

**THE THIRTIETH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES**

Type of Grant Request:

Operating

Capital

Legal Name of Requesting Organization or Individual: Db:

Pacific Fleet Submarine Memorial Association, Inc

Pacific Fleet Submarine Museum

Amount of State Funds Requested: \$ 250,000.00

Brief Description of Request (Please attach word document to back of page if extra space is needed):

THIS GIA IS SUBMITTED TO REQUEST STATE FUNDING FOR A PORTION OF THE TWO MILLION DOLLAR ESTIMATED COST OF A DRY DOCK MAINTENANCE PERIOD FOR THE WWII FLEET SUBMARINE, USS BOWFIN IN A HAWAII-BASED COMMERCIAL SHIPYARD.

Amount of Other Funds Available:

State: \$ 250,000 (GIA requested)

Federal: \$ 500,000 (Grant requested)

County: \$ _____

Private/Other: \$ 1,294,017

Total amount of State Grants Received in the Past 5 Fiscal Years:

\$ 365,000

Unrestricted Assets:

\$ 2,171,037

New Service (Presently Does Not Exist): Existing Service (Presently in Operation):

Type of Business Entity:

501(C)(3) Non Profit Corporation

Other Non Profit

Other

Mailing Address:

11 Arizona Memorial Drive

City: State: Zip:

Honolulu HI 96818

Contact Person for Matters Involving this Application

Name:
Charles K. Merkel Jr.

Title:
President and Executive Director

Email:
chuck.merkel@bowfin.org

Phone:
808-423-1341

Federal Tax ID#:

State Tax ID#



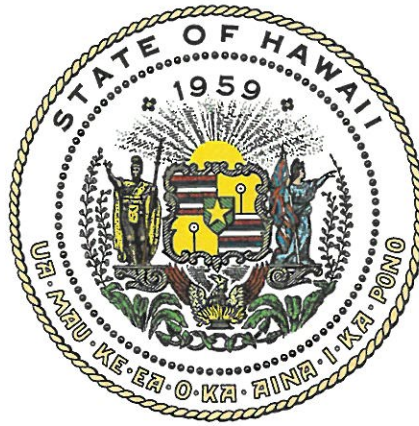
Authorized Signature

Charles K. Merkel Jr., Executive Director

Name and Title

01/19/2022

Date Signed



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

PACIFIC FLEET SUBMARINE MEMORIAL ASSOCIATION, INC.

was incorporated under the laws of Hawaii on 12/22/1978 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 13, 2022

Director of Commerce and Consumer Affairs

Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Certification – Please attach immediately after cover page

1. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2021.

2. Declaration Statement

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes.

3. Public Purpose

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes.

II. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

The Pacific Fleet Submarine Memorial Association (PFSMA), is an IRS 501(c)(3) tax-exempt nonprofit organization formed in 1978. PFSMA was created with the purpose of preserving and sharing the stories of submarine veterans. PFSMA acquired the USS Bowfin, a Balao-class WWII submarine in 1979, and opened to the public in 1981. The museum campus, which houses both the museum and ship, is located adjacent to the Pearl Harbor National Memorial at Pearl Harbor. Over 10 million visitors have explored our campus and engaged with our history.

Additionally, PFSMA oversees a robust education program and scholarship programs. The USS Bowfin Memorial Scholarship program that is managed by the Hawaii Community Foundation has awarded over \$1.2 million to Hawaii-based submariners and their families since 1985. A scholarship endowment with the Pauahi Foundation awards the USS Kamehameha Scholarships to native Hawaiian students.

In February 2021, PFSMA completed a two-year 23 Million dollar renovation of its campus. PFSMA committed 10 Million dollars (3 Million dollars for design and 7 Million dollars for construction). PFSMA received Capital Improvement grants of \$215,000 from the 28th Legislature and \$150,000 from the 29th Legislature to support these renovations. The remainder of the project was financed by a loan from the United States Department of Agriculture (USDA).

PFSMA is obligated, at no expense to the Navy, to keep Bowfin safe and presentable for public exhibition, and to maintain the vessel in such a manner that it will not cast discredit upon the Navy or upon the proud tradition of this historic vessel, and not allow the vessel to become a menace to navigation, public health or safety. This includes all necessary painting and cleaning of exterior surfaces and the assurance of the watertight integrity of the hull. Bowfin must be periodically dry docked to inspect the condition of the underwater hull, make any necessary repairs and then re-paint the hull.

USS Bowfin is nearly 80 years old. She has been moored waterborne at her present location in Pearl Harbor, Hawaii since 1981. All waterborne vessels require periodic dry dockings to ensure that they maintain their watertight integrity and to inspect the preservation of their underwater hull. While at her mooring, she is protected with an impressed current cathodic protection system.

PFSMA employs a full time maintenance staff that ensures that Bowfin is maintained in such a manner that it will not cast discredit upon the Navy or upon the proud tradition of this historic Vessel, and not allow the Vessel to become a menace to navigation, public health or safety. While waterborne, this staff works continuously topside and below decks to maintain her safe and suitable for public display.

While closed to the public in 2020 for the COVID-19 pandemic, significant repairs were completed. Bowfin was thoroughly cleaned and repainted below decks. Topside and the superstructure was repaired and repainted. Through these efforts, she remains in pristine condition topside and below decks. However, the only way to truly determine the condition of her underwater hull is by conducting a periodic dry dock maintenance period.

Bowfin was last dry docked in October 2004 and with this next dry dock maintenance period in the fall of 2022; she will be safe and presentable for public exhibition the next 15-20 years. PFSMA has long-range plans to dry dock Bowfin in the 2040-2041 period in preparation for the 100th anniversary of her launching on December 7, 2042.

The cost of the 2004 dry docking was \$700,000. PFSMA estimates that the cost of the 2022 dry docking to be 2 Million dollars. PFSMA is requesting this capital improvement grant of \$250,000 for a portion of the expenses associated with the dry dock maintenance period. PFSMA has also applied for a Save America's Treasures grant – this program is a matching funds grant administered by the National Park Service. The remainder of the expenses for this dry dock maintenance period will be paid for using funds in PFSMA's capital improvement fund.

This maintenance must be performed in a commercial shipyard at PFSMA's expense. There are two Hawaii-based commercial shipyards that are capable of performing this dry dock maintenance period – Pacific Shipyard International (PSI) and Marisco. PFSMA has issued a Request for Proposal (RFP) to these companies. PFSMA will evaluate the responses to the RFP and will select the shipyard to perform this maintenance period in the spring of 2022.

2. The goals and objectives related to the request;

The goal of this project is to complete a dry dock maintenance period of the WWII Fleet Submarine USS Bowfin (SS-287) to ensure that this historic vessel remains in a condition satisfactory to the Department of the Navy as required by the terms of the donation contract executed between the Department of the Navy and PFSMA.

This contract obligates PFSMA, at no expense to the Navy, to make and keep Bowfin safe and presentable for public exhibition, and to maintain the vessel in such a manner that it will not cast discredit upon the Navy or upon the proud tradition of this historic vessel, and not allow the vessel to become a menace to navigation, public health or safety. These maintenance obligations include all necessary painting and cleaning of exterior surfaces and the assurance of the watertight integrity of the hull. In order to meet this obligation, Bowfin must be periodically dry docked to inspect the condition of the underwater hull, make any necessary repairs and then re-paint the hull.

Bowfin was last dry docked in October 2004 and with this next dry dock maintenance period in the fall of 2022, she will be safe and presentable for public exhibition the next 15-20 years. PFSMA has long-range plans to dry dock Bowfin in the 2040-2041 period in preparation for the 100th anniversary of her launching on December 7, 2042.

Key Steps in this project include:

- Prepare work package.**
- Issue request for proposal (RFP).**
- Evaluate responses to RFP. Select shipyard to perform the maintenance period.**
- In water inspections and tow preparations.**
- Tow to maintenance facility to be determined (either in Honolulu Harbor or in Barber's Point Harbor) and enter dry dock.**
- Clean the underwater hull to remove all sea growth.**
- Inspect the hull, hull blanks and tanks. Repairs as determined by inspection results.**
- Prepare and paint the vessel – both underwater and topside.**
- Undock and return tow from the maintenance facility to Pearl Harbor.**
- Moor per mooring plan.**
- Restore access to the public.**

3. The public purpose and need to be served;

As one of the most popular tourist destinations in Hawaii and the most visited submarine museum in the United States, the USS Bowfin and the Pacific Fleet Submarine Museum is central to educating people about Pearl Harbor, our State's history, and the sacrifices made by veterans. For most visitors and almost all of our student visitors, the museum also serves as an introduction to submarines and the science behind them, from new technologies to the engineering achievements that make the US Submarine Force the best in the world.

Prior to the COVID-19 pandemic, over 400,000 visitors and students from hundreds of schools visit the museum annually. From hosting local schools to international student groups, the museum and the ship are, in many ways, a living classroom.

USS Bowfin is one of about fifteen WWII era fleet submarines remaining on public display. She is the centerpiece of the Pacific Fleet Submarine Museum. No other submarine is fortunate enough to be moored so near to the site where U.S. involvement in the Pacific War began. She has welcomed aboard over ten million visitors from all over the world in the past 40 years, and continues to serve her country as an educational site, a memorial, and an inspiration to present and future generations.

Because all of the United States Navy's current submarines are nuclear powered, and therefore subject to the requirements and regulations of the Naval Nuclear Propulsion Program, there will be no more U. S. Navy submarines eligible for donation under the Navy's inactive ship donation program. This means that we must preserve and maintain those currently on display so that they remain safe and suitable for public display for as long as possible.

The consequences of not conducting a periodic Maintenance Dry Docking of a waterborne ship are potentially catastrophic. A loss of hull integrity could result in Bowfin becoming unsafe and unpresentable for public exhibition. Additionally her condition could cast discredit upon the Navy or upon her proud tradition as an historic Vessel, or she could become a menace to navigation, public health or safety. PFSMA is taking a pro-active approach to maintain Bowfin in order to prevent this from occurring.

Other historic naval ships that have not pro-actively executed periodic maintenance dry dockings have experienced significant material degradations including the loss of hull integrity. Two of Bowfin's sister ships, the submarines USS Clamagore and USS Ling are no longer safe and presentable for public exhibition. USS Clamagore is currently planned to be sunk as an artificial reef. USS Ling has been closed to the public since being damaged by Hurricane Sandy in 2012. She was further damaged and flooded by vandals and her fate remains uncertain.

4. Describe the target population to be served; and

Although we place a strong emphasis in serving Oahu, the Neighbor Islands, and the United States mainland, our target population is truly global. School groups, historians,

veterans, military enthusiasts, tourists, government and civilian officials visit USS Bowfin and the Pacific Fleet Submarine Museum from all over the world.

The recently completed campus and museum renovations included interactive exhibits that illustrate a number of Science, Technology, Engineering and Math (STEM) concepts. From bow to stern, Bowfin is a STEM laboratory. PFSMA has actively engaged with the State Department of Education (DOE) to promote on campus visits to promote STEM education. A recent on campus visit by students from Aiea Intermediate School was highly successful and was praised by the highest levels of the DOE. Additional campus visits are planned for this spring and we plan to expand this program as the state emerges from the COVID-19 pandemic.

5. Describe the geographic coverage.

USS Bowfin and the Pacific Fleet Submarine Museum are located at Pearl Harbor, immediately adjacent to the Pearl Harbor National Memorial. With approximately two million visitors from all over the world annually, the Pearl Harbor National Memorial is one of the most visited tourist locations in the state.

III. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

As described above, all of the work during this dry dock maintenance period will be performed by the selected shipyard – either Pacific Shipyards International or Marisco. Both of these shipyards are capable of performing this work. The PFSMA Board of Directors will review the responses received to its RFP and will select the shipyard to perform this maintenance.

The PFSMA Executive Director and Board of Directors will provide oversight and supervision throughout the preparations for and execution of this maintenance period.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

USS Bowfin Dry Dock Maintenance Period Timeline

Previous Maintenance Periods

1954: Inactivation Dry Docking by U. S. Navy.

September 1986: Dry Dock Maintenance Period.

October 2004: USS Bowfin completed her last dry dock maintenance period.

October 2017: Seaward Marine completed an underwater hull cleaning and inspection.

July 2020: Phoenix International completed an ultrasonic inspection of the hull along the waterline.

July 2022 (planned): Phoenix International will complete an ultrasonic inspection of the hull along the waterline.

Planning Phase (September 2021 – September 2022)

Initial notifications to the commercial shipyards and meetings with shipyard management teams. (COMPLETED fall of 2021)

Develop preliminary work package. Submit request for proposal (RFP) to commercial shipyards. (COMPLETED January 2022)

Review responses to RFP. Select commercial shipyard to execute the Dry Dock Maintenance Period. (Spring 2022)

Develop tow plan. Review with USCG and Marine Surveyor. (July 2022)

Perform inspections that can be completed waterborne. (July 2022)

Finalize work package for the Dry Dock Maintenance Period. (August 2022)

Execution (September 2022 –November 2022)

Close public access. Complete tow preparations. (2 days)

Execute Tow Plan. Tow from Pearl Harbor to selected shipyard. (1 day)

Dry dock submarine. (1 day)

Clean hull to remove all sea growth. (5 days)

Note: These tasks will be performed in parallel in order to minimize the time in dry dock.

Perform ultrasonic inspection of hull. Perform inspection of all underwater hull blanks.

Complete internal tank inspections. Identify areas requiring repair. (15 days)

Perform repairs as identified by inspections. (Time to be determined)

Prepare hull for painting. Paint hull. This includes flooding the dry dock and repositioning the vessel to ensure that the entire under water structure is preserved. (15 days)

Undock the submarine. Verify readiness to tow. (1 day)

Tow the submarine from the selected shipyard to Pearl Harbor. Moor per the approved mooring plan. Reinstall the impressed current cathodic protection system. (1 day)

Restore public access. (1 day)

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

PFSMA's Board evaluate the responses to its request for proposal from both Hawaii-based commercial shipyards to select the shipyard to perform this maintenance period.

Preparations for and execution of the maintenance period will be under the direct supervision of the PFSMA Executive Director, with additional oversight by the Board.

The PFSMA ED will meet regularly with the shipyard's staff. All inspection reports and recommended repairs will be reviewed and agreed upon.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

PFSMA will provide all reports associated with this maintenance period to the State's expending agency. These reports will include the initial report by the ED following dry dock entry, inspection reports generated by the shipyard, and the final report issued by the shipyard upon completion of the maintenance period.

IV. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds
 - b. Personnel salaries and wages
 - c. Equipment and motor vehicles
 - d. Capital project details
 - e. Government contracts, grants, and grants in aid
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2023.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$0	\$250,000	\$0	\$0	\$250,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2023.
 - a. **Save America's Treasures Grant. PFSMA has applied for a Save America's Treasures grant in the amount of \$500,000. This federal grant program is administered by the National Park Service. It is expected that awardees for these grants will be announced in the May-June 2022.**
4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

None – Not Applicable

Federal and State Tax Credits: None

Tax Credits applied for or anticipated: None

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2023 for program funding.

a. First Paycheck Protection Program (PPP) Loan. PFSMA received a PPP loan from the Small Business Administration on 04/07/2020, in the amount of \$479,665. On 12/16/2020, this PPP loan was fully forgiven.

b. Second Paycheck Protection Program (PPP) Loan. PFSMA received a PPP loan from the Small Business Administration on 02/01/2021, in the amount of \$523,232. On 08/23/2021, this PPP loan was fully forgiven.

c. Hawaii Grant in Aid. PFSMA received a Capital Improvement grant of \$215,000 from the 28th Legislature (FY-2019). This GIA was administered by the State Department of Defense and has been closed out – final report submitted and accepted.

d. Hawaii Grant in Aid. PFSMA received a Capital Improvement grants of \$150,000 from the 29th Legislature (FY-2020). This GIA was administered by the State Department of Defense and has been closed out – final report submitted and accepted.

e. City and County of Honolulu Culture and Arts Relief and Recovery Fund (CARRF) Grant. PFSMA received a CARRF grant in the amount of \$50,000 from the City and County of Honolulu on 11/26/2020.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2021.

As of 12/31/2021, PFSMA's unrestricted current assets were \$2,171,037. PFSMA's Statement of Financial Position (unaudited Balance Sheet) as of 12/31/2021 is attached.

V. Experience and Capability

1. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

PFSMA has operated the USS Bowfin Submarine Museum & Park at Pearl Harbor since 1978. During this time, PFSMA has overseen dry dock maintenance periods (1986 and 2004).

As of January 2022, PFSMA has 33 employees. The payroll in 2021 was 1.2 Million dollars. Additionally, there are 40 employees from companies (including Service Systems Associates and Maui Divers Jewelry) that provide services (ticketing, retail, food service) on campus.

A 15-member Board of Directors provide governance, strategic planning, and oversight. Our contacts and partnerships extend across a wide spectrum of community, national, and international relationships that have been forged over the years.

The PFSMA's Board of Directors is chaired by Captain Peter W. Miller, USN (Ret.) who is a retired nuclear-trained submarine officer. He served as PFSMA's Treasurer for five years before becoming Board Chairman in 2021.

This project will be supervised by the PFSMA Executive Director, Captain Charles Merkel, US Navy (Retired). Captain Merkel served 30 years in the US Navy as a nuclear-trained submarine officer and has extensive experience in planning and executing submarine maintenance periods. He has been the PFSMA ED since May 2016. He most recently oversaw the execution of a two-year, \$23 million dollar renovation of the museum and campus of the Pacific Fleet Submarine Museum. This renovation project was awarded the 2021 Naval History and Heritage Command Museum Excellence Award. Captain Merkel's final active duty assignment was Director of Maintenance and Material Readiness for Commander, Submarine Force U.S. Pacific Fleet where he was responsible for the material condition of all U. S. submarines in the Pacific.

Additional oversight will be provided by members of the PFSMA Board of Directors. Three of these directors are also retired nuclear-trained submarine officers, and other board members have extensive technical backgrounds.

2. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

USS Bowfin Submarine Museum & Park occupies approximately 3.8 acres of land that is leased from the U. S. Navy adjacent to the USS Arizona Memorial Visitor's Center. This lease is administered by Naval Facilities Engineering Command, Hawaii. In May 2018, Naval Facilities Engineering Command and PFSMA executed a new 25-year lease. The campus is comprised of:

- The USS Bowfin, a decommissioned WWII submarine that is permanently moored in Pearl Harbor;**

- **The Pacific Fleet Submarine Museum, a 13,000-square-foot museum dedicated to submarine history;**
- **A variety of outdoor exhibits including:**
- **the Waterfront Memorial, which honors more than 3,500 submariners lost during WWII;**
- **a Conning Tower, where visitors can explore the confined space of a WWII submarine;**
- **a Kaiten, one of the only remaining Japanese manned torpedoes in existence;**
- **a submarine rescue chamber; and,**
- **over a dozen missiles, torpedoes, and propellers.**
- **Comfort Station (restrooms);**
- **An outdoor classroom;**
- **A Multi-Purpose Learning Space;**
- **Food court;**
- **Gift shop; and,**
- **Staff lounge and offices.**

The recently completed renovation has made the site more visitor-friendly in terms of restrooms and ADA access. Tighter security at the site's entrance will also allow us to more closely monitor and better control visitor traffic, resulting in a safer environment for everyone.

VI. Personnel: Project Organization and Staffing

1. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

PFSMA has operated the USS Bowfin Submarine Museum & Park at Pearl Harbor since 1978. During this time, PFSMA has overseen dry dock maintenance periods (1986 and 2004).

A 15-member Board of Directors provide governance, strategic planning, and oversight.

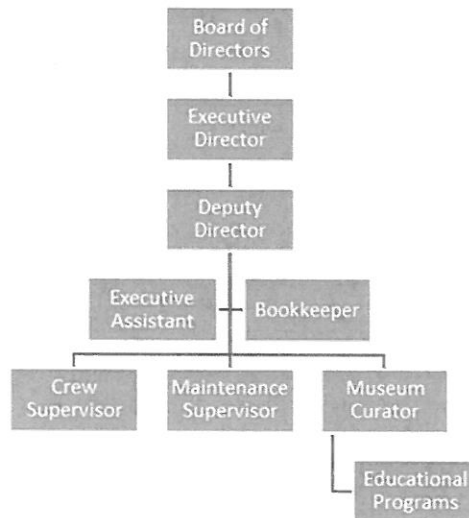
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This project will be supervised by the PFSMA Executive Director, Captain Charles Merkel, US Navy (Retired). Captain Merkel served 30 years in the US Navy as a nuclear-trained submarine officer. He has been the PFSMA ED since May 2016. He most recently oversaw the execution of a two-year, \$23 million dollar renovation of the museum and campus of the Pacific Fleet Submarine Museum. This renovation project was awarded the 2021 Naval History and Heritage Command Museum Excellence Award.

Additional oversight will be provided by members of the PFSMA Board of Directors. Three of these directors are also retired nuclear-trained submarine officers, and other board members have extensive technical backgrounds.

2. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.



3. Compensation

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

Executive Director: \$190,000

Deputy Director: \$96,000

Museum Curator: \$66,960

VII. Other

1. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

PFSMA is not a subject to any pending litigation and there are no outstanding judgements.

2. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

The Pacific Fleet Submarine Memorial Association (PFSMA), operating as the USS Bowfin Submarine Museum and Park, has maintained IRS 501(c)(3) tax-exempt nonprofit status since 1978.

USS Bowfin Submarine Museum & Park completes the Pearl Harbor Historic Sites along with the USS Arizona Memorial, the Battleship Missouri Memorial and the Pearl Harbor Aviation Museum. Naval History and Heritage Command provides oversight for the accountability and maintenance of artifacts on loan from the Navy to PFSMA.

3. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

The grant will not be used to support or benefit a sectarian or non-sectarian private education institution.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2022-23 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2022-23, but
- (b) Not received by the applicant thereafter.

The funds requested by this grant will be utilized to fund a portion of the one-time costs associated with this dry dock maintenance period. Once this maintenance period is completed, the cost of operation and maintenance will be covered by the normal annual revenue and budgeting process. This request is for work that will be performed during fiscal year 2022-23 only. The completion of the dry dock maintenance period in the fall of 2022 will ensure that Bowfin will be safe and suitable for public display for the next 20 years.

Between dry dock maintenance periods, PFSMA employs a full-time maintenance staff to clean, preserve and maintain Bowfin.

PFSMA has long-range plans to dry dock Bowfin in the 2040-2041 time frame in preparation for the 100th anniversary of her launching on December 7, 2042.

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Pacific Fleet Submarine Memorial Association, Inc.

(Typed Name of Individual or Organization)



(Signature)

1/19/2022

(Date)

Charles K. Merkel Jr.

(Typed Name)

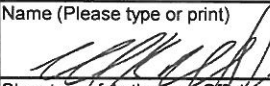
Executive Director

(Title)

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2022 to June 30, 2023

Applicant: Pacific Fleet Submarine Memorial Association

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				21,917
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				21,917
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
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17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	250,000	500,000		1,272,100
TOTAL (A+B+C+D+E)	250,000	500,000		1,294,017
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	250,000	Charles K. Merkel Jr. 808-423-1341		
(b) Total Federal Funds Requested	500,000	Name (Please type or print) Phone		
(c) Total County Funds Requested	0	 1/19/2022		
(d) Total Private/Other Funds Requested	1,294,017	Signature of Authorized Official Date		
TOTAL BUDGET	2,044,017	Charles K. Merkel Jr., Executive Director Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2022 to June 30, 2023

Applicant: Pacific Fleet Submarine Memorial Association, Inc.

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	

JUSTIFICATION/COMMENTS:

No equipment purchases required for this project.

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	

JUSTIFICATION/COMMENTS:

No vehicle purchases required for this project.

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2022 to June 30, 2023

Applicant: Pacific Fleet Sub Memorial Assn, Inc.

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2020-2021	FY: 2021-2022	FY: 2022-2023	FY: 2022-2023	FY: 2023-2024	FY: 2024-2025
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION			250000	1794017		
EQUIPMENT						
TOTAL:			250,000	1,794,017		
JUSTIFICATION/COMMENTS:						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Pacific Fleet Submarine Memorial Association, Inc.

Contracts Total: -

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
1	N/A				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					

Pacific Fleet Submarine Memorial Association, Inc.
Balance Sheet

As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
11900 · Investments	
10501 · MS - UMA# 9824 Edu/Endowment	1,014,137.21
10500 · MS #45435 Educational Endowmnts	5,801.45
10801 · MS #03087 - Structured Investmt	2,008,540.94
10701 · MS - UMA# 9994 Investments	3,316,429.01
10700 · MS #40164 Investments	912,106.24
Total 11900 · Investments	7,257,014.85
10000 · Cash	
10100 · BH - Ops Fund - 040	1,243,104.46
10600 · Petty Cash	800.00
Total 10000 · Cash	1,243,904.46
Total Checking/Savings	8,500,919.31
Accounts Receivable	
16010 · Pledges Receivable	254,907.39
16000 · Accounts Receivable	175,389.06
Total Accounts Receivable	430,296.45
Other Current Assets	
16030 · PRESENT VALUE DISCOUNT	(11,208.66)
16020 · Allowance for Pledge Receivable	(6,000.00)
12800 · Prepaid Expenses	
12805 · Prepaid Loan Fees	351,677.94
12804 · Prepaid Lease - Naval Facility	10,966.46
12803 · Other Prepaid	4,877.42
12801 · Prepaid Insurance	146,522.89
Total 12800 · Prepaid Expenses	514,044.71
Total Other Current Assets	496,836.05
Total Current Assets	9,428,051.81
Fixed Assets	
15000 · Fixed Assets	
15600 · Computer Software & Eqpmt	62,493.99
15240 · Museum Renovation CIP	28,921.05
15100 · Building, Land & Museum	
15105 · Museum Building Improvements	15727792.66
15100 · Building, Land & Museum - Other	3,747,339.20
Total 15100 · Building, Land & Museum	19475131.86
15200 · Future Capital Improvements	
15230 · Construction CIP	9,397.90
15200 · Future Capital Improvements - Other	523,639.05
Total 15200 · Future Capital Improvements	533,036.95
15300 · Submarine Museum	767,988.13
15400 · Furniture, Fixtures & Equipment	
15453 · Museum Exhibits	7,797,210.70
15452 · Simplex - Fire Extinguishers	17,427.93
15400 · Furniture, Fixtures & Equipment - Other	122,018.45
Total 15400 · Furniture, Fixtures & Equipment	7,936,657.08
15500 · Vehicles	27,996.98
15900 · Accumulated Depreciation	(4,099,550.35)
Total 15000 · Fixed Assets	24732675.69

	<u>Dec 31, 21</u>
Total Fixed Assets	24732675.69
Other Assets	
14000 · Other Assets	
14100 · Construction Loan Interest/Cost	641,917.77
Total 14000 · Other Assets	<u>641,917.77</u>
Total Other Assets	641,917.77
TOTAL ASSETS	<u>34802645.27</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20001 · Accounts Payable - OPS	21,799.38
Total Accounts Payable	<u>21,799.38</u>
Other Current Liabilities	
20901 · BOH - Construction Loan Payable	1,406,216.15
22200 · Insurance Payable	96,518.53
20299 · Accrued Vacation	51,022.48
24200 · IRA Payable	4,118.00
21000 · Due from Combined Account	
21300 · Due to P.H.P	(6,144.47)
21200 · Due to P. H. Aviation Museum	(14,626.80)
21100 · Due to Missouri	(16,965.47)
Total 21000 · Due from Combined Account	<u>(37,736.74)</u>
Total Other Current Liabilities	<u>1,520,138.42</u>
Total Current Liabilities	1,541,937.80
Long Term Liabilities	
25000 · Long Term Loans (Liabilities other than payroll, accounts and grants payable, deferred re...	
25110 · Loan Payable - USDA #2	4,000,000.00
25100 · Loan Payable - USDA #1	7,000,000.00
Total 25000 · Long Term Loans (Liabilities other than payroll, accounts and grants payable, defer...	<u>11000000.00</u>
Total Long Term Liabilities	<u>11000000.00</u>
Total Liabilities	12541937.80
Equity	
31000 · Temp Restricted Net Assets	1,845,454.63
30000 · Opening Balance Equity	1,183,255.37
30300 · Unrestricted Net Assets (Other Income)	16647861.89
Net Income	2,584,135.58
Total Equity	<u>22260707.47</u>
TOTAL LIABILITIES & EQUITY	<u>34802645.27</u>