plaques will require no additional staff or personnel beyond those already working aboard the TEXAS; procurement and installation of the plaques handled by the BTF Trustee, Capt. Clifford H. Royal, U.S. Navy (Ret.)
- **Assessment tools:** Ledger balances and inventory reports

Outcome Measure #2: Increase Membership—Concentric Recruiting

- **Anticipated achievement/benchmark:** Induction of 75% of present board members, 30% of staff, 30% of volunteers, and 40% of BTF annual donors into the society; an additional increase of 25% in BTF membership with 10% of these new members also joining *The Hull of Heroes*
- **Clients/consumers served:** The bulk of clients served will be current BTF members converted to society members; tertiary clients shall include prospects who join the BTF as a requisite step in becoming a member of *The Hull of Heroes*

- **Location:** Concentric recruiting can literally occur in any venue, such as the homes and businesses of current BTF members, during planned fundraising events, or spontaneous visits to the TEXAS
- **Times/days:** Concentric recruiting is an ongoing process exercised by individual members and volunteers as their respective schedules permit
- **Activities:** Active and passive recruiting, primarily passed through word-of mouth, within proximate circles of like-minded members and their associates
- **Staffing/personnel:** Existing members of the BTF, friends, family, colleagues, etc.
- **Assessment tools:** Membership roster and annual giving budget

Outcome Measure #3: Increase Visits—Organic Advertising and Marketing

- **Anticipated achievement/benchmark:** A 7-10% increase in annual visitation to the Battleship TEXAS
- **Clients/consumers served:** Constituents of the BTF, current BTF members, residents, and visitors from abroad
- **Location:** Predetermined and will correspond with ad placement and marketing occurring during events described below; will occur primarily at major cities in and around Southern Texas/Greater Houston Area
- **Times/days:** Please consult <https://www.comeandsaveit.com/#events> for a list of upcoming events where we will promote *The Hull of Heroes*; prepaid radio spots available twice daily at approximately 9AM and 3PM on [News Radio 740 KTRH](#)
- **Activities:** Ad placement will be structured into existing activities and resources including the “Come and Save It!” petition booth, a life-sized Battleship game, the traveling Battleship TEXAS exhibit, and Battleship TEXAS radio ads

- Staffing/personnel: No additional staffing and personnel requirements beyond those already allocated to our marketing budget for Battleship TEXAS Day and airtime on local radio
- Assessment tools: Visitation logbook and merchandise sales

SECTION 8: BUDGET

Budget Narrative

Success of our program will mostly depend upon the generous giving of our individual donors and the sound stewardship of their planned gifts. We project that approximately 200 participants will generate \$270,500 in program income (over 90% our fiscal target) during the pilot year of the program. Overall costs, however, will still detract from our revenue goals if passed entirely on to our donors. Such burdens will hinder the raising of monies necessary to save the TEXAS. We are therefore asking the Moody Foundation to offset our initial expenses by contributing a one-time gift of \$28,500.

The two largest financial burdens stem from the procurement and crafting of the donors' plaques and a memorial marquee. The BTF will spend \$25,000 to secure 200 blank plaques (at a cost of \$115/plaque) and the program banner (\$2,000). We will require an additional \$27,000 to cover all the labor and maintenance associated with customizing and installing the marquee and plaques as orders are filled. Remaining expenses include \$4,500 for travel costs, advertising fees, and the routine cleaning of the marquee and plaques. Your grant, when awarded, would subsidize the "start-up" costs of obtaining the marquee, reserving the plaques, and establishing a contract for all subsequent work.

Primary income sources will include individual membership dues—everyone wanting to display a plaque aboard the TEXAS will have to be a member—and the securing of plaques by individual donors. As indicated earlier, we structured five inclusive levels of support that will promote planned giving/gifting across a wide base of our donors, with the most affluent of them projected to contribute more than 66% (\$175,000) of our targeted income (Table 1).

Tier	NO. OF MEMBERS	PERCENTAGE OF OVERALL MEMBERS	COST PER PLAQUE	TIER CONTRIBUTION
I	10	5%	\$10,000	\$100,000
II	30	15%	\$2,500	\$75,000
III	40	20%	\$1,000	\$40,000
IV	90	45%	\$500	\$45,000
V	30	15%	\$150	\$4,500
TOTALS	200	100%		\$264,500

Table 1 – Tiered Contribution Proposal

Detailed Budget

The following pair of tables depict the above budget narrative in more condensed and quantifiable terms. Table 2 provides a list of estimated program expenses, while Table 3 displays projected income and revenue.

EXPENSES	TOTAL EXPENSES	EXPENSES TO BE COVERED BY THIS GRANT REQUEST
1. Salaries of Agency Staff	\$160	\$160
2. Fringe Benefits	\$0	\$0
3. Professional fees (contract or consultant)	\$27,300	\$0
4. Supplies (consumable)	\$200	\$200
5. Printing and Postage	\$1,000	\$1,000
6. Rent/Utilities	\$0	\$0
7. Phone and fax	\$940	\$940
8. Travel and Meetings	\$1,200	\$1,200
9. Training	\$0	\$0
10. Evaluation	\$0	\$0
11. Equipment Purchases or Rental	\$25,000	\$25,000
12. Miscellaneous expenses	\$0	\$0
13. TOTAL EXPENSES	\$55,800	\$28,500

Table 2 – Expenses

INCOME/REVENUE	FUNDING FROM AGENCY OPERATIONS	IN KIND SUPPORT FROM ALL SOURCES	AMOUNT REQUESTED FROM THIS FUNDING SOURCE	AMOUNT REQUESTED FROM OTHER FUNDING SOURCES	TOTAL
1. Program/service fees	\$0	\$0	\$0	\$0	\$0
2. Membership Dues	\$7,000	\$0	\$0	\$0	\$7,000
3. Government /Public Funding	\$0	\$0	\$0	\$0	\$0
4. Corporate grant support	\$0	\$0	\$0	\$0	\$0
5. Foundation support	\$0	\$0	\$28,500	\$0	\$28,500
6. Fundraising Events	\$0	\$0	\$0	\$0	\$0
7. Individual Annual Gifts	\$0	\$0	\$0	\$0	\$0
8. Direct Major Gifts	\$264,500	\$0	\$0	\$0	\$264,500
9. Miscellaneous contributions	\$0	\$0	\$0	\$0	\$0
10. Earned Miscellaneous Revenue	\$0	\$0	\$0	\$0	\$0
11. Investment income/transactions	\$0	\$0	\$0	\$0	\$0
12. TOTAL INCOME/REVENUE	\$271,500	\$0	\$28,500	\$0	\$300,000

Table 3 – Income/Revenue

SECTION 9: FUTURE FUNDING

At the Battleship TEXAS Foundation, we're accustomed to dealing with uncertainty. Preventing the TEXAS from listing-over in her slip is a precarious balancing act involving the coordinated efforts of dozens of volunteers, the daily upkeep of complex machines, and a near-constant influx of funds. Monies generated by *The Hull of Heroes* would facilitate all these efforts in nearly every regard, both now and for many years to come.

Upon achieving our initial gifting goals, the BTF is prepared to expand *Hull of Heroes* membership to 300 members, within the next four years, and 400 members, within the next six years. The TEXAS could theoretically accommodate nearly 800 memorial plaques throughout various areas of the ship. Realistically, however, we would like to ultimately keep this number at 500 or less plaques for the sake of conserving the historical integrity of the ship.

Financially, the program could potentially be self-sustaining, in that the revenue generated by plaque sales far outweighs the procurement and upkeep costs associated with installing and maintaining the plaques. Advertising and planned events associated with the program, as we have already demonstrated, would generate little financial burden. In short, your grant would be a sound investment.



SECTION 10: ATTACHMENTS

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

INSERT IRS DETERMINATION LETTER HERE

INSERT AGENCY AUDIT HERE