



## Questions & Answers About Pride, Inc. and *Pride II* in 2018

### Q. What is the status of Pride?

A. Pride of Baltimore, Inc. (Pride), the nonprofit that owns, operates, and conducts programming for the sailing vessel *Pride of Baltimore II* (*Pride II*), is at a financial crossroads. If we are not able to secure sufficient funding in the coming weeks and months, we may need to lay the vessel up until sufficient funding can be secured. We have requested renewed funding from city and state government and will be making a public announcement on February 5 to urge our friends, the general public, and the business community to express support and to donate.

### Q. What is the history of ownership/funding for Pride?

#### A. Milestones, Ownership, and Funding Highlights

1977 *Pride of Baltimore*, the first ship built to represent a city and a state, was launched. The original *Pride* was owned, funded, maintained, and operated by the city of Baltimore.

1980 501(c)3 non-profit Pride of Baltimore, Inc. was formed to manage and raise funds for the vessel on behalf of the city, but ownership remained with the city of Baltimore.

1986 *Pride of Baltimore* was lost at sea on May 14. Her captain and three crew members perished. Pride and the Pride board had no intention of building a new ship. That is, until the outpouring of public support from around the world convinced them that a new ship should be built to carry on as a sailing memorial to the original *Pride of Baltimore*.

1988 *Pride of Baltimore II* was launched. Ownership of the new vessel was assumed by the state of Maryland. Pride continued to maintain and operate *Pride II* through a charter agreement with the state and received partial funding from the state from 1988 to 2008.

2008 National economic downturn. State funding for Pride was lost, even though the vessel was still owned by the state of Maryland. The nonprofit Pride bridged the gap in funding by withdrawing significant funds from its endowment, an action that, out of necessity, continued through 2016.

2010 Ownership of the vessel was transferred to Pride. *Pride II* was now owned, funded, and operated by the nonprofit, which continued to withdraw funds from its endowment each year to bridge a gap in funding.

2012-14 Bicentennial of the War of 1812, celebrating the 200<sup>th</sup> anniversary of the birth of our national anthem. *Pride II* visited as many ports as possible in the Chesapeake Bay.

2015-17 Pride and the State of Maryland renewed their partnership, with the state committing to partial funding for Pride for FY16, FY17, and FY18.

2018 *Pride II* is at a financial crossroads and seeks renewed funding from city and state government, the business community, and the public. In February 2018, Pride is making a public announcement.

2019-2020 With sufficient funds, *Pride II* will begin sailing full seasons again.

**Q. Why is Pride facing financial difficulties?**

A. Pride has a long history of funding difficulties given the expenses associated with maintaining a wood tall ship and its operations and programs. The organization is not able to support itself through revenue generated from vessel use alone. From 1988 to 2008, Pride had a charter agreement with the state of Maryland, with accompanying funding of approximately \$364,000 per year. Due to the economic downturn in 2008, the state stopped funding the organization, forcing Pride to withdraw funds from its endowment to continue sailing the vessel. The organization continued to draw down on its endowment through 2016. Pride is very grateful to have received additional state funding for FY16, FY17, and FY18, which has allowed the organization to gain momentum at diversifying its revenue streams. At this time, the organization is requesting renewed funding from both city and state government and continues to reach out to the business community and the public to ask for their support for the organization. One point of particular pride is that we have no debt as an organization, and the vessel has been well-maintained over the years.

**Q. Is *Pride* owned by the City or the State?**

A. The original *Pride of Baltimore* was owned by the city of Baltimore; *Pride of Baltimore II* was initially owned by the state of Maryland. Ownership of *Pride II* was transferred from the state of Maryland to the nonprofit Pride of Baltimore, Inc. in 2010.

**Q. What have you been doing to save Pride?**

A. Owning, maintaining, and operating a very complex tall ship such as *Pride II* is a challenging undertaking. The board of directors, leadership, captains, crew, staff, and volunteers are all dedicated, committed individuals who give every possible effort toward the success of Pride. We are reaching out to past individual and corporate supporters, researching all available grant opportunities, building a grassroots campaign to energize the

public, and unleashing a strong marketing and public relations push that will bring attention to the needs of the organization as well as its benefit to the community. In addition, we are in talks with the city of Baltimore and state of Maryland to secure a funding commitment.

We are also building lists of influencers and recruiting them to create peer-to-peer fundraising campaigns in order to leverage their networks. We are sending up a flare to those communities, officials, supporters, and tall ship enthusiasts across the globe who have enjoyed visits from *Pride II* in years past. We are leaving no stone unturned to reach our goal, and we still plan to hold a successful Spring Sailabration fundraising event on June 7, 2018.

**Q. What is the annual operating budget for the organization?**

A. Approximately \$1.2M per year depending on where *Pride II* travels. *Pride II* sails approximately seven months each year (April-October). During that time, she is capable of generating revenue from appearance fees, day sails, private charters, and guest crew experiences. However, revenue generated from vessel use alone is insufficient to cover the necessary winter maintenance and annual organizational operating expenses.

**Q. What are appearance fees?**

A. When a port city requests that *Pride II* visit, whether as a single visiting ship or to participate in a tall ships festival or other special event, an appearance fee to partially cover the costs of that visit is paid to Pride.

**Q. Why can't the vessel support itself through its operations?**

A. Neither the original *Pride* nor *Pride II* were built as charter vessels that could support themselves through revenue generated by vessel use alone. It is a fact that many, if not most, tall ships cannot support themselves through vessel use alone. Both *Pride* and *Pride II* were built to serve as goodwill ambassadors for the city of Baltimore and the state of Maryland. The passenger capacity of *Pride II* is 32 for day sails and six for overnight voyaging. The original *Pride*'s passenger capacity was none, given that the vessel was not certified for carrying passengers. The original *Pride* was built with public funds and *Pride II* was built with public and private funds. It was known that public and private funding would be required for the life of the vessels.

**Q. What is the immediate financial need? How much does Pride need to raise in 2018?**

A. The organization needs to receive \$230k by March 2018 plus a commitment of \$300k to be received between July and December 2018 to have at least a partial sailing season in 2018.

**Q. Why is this announcement going out now?**

A. We have been talking to elected officials, stakeholders, and business leaders as we have worked to develop additional revenue streams, but have not secured official commitments to date. Given our critical financial situation, we wanted to alert the public and our various communities now with our request for support.

**Q. Is *Pride* still relevant?**

A. Yes, *Pride* is more relevant than ever before. *Pride of Baltimore* and *Pride of Baltimore II* have spread positive messages of Baltimore and Maryland throughout the world. We have:

- Educated thousands of children and captured the imagination of millions worldwide.
- Fostered economic development and tourism for Maryland, and attracted millions of dollars in ad value from the media we generate promoting Baltimore and Maryland.
- Voyaged to more than 200 ports in 40 countries over the past 30 years, and are one of the most well-known U.S. sailing vessels in the world. The vessel itself is in excellent shape and, with prudent care, can easily last another 30 years.

**Q. What is the state of the vessel?**

A. The vessel is in great shape. In fact, she is one of the most well-maintained vessels in the international tall ships fleet, thanks to meticulous care over the past 30 years. *Pride II* will be 30 years old in 2018, so 30-year refit projects began in 2017. As the vessel ages, she will require more and more care.

**Q. What is the cost of maintenance each year?**

A. It costs \$200-\$300k each year to maintain *Pride II*. Annual maintenance costs fluctuate depending on special projects needed from year to year and will likely increase as the vessel ages. Wood vessels require specific ongoing maintenance throughout the year, differing by season. This maintenance includes periodic dry docking to inspect, repair, and paint wood hull planking, insuring protection from direct sun light and rain; painting; caulking; mending or replacing lines and tools; inspecting and repairing rigging; and maintaining safety equipment and supplies for engineering, deck electrical, main engine, etc.

**Q. What kind of education programs have you had over the past 40 years?**

A. For more than forty years, *Pride* has created unique educational opportunities for Marylanders. While every visitor to *Pride II* learns about the dynamic designs of Chesapeake schooners and the pivotal role of Maryland privateers in the War of 1812, programs specifically tailored for students enhance the experience through hands-on learning. Dockside programs for fourth graders — featuring STEM lessons in simple machines, navigation, and the life of a sailor — have been a *Pride* staple since the 1990s. For a wider reach, outreach programs take place in classrooms ashore, featuring a sea chest filled with historic replica items for use in interactive lessons. Since 2013, the *Pride* on the

Chesapeake program has featured more advanced STEM+H material for sixth through twelfth graders that highlight the history, technology, legacy, and geography of the Chesapeake Bay, often in collaboration with partners such as Fort McHenry National Monument and Historic Shrine.

Educational programming has also been presented on the vessel in conjunction with the Great Chesapeake Bay Schooner Race, Light City Baltimore, Star-Spangled Sailabration in 2012, Star-Spangled Spectacular in 2014, and other special events. *Pride's* education materials have been shared with other organizations and teachers. *Pride II's* crew always includes experienced shipboard educators.

**Q. How does *Pride* promote tourism?**

A. *Pride* staff and crew are certified as [Baltimore CTAs](#) (Certified Tourism Ambassadors) every year, equipping them to positively promote not just *Pride II*, but Baltimore as a whole. *Pride II* is a media magnet, garnering positive media coverage wherever she goes, coverage that reflects favorably on Baltimore and Maryland. When she voyages away from home, visitors, many of whom may never have visited Baltimore, step off of the ship with an unforgettable memory, a positive memory linked to Baltimore and Maryland. *Pride II* can carry tourism collateral, or staff from tourism agencies, to other cities, states, and countries. *Pride II* sails as a goodwill ambassador for both Baltimore and Maryland.

**Q. How can I help?**

A. We need the support of every individual who sees the value that *Pride II* brings to the people of Baltimore and Maryland. Members of the public can donate, help spread the word about *Pride's* current situation, participate in peer-to-peer fundraising, talk to business contacts about corporate sponsorships, or offer to volunteer.

**Q. What is the Privateer Society? How do I join?**

A. The Privateer Society is *Pride's* exclusive group for sustaining, or monthly, donors. Automated monthly giving saves our Privateer Society members the hassle of remembering to make an annual donation and helps us to forecast monthly income with more accuracy. When *Pride* is sailing, we will plan sails just for Privateer Society members. Anyone can join by going to [www.pride2.org/donate](http://www.pride2.org/donate) and signing up to make a recurring donation as little as \$5/month.