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www.friendsoffallsofcl Clyde.org

July 28, 2016

Darrell T. Young, Deputy Director
Department of Transportation, Harbors Division
79 So. Nimitz Highway
Honolulu, HI 96813

Re: Friends of Falls of Clyde Preservation Plan

Dear Mr. Young:

Friends of Falls of Clyde is pleased to submit the enclosed plan of preservation that we believe you will find acceptable as it brings a definite timeline for the future of our National Historic Landmark *Falls of Clyde*. The future of *Falls of Clyde* is being approached from two different perspectives by our respective organizations. The mission of Friends of Falls of Clyde is based upon our fiduciary responsibility to preserve the ship. DOT-Harbors's position is to remove the ship from the harbor.

In the current plan, we provide support for our position that the ship does not provide a safety concern in the harbor. At some point in time, should you provide us with detail about a specific safety concern, we will most certainly work to remedy it.

Your July 25, 2016 e-mail stated that "A plan that simply requests additional time to seek grants and funds is not acceptable." Our plan does, in fact, include our need to continue to raise funds to get the ship into drydock. As we have communicated previously, we believe the ship must go into drydock before she can be moved safely out of the harbor. Under your position, when the time comes to move the ship out of the harbor, we assume you want to make sure it can be done safely. This means that fundraising must be part of the plan.

The opportunity to submit this plan gives us hope that Friends of Falls of Clyde and DOT-Harbors can work together to meet our diverse, but complementary, goals that *Falls of Clyde* will

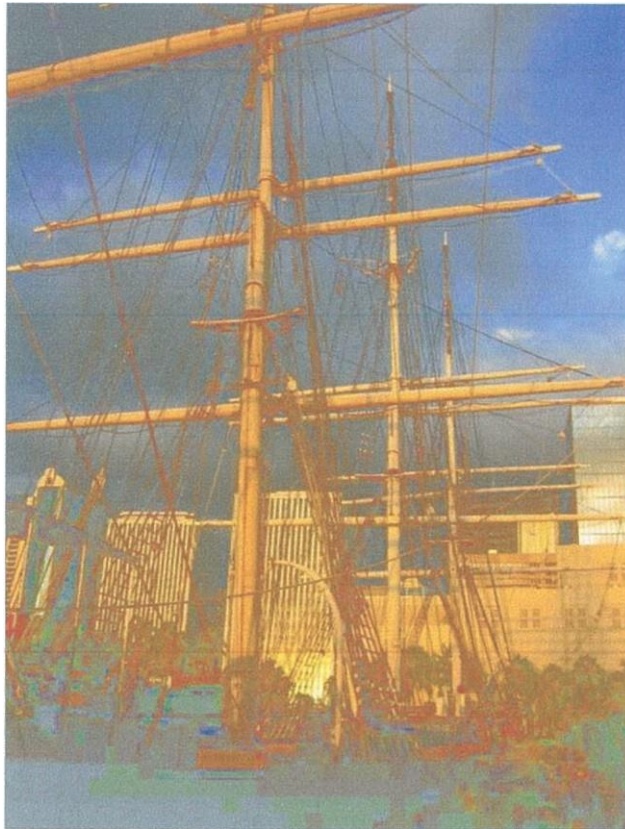
be in a safe condition before her future is finally determined. We have included a timeline that has measurable milestones each month and we will provide reports to the Harbors Division if needed.

Sincerely,

Bruce McEwan, President



FRIENDS OF FALLS OF CLYDE, INC.
PRESERVATION PLAN



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EXECUTIVE SUMMARY

Friends of Falls of Clyde, Inc., a 501(c)(3) nonprofit organization, has a fiduciary responsibility for preserving the National Historic Landmark ship *Falls of Clyde*. This plan is formulated on the basis that the organization's mission is its priority. We realize that circumstances may not allow us to meet our mission, so the plan includes contingencies that will be initiated.

We have included our Mission and Vision and Organizational History to give perspective to the plan.

We realize that there has been concern stated about the safety of having *Falls of Clyde* remain in the harbor. We have included support documentation to allay that concern.

Preservation Plan: A marketing plan will be initiated to attract funders. The board will be expanded to include members with specific skills to help meet our mission. A fundraising plan will be put into place. Arrangements will be made to get *Falls of Clyde* safely in and out of drydock.

Friends of Falls of Clyde recognizes that the preservation plan may not be achieved, so the following contingency plans will be implemented.

Contingency Plan 1: Friends of Falls of Clyde can meet our mission by transferring ownership to another entity working in the maritime preservation field.

Contingency 2: Friends of Falls of Clyde will take responsibility for having *Falls of Clyde* removed from the harbor.

The plan will be implemented following the acceptance by the Harbors Division according to the timetable included.

MISSION AND VISION STATEMENTS

Mission Statement

To restore and preserve *Falls of Clyde*, the world's only surviving iron-hull, four-mast, full-rigged oil tanker, and to share this historic resource with the community through education, experiences and events aboard the ship.

Vision

Falls of Clyde, the world's last remaining iron-hull, four-mast, full-rigged oil tanker, is a priceless treasure of the local and international maritime community and serves as a museum and center for study of maritime history, skills and experiences. She promotes a better understanding of the contribution of the maritime community to the growth of Hawaii's economy and provides a noteworthy example for future generations of the importance of preserving a visible connection to the trade that defines our society today. *Falls of Clyde* will again be a unique venue for community activities in Honolulu Harbor.

ORGANIZATION HISTORY

Friends of Falls of Clyde, Inc. (FFOC) was founded on August 28, 2008. FFOC was granted 501(c)(3) status by the Internal Revenue Service (EIN:80-0244870).

The mission of FFOC began on September 30, 2008, when it formally took ownership and stewardship of the National Historic Landmark vessel *Falls of Clyde* from Bishop Museum in an outside signing ceremony attended by key community members.

The focus of the organization from the beginning was to ensure that the hull of the ship was strong enough to go into drydock and start the preservation process. The original plan was to drydock at Marisco, which is at the west end of the island in Kalaheo Harbor, to clean the hull and make an assessment for work. Although the ship had been ready to take her out of the harbor to sink her, all previous work had been done at the shipyard in Honolulu Harbor at Pier 41, so she has never been taken out of Honolulu Harbor since her arrival in the 1960s. The FFOC board decided the risk was too great to make the long transit. Experts in historic ship preservation were brought in over the next few years to assure FFOC that the ship was in good condition for her preservation and this was proven to be accurate. FFOC also established connections with naval architects and engineers who assisted in accurately documenting the construction of the ship for restoration purposes.

In 2013, FFOC hired a naval architectural firm, JMS Naval Architects & Salvage Engineers, a nationally regarded firm, to conduct a formal condition survey of the ship and represent the organization in developing the scope of work for the drydock with Pacific Shipyard International (PSI), the shipyard in Honolulu Harbor. This would be the safest location for the drydocking procedure. An agreement on the scope of the drydock work was reached in June 2014 between PSI, JMS, and FFOC.

When FFOC took over ownership of *Falls of Clyde*, FFOC received a modest fund from Bishop Museum that had been contributed for the maintenance of the ship. As a result, FFOC did not require large-scale fundraising until the amount of money needed to drydock the ship was known. However, during this time, funds were raised from private donations and a local foundation grant was also received, which was used for a project to lay down a marine plywood deck to make the deck safe for those walking on the ship.

Pacific Shipyard International, after providing the cost for the agreed scope of work, advised FFOC that they could not take the ship into drydock until enough funds were in the FFOC bank account. While this delayed the drydock, PSI has committed to taking the ship into drydock once funds are accumulated.

Preservation Plan

Purpose: *Falls of Clyde* needs to go into drydock in order to have hull stabilization so that it can be moved freely and safely. *Falls of Clyde* has not been in drydock for 27 years so it is essential that the ship be drydocked before it can be moved outside of Honolulu Harbor.

1. Friends of Falls of Clyde (FFOC) has a commitment from Pacific Shipyard International (PSI) to take the ship into drydock once the funds are secured. A copy of the most recent estimate for the drydock expenses is included.
2. FFOC has already arranged for tow services to and from the drydock.
3. FFOC will engage JMS Naval Architects and Salvage Engineers to prepare the ship to and from the PSI drydock.
4. FFOC will engage an Owner's Representative during the period the ship is in drydock to oversee the scope of work being done.
5. If Harbors plans to work on the makai end of Pier 7 before *Falls of Clyde* goes into drydock, we can move the ship forward to provide room to work or we can shift the ship to the Diamond Head side of Pier 7, assuming Harbors has removed *Kulamano*.
6. FFOC is willing to discuss paying a reasonable berthing fee for staying at Pier 7 until the ship goes to drydock.
7. During this period, FFOC will develop an expanded volunteer program to maintain the ship and prepare it for drydock.
8. If FFOC cannot raise funds to go into drydock within one (1) year from the acceptance of this plan, we will be prepared to implement Contingency Plan 2.

Fundraising

Purpose: In order to accomplish the preservation plan, Friends of Falls of Clyde (FFOC) must raise funds to pay drydock and ancillary costs.

1. FFOC will implement a marketing plan to raise our profile in the community and generate supporters who will donate to the drydock fund.
2. FFOC will work with a fundraising expert to create a series of fundraising events to raise funds for the drydock.
3. FFOC will use social media and crowdfunding to raise funds for the drydock.
4. FFOC will apply for the National Park Service Maritime Heritage Grant.
5. FFOC will apply for a Grant-In-Aid from the 2017 legislature.
6. FFOC will apply for grants from local foundations such as Matson Foundation, A&B Foundation, Cooke Foundation, Aloha Petroleum Foundation, Atherton Family Foundation, etc.
7. FFOC will solicit financial support from the maritime industry companies.

Growing the Board

Purpose: In order to broaden the reach into the community, Friends of Falls of Clyde (FFOC), will expand the board by eliciting members who have expertise in areas such as marketing, fundraising, grant writing, and have visibility in the community.

1. The current board members will reach out to friends who have the necessary expertise.
2. FFOC supporters will be asked to provide candidates for the board.
3. FFOC will look at creating an advisory board of influential people who will advise on taking steps toward reaching our plan goals. This group could be used for advice on the contingency plans as well as the preservation plan.
4. The board members will work in subcommittees to manage the marketing and fundraising functions.
5. The board will decide about making FFOC a member organization which will bring in operational funds.

Contingency Plan 1

Purpose: Friends of Falls of Clyde (FFOC) can meet our mission by transferring ownership to another entity working in the maritime preservation field.

1. FFOC is currently working with a group in Oregon who want to acquire *Falls of Clyde* as part of a historic ship fleet they want to build.
2. The group is looking for a location and funding for their project.
3. The contingency will be run parallel to the preservation plan.
4. If this group cannot put their project together by 12/31/2016, FFOC will attempt to find another owner outside of Hawaii. We cannot jeopardize their work, so we must wait before we can look for an alternative owner.
5. If there are no prospects by 3/1/2017, this plan will be dropped.

Contingency Plan 2

Purpose: Friends of Falls of Clyde (FFOC) will take responsibility for having *Falls of Clyde* removed from the harbor, if the preservation plan cannot be achieved.

1. Conduct research related to this contingency starting in August 2016.
2. FFOC will solicit interest in taking ownership of *Falls of Clyde* by a local company interested in creating a dive site somewhere offshore. We are aware that this option has been suggested by at least one local company. Beginning 3/1/17.
3. A new owner will be found by FFOC and details of ownership worked out within three (3) months after Contingency Plan 1 is dropped.
4. FFOC will cooperate with the prospective owner based on the research done.
5. FFOC will transfer ownership of *Falls of Clyde* based on the schedule set by the new owner but no later than 6/1/17. The new owner will bear all costs associated with the plan for the ship.

Friends of Falls of Clyde Preservation Plan Timeline

Plan Activity	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Preservation					
a. Fundraising-Marketing	Marketing expert	Develop plan	Implement plan	Marketing event	Marketing event
b. Fundraising expert	Meet with expert	Lay out series	Event 1	Event 2	Event 3
c. Fundraising crowdfunding	Set up media source	Open funding period	Open	Open	Assess results
d. Fundraising Grants	NPS grant	Foundation grant	Foundation grant	Foundation grant	Foundation grant
e. Fundraising letters		Round 1	Round 2	Round 3	Follow up
Grow Board	Identify potentials	Make initial contacts	Follow up	New board mtg	New board mtg
Contingency 1	Monitor progress	Monitor progress	Monitor progress	Monitor progress	Go or No Go
Contingency 2	Research issues	related to this	contingency 2.		

Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Marketing event						
Event 4	Event 5	Event 6	Event 7	Event 8	Event 9	
Implement 2nd round GIA	Open Foundation grant	Open	Assess results			
Follow up		Milestone-Raise 60% of fundraising goal.				
New board mtg	New board mtg	New board mtg	New board mtg	New board mtg	New board mtg	New board mtg
If no/go-solicit others	Monitor progress	Go or No Go				
Compile research		Solicit local owner	Follow up	Follow up discussions	Transfer ownership	