

USS Saratoga Foundation Appeal



As of September 30, 2008, the USS Saratoga Museum Foundation could identify about \$10.5 million in cash, pledges and loans that can be applied to the project. The tricky part is that we cannot spend that money until the Navy actually donates the ship. That can't happen until we complete the engineering studies to show the project is environmentally permissible.

We still need to raise about \$100,000 to complete that engineering work, which began in earnest last year. Scientists from the University of Rhode Island's Graduate School of Ocean Engineering and marine biologists from Roger Williams University have donated their time and equipment to help provide the data we need.

To finish this task we still need your help! Your tax-exempt contribution will help ensure that USS Saratoga will go back into service for our country, as an educational and cultural asset.

Please also consider updating your will, naming the USS Saratoga Museum Foundation, Inc. as a beneficiary. Your bequest can help SAVE SARATOGA as well as significantly reduce your estate tax. For further details, please check the last box below.

Let's put Saratoga back to work for her country!

Return this form and your donation to:

USS SARATOGA MUSEUM FOUNDATION, INC.

P.O. Box 28581 • Providence, RI 02908 • (401) 831-8696 • FAX (401) 831-8707
E-mail SaratogaMuseum@aol.com • Web site <http://www.saratogamuseum.org>

To support the development of the USS Saratoga Museum as part of the Air, Land & Sea Heritage and Technology Park, I/We pledge as an unrestricted gift:

\$1000 \$500 \$250 \$100 Other _____

Payment method:

- Check payable to "USS Saratoga Museum Foundation" is enclosed.
- Charge my MasterCard/Visa/Amex/Discover (pls circle)

Number _____ Exp. date _____

- Bill me via PayPal at the e-mail address listed below
- I will consider a bequest in my will naming the Museum as a beneficiary. Please contact me.

Please send more information about:

- The "Sixty Club" plank owner program (to raise \$1 million from 60 donors/sponsors at \$16,667 each.)
- Planned giving and other potentially tax-deductible ways in which I can support the Saratoga project.

Name

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Progress Report 2008

Much Progress Has Been Made...

1. Navy donation: We submitted our revised application to the Navy on September 30, 2008. That was an update of the 1200-page, three-binder document prepared in 2000.
2. Updated revenue projection: ConsultEcon provided us with adjustment criteria based on inflation and other factors within the attractions industry. They updated detailed 2004 studies with current factors for value of the dollar, salaries and any factors that may have changed. On September 18, 2008 ConsultEcon concluded:

There certainly has been a higher level of inflation in categories such as utilities such that careful planning will be required for the project's business plan moving forward. However, there appears to have been a reasonable balance between increases in operating expense items and in the facilities revenue potential if all other factors are held steady from the 2004 report.

3. Updated construction costs/ total project costs: Based on the latest input from designers, engineers and fabricators we updated our capital cost projections, providing the latest estimate for the capital expenditure needed to open the doors. By revising the phasing of certain elements, we will still be able to open the doors at a projected cost of about \$10.85 million. Of that amount, about \$4.7 million is for dredging and the mooring system. Another \$4.25 million goes toward preparation of the ship and the museum, and towing Sara to Davisville. Site preparation, utility infrastructure, ship access, parking and administrative costs comprise the balance.

4. Environmental work progress report: The Foundation has already raised and spent more than \$250,000 (cash and in-kind) over the past two years for environmental studies and marine engineering work to meet environmental requirements. The lion's share of the work has already been done and paid for, to include detailed hydrographic reports from URI Graduate School of Oceanography, along with a sediment core analysis.

TensionTech, the London-based consultants who designed the software system the Navy itself uses, completed the preliminary mooring plan. Northeast Diving Services finished its underwater survey of Pier 2 and has determined it is in good shape.

Pare Engineering has surveyed the pier deck and barge loading platform that we intend to incorporate into our mooring and visitor access plan. Natural Resource Services has surveyed Submerged Aquatic Vegetation, and has also performed a shellfish density analysis.

The two-phase numerical modeling/circulation and flushing survey, with an estimated cost of \$34,000, is underway. Internal funding has already been budgeted for that study.

The only other potentially significant environmental cost would result from additional core samples and biological testing which may be required by ACOE. That exposure is mitigated by the commitment on the part of the University of Rhode Island Graduate School of Oceanography to donate any additional vibracoring that may be required.

...But Some Hurdles Remain

The sinking of the Russian sub was a true test of fire for this organization; a less hardy and determined group might have thrown in the towel a year ago April. It had been decades since an entire sunken submarine had been safely raised and refloated by anyone.

Thanks largely to retired Navy Captain Rich Suttie, the Foundation was able to convince the Department of Defense that raising a sub which had sunk in relatively shallow water, and at a relatively safe location, would be a once-in-a-lifetime training opportunity. The "never give up" tenacity of Saratoga volunteers, especially Ken Johnson and Bill Sheridan, was largely responsible for the fact that the sub was successfully raised, and we live to fight another day.

That next hurdle is already upon us. Conflicting interpretations of regulations by two state agencies threaten to derail the project. Narragansett Bay waters adjacent to the Davisville piers are classified differently by Coastal Resources Management Council (CRMC) and Department of Environmental Management (DEM).

The 2003 Master Plan for Quonset/Davisville points out:

These differences may be constraints to waterfront development. . . There is no correlation between the CRMC Water Type designation and the water quality [designation by DEM]. . . Each originated differently using different criteria.

In simple terms, we now have an opinion from CRMC that our proposed use is too clean, while DEM is concerned that our use may be too dirty. The problem is, we're talking about exactly the same water.

In June, RI State Senator Michael Lenihan introduced a strongly worded Resolution into the legislature stating:

. . . That this Senate restates and reconfirms its strong support of the concept of the Saratoga Park . . . This Senate urges all interested parties. . . to come together in a cooperative effort to eliminate any unnecessary obstacles to the timely consideration of the Saratoga project.

That Resolution passed unanimously.

In an August letter in support of a rollover of our \$6.5 million federal loan guarantee, Senator Lenihan agreed that conflicting state regulations have handcuffed the USS Saratoga Museum Foundation's ability to obtain the necessary permitting. He wrote:

I can assure you we will encourage those agencies to attempt to reach a prompt resolution of this matter that will allow the Saratoga project to move forward. If this does not happen, I will introduce new legislation when the General Assembly reconvenes early in January. That bill would resolve the environmental conflicts, and ensure that a properly permitted Saratoga project gets the long-term lease it deserves.

At the beginning of December the Foundation appealed to the Coastal Resources Management Council that, contrary to the staff position, our proposed project is a permitted use in Type 6 waters. We argued that the staff decision is incorrect as a matter of law, and is also "arbitrary, capricious and in violation of CRMC regulations."