



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*) announced in early February 2018 that we were at a financial crossroads. If we were not able to secure sufficient funding by the end of March, we would need to lay off staff and the vessel would remain under cover at her maintenance berth, possibly for the entire year. With the announcement, we asked our friends, the general public, and the business community to express support and to donate.

After that announcement, many people did donate (but we were unable to fill the funding gap that needed to be filled) and, a couple of weeks later, bills that would provide \$500,000 to Pride for the next five years, beginning in fiscal year 2019, were simultaneously introduced in the Maryland General Assembly. We are very pleased to announce that the funding legislation was passed — unanimously in the Senate and by an overwhelming majority in the House.

We are extremely grateful for the critically important funding from the State, but we must continue to raise funds from individuals, businesses, grants, and other sources to meet our \$1.2 annual budget (for “normal” operations). We are looking forward to gearing back up for a full sailing season in 2019, but, in the meantime, we are focusing on developing strategies to ensure the sustainability of Pride going forward.

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. City and state officials, along with Pride board members, 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, maintained, and operated by the nonprofit, which continued to manage the asset (*Pride II*), carrying on her mission benefitting the people of Baltimore and Maryland.
- 2012-14 Bicentennial of the War of 1812, celebrating the 200th 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* announces in February that the organization is at a financial crossroads and is seeking renewed funding from city and state government, as well as more donations from the business community and the public. In May, legislation providing partial funding of \$500,000 each year for five years, beginning in fiscal year 2019, is passed by the Maryland General Assembly.
- 2019-20 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. 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. 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.

Both ships were built specifically to serve the city and state. The nonprofit was established to assist in managing and operating the vessels. *Pride II*, even through the years when no state and little city funding was received, has continued to serve the interests of the city of Baltimore and state of Maryland.

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 asked the City of Baltimore and State of Maryland to make funding commitments.

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.

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. 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 and signing up to make a recurring donation as little as \$5/month.