

WHEC-35  
Historic WWII  
Combat Ship

National  
Historic  
Landmark



Museum Ship

Memorial to  
Coast Guard  
Heroes of  
World War II  
and Vietnam

## BACKGROUND

The Miami-Dade Historical Maritime Museum Inc. was incorporated in 2003. The only ship in the museum at that time was the USS MOHAWK CGC (WPG-78), a World War Two 165 foot A Class Coast Guard Cutter. The Original thought was to have additional ships. When the INGHAM became available in 2009, we moved the INGHAM to Key West to join the MOHAWK. MOHAWK developed major hull problems and required about \$600,000 to bring her up to seaworthy condition. The Board decided to donate the MOHAWK to Lee County Florida as an artificial reef and instead, put funds into restoring INGHAM. So far over \$1,000,000 has been spent on this effort. INGHAM is now 75% restored with remaining work to be done on the upper decks and a few interior spaces. The hull and its integrity are in excellent condition. Fire and safety equipment exceed normal requirements.

Our business model here in Key West was to achieve at least 20,000 tourist visits, grants, donations, functions on board such as weddings, parties, etc. Key West rapidly moved toward a party town with mass tourism all oriented toward events and functions such as Fantasy Fest, Biker Weekend, Power Boat Races, etc. and nothing History oriented, in particular Naval History, even though Key West was a major Naval Base since 1822. We found out that out of 3 million tourists annually, we were only able to draw about 10,000 interested in Military History. In spite of that, those who visit museums in Key West have rated the INGHAM as the number 1 museum in Key West out of 19 and the number 5 attraction out of 83. This small number of tourists is not a sufficient draw to support the \$200,000 annual expense of operating the ship.

Additional negatives here are lack of volunteers, veterans, and Naval oriented Organizations to help support the ship. Relocating a ship of this size is a very

Page 2:

Expensive project. That is why we must carefully investigate the location we move to as to its viability. This includes a location that will generate the number of visitors that offset the expense, substantial mooring arrangements that will meet the requirements of the Coast Guard for a permanently moored vessel, year round weather conditions that permit maintenance and ongoing restoration, has a pool of volunteers as docents, workers, archivists, educators, and Curators. In addition to the ship itself, there are over \$600,000 worth of artifacts that must be managed. A successful museum in any location is dependent on becoming an asset to that community and a feeling of ownership by that community. Many of these things are missing here in Key West due to the laid back, bohemian, party atmosphere and no structure in this community. This is why we are considering other communities that are more historically oriented and appreciative of the military its history and in particular Coast Guard History and Naval History. The USCCGC INGHAM is still the most decorated ship in Coast Guard History and in 1985 was the most decorated ship serving our country with 20 campaign ribbons and 17 Battle Stars. The exhibit room contains a letter from President Reagan congratulating her on this accomplishment after 52 years of service. She is a National Historic Landmark and was so designated by the Department of Interior in 1992. She was accessioned by the State of Florida Department of State in 2009 and is only one of only three National Historic Landmarks in all of Monroe County. She has been operating as a Museum since 1990, originally at Patriots Point in Charleston, South Carolina, and for the last 5 years here in Key West. She was dry docked at Detyens Shipyard in Charleston in 2009 and her hull was brought up to sea worthy standards. As mentioned before, over \$1,000,000 has been spent on restoration efforts.

USCGC INGHAM is a part of an IRS recognized 501(c)(3) and files annual Form 990's. The Parent Corporation is Miami-Dade Historic Maritime Museum, Inc., was so named as original plans for MOHAWK back in 2003 was to place her in Miami. INGHAM operates under a dba of USCGC INGHAM Memorial Museum. The INGHAM is the only asset of Miami-Dade.

## LOGISTICS OF A RELOCATION

The cost of relocation could run as high as \$400,000. This includes items such as Towing \$120,000, preparing the ship for sea and tow \$50,000, obtaining "trip and tow" permits from the Coast Guard and equipment required by them for approval \$25,000, preparation of mooring location for approval of Coast Guard to meet the law as to PMV (Permanently moored vessel) status approval and a heavy weather plan \$125,000, including Naval Engineering plans certified by an acceptable Naval Engineer to the Coast Guard. This expense would have to be picked up by the receiving location. The City of Ft. Pierce would have to agree to treating the ship as "substantially a land based structure" for fire and safety control. Additional expenses include utility requirements at the chosen location for Electric (480VAC, three phase Delta, and 200 amps), 220 Volt 100 amp service, sewer, and Water, \$80,000.

A move has not yet been decided on or even if we want to move the ship Our dry docking four years ago put the ship in top seaworthy condition, including all paint removal, rivet checks, replating where necessary, blanking of thru hull openings, repacking rudder and shaft glands, and total repainting of above water line hull with modern Coast Guard standards. The cost of this dry docking was a little over \$500,000. 4) Our operating expenses at present are a little over \$200,000. Approximately \$100,000 (10,000 paying visitors at \$10.00). Additional funds are raised through parties, reunions and entertainment functions on the ship. This would have to be possible at a new location. The largest single expense of the budget is for three people. Our engineer to maintain the systems, \$40,000; an office manager, bookkeeper, and volunteer co-coordinator \$25,000; and \$12,000 for an above decks painter and maintenance foreman. Additional costs and benefits bring this figure up to around \$80,000. None of the Officers, Directors or Executive Director is compensated. We employ no fundraisers at present and raise monies necessary from our present sources,. We would expect a new location would provide more opportunities for these activities than the current location, a

2x5 mile island, and 90 miles from Havana with no wealth, corporate entities, veterans or military retirees in this community.

Our current lease with the City is for 20 years with 15 years remaining. It is for \$1.00 per year in an excellent location for the ship. It requires the City be insured for \$1,000,000 liability. In addition, the ship carries, pollution, fire, salvage and visitor liability insurance through top rated insurance companies that deal in Marine Insurance including Longshoremans Jones Act Insurance. Additional Insurance would have to be put in place for the 200 mile tow. Additional Insurance would be also required if a riding crew is required. The length of a new lease obviously considering the expense involved of moving the ship would have to have some form of long term commitment by the receiving community not necessarily at one mooring facility, but with the commitment to be moved to a final approved mooring facility when ready.

Our benefit to the city is approximately 400 hotel night rentals annually, 10,000 visitors, platform for events, training for JROTC and school students and fundraiser location for specific entities among other things.

#### SUMMARY

Relocating a ship of this size is a significant undertaking by both us and the receiving site. It is not simply towing to a new location, mooring the ship and open for business. A new Florida Non-Profit Corporation with a new local Board of Directors should be established. The Board would need to be comprised of knowledgeable members with experience with Museum operation and ship operation. For future planning, a successor for me (now 77) would need to be brought up to speed. With the wealth of Naval Personnel in the area both Active duty and Retired this could be accomplished easily. New Banking relations would have to be established. The State Historic Preservation Officer (SHIPO) would have to be involved. The Department of Interior would have to approve the location for the move as to its historic relevance which should not be a problem with the National Seal Museum located there. Sufficient funds will be required to

Page 5

pay expenses for the time the ship is not open from the time it leaves Key West until it is established in Ft. Pierce.

In order for us to put forth this substantial effort, we would want to assure ourselves that the museum operation would be substantially viable. Elements such as potential volunteers, potential visitation of at least 20,000 visitors, opportunity for parties, weddings, birthdays, and ceremonies would be available to raise additional Capital. We would measure Community (buy-in) for the ship so that it is perceived as part of the community. We need to evaluate any potential corporate assistance, donors, and sponsors etc. to ensure the long term sustainability of this vessel. So we are both looking at each other to see if there is a fit for this Historic Vessel. I know this is a long letter, but I wanted to give you an idea as to the challenges that will be necessary to accomplish the move. Enclosed is an unaudited copy of our financials. The audited 990 will be available shortly as our fiscal year ends April 30<sup>th</sup> and our accountant should have it ready shortly. I have already provided you with a video on the ship and museum. Our website and facebook pages have detailed information on the ship as well as the Coast Guard Historian's website and many books on Ingham such as "Bloodstained Sea" and "Bloody Winter".

Sincerely,

A handwritten signature in black ink, appearing to read "W. G. Verge", with a long, sweeping horizontal stroke extending to the left.

W. G. Verge, LT USCGR (Ret)  
Executive Director and Chairman

**Miami-Dade Historical Maritime Museum**  
**Balance Sheet**  
 As of April 30, 2014

	<u>Apr 30, 14</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
First State Bank	40,017.12
First State Payroll 2	299.27
CFFK Fund	16,667.90
Paypal	302.26
<b>Total Checking/Savings</b>	<u>57,286.55</u>
<b>Total Current Assets</b>	57,286.55
<b>Fixed Assets</b>	
Machinery & Equipment	641.98
USCGC Ingham Museum	400,000.00
Furnishings	9,011.42
Museum Improvements	154,182.01
USCG Mohawk (WPG-78) Museum	62,000.00
Accumulated Depreciation	<u>-154,182.01</u>
<b>Total Fixed Assets</b>	471,653.40
<b>Other Assets</b>	
Other Artifacts	<u>205,000.00</u>
<b>Total Other Assets</b>	<u>205,000.00</u>
<b>TOTAL ASSETS</b>	<u><b>733,939.95</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	6,408.39
<b>Total Accounts Payable</b>	6,408.39
<b>Credit Cards</b>	
First Bankcard 7975	8,894.26
First Bankcard 0696	5,111.69
<b>Total Credit Cards</b>	14,005.95
<b>Other Current Liabilities</b>	
Loan from Verge	438,468.05
<b>Total Other Current Liabilities</b>	438,468.05
<b>Total Current Liabilities</b>	<u>458,882.39</u>
<b>Total Liabilities</b>	458,882.39
<b>Equity</b>	
Fund Balance	135,578.85
Net Income	139,478.71
<b>Total Equity</b>	<u>275,057.56</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>733,939.95</b></u>

**Miami-Dade Historical Maritime Museum**  
**Profit & Loss**  
 May 2013 through April 2014

	<u>May '13 - Apr 14</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Admissions Income	
Credit Card Income	23,583.75
Admissions Income - Other	77,718.78
<b>Total Admissions Income</b>	<u>101,302.53</u>
Contribution Income	113,384.72
Interest Income	385.08
Parties and Functions	300.00
Retail Sales	
Paypal	935.00
Retail Sales - Other	6,115.51
<b>Total Retail Sales</b>	<u>7,050.51</u>
Contribution Income - Other	76,579.45
<b>Total Income</b>	<u>299,002.29</u>
<b>Expense</b>	
Accounting Expense	845.00
Advertising Expense	
Rack Card Printing	357.00
Advertising Expense - Other	6,553.83
<b>Total Advertising Expense</b>	<u>6,910.83</u>
Bank Service Charges	413.96
Credit Card Expense	1,857.10
Dues & Subscriptions	585.50
Dues and Subscriptions	200.00
Electricity	18,645.26
Equipment rental	935.00
Insurance	23,361.22
Interest Expense	1,661.11
Licenses & Permits	250.00
Maritime Consultant	0.00
Meals and Entertainment	338.98
Medical Expense for employees	0.00
Merchant Fees	1,204.98
Mooring & Adm. Fee	1,800.00
Office Expense	1,379.19
Payroll Expense	75,115.42
Payroll Processing Fees	2,018.38
Payroll Tax Expense	
Employee Fed W/H	0.00
Employee Medicare	0.00
Employee Social Security	0.00
Employer Medicare	1,089.12
Employer Social Security	4,657.26
Fed Unemployment	24.92
State Unemployment	1,271.02
<b>Total Payroll Tax Expense</b>	<u>7,042.32</u>
Postage and Delivery	399.63
Repairs & Maintenance	9,136.62
Ship Store Expense	3,566.62
Ship Supplies	739.19
Telephone Expense	1,556.78
Travel & Lodging	1,578.97
<b>Total Expense</b>	<u>161,542.06</u>
<b>Net Ordinary Income</b>	<u>137,460.23</u>

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06/26/14

Accrual Basis

**Miami-Dade Historical Maritime Museum**

**Profit & Loss**

**May 2013 through April 2014**

	<u>May '13 - Apr 14</u>
Other Income/Expense	
Other Income	
Other Income	2,018.48
Total Other Income	<u>2,018.48</u>
Net Other Income	<u>2,018.48</u>
Net Income	<u><u>139,478.71</u></u>