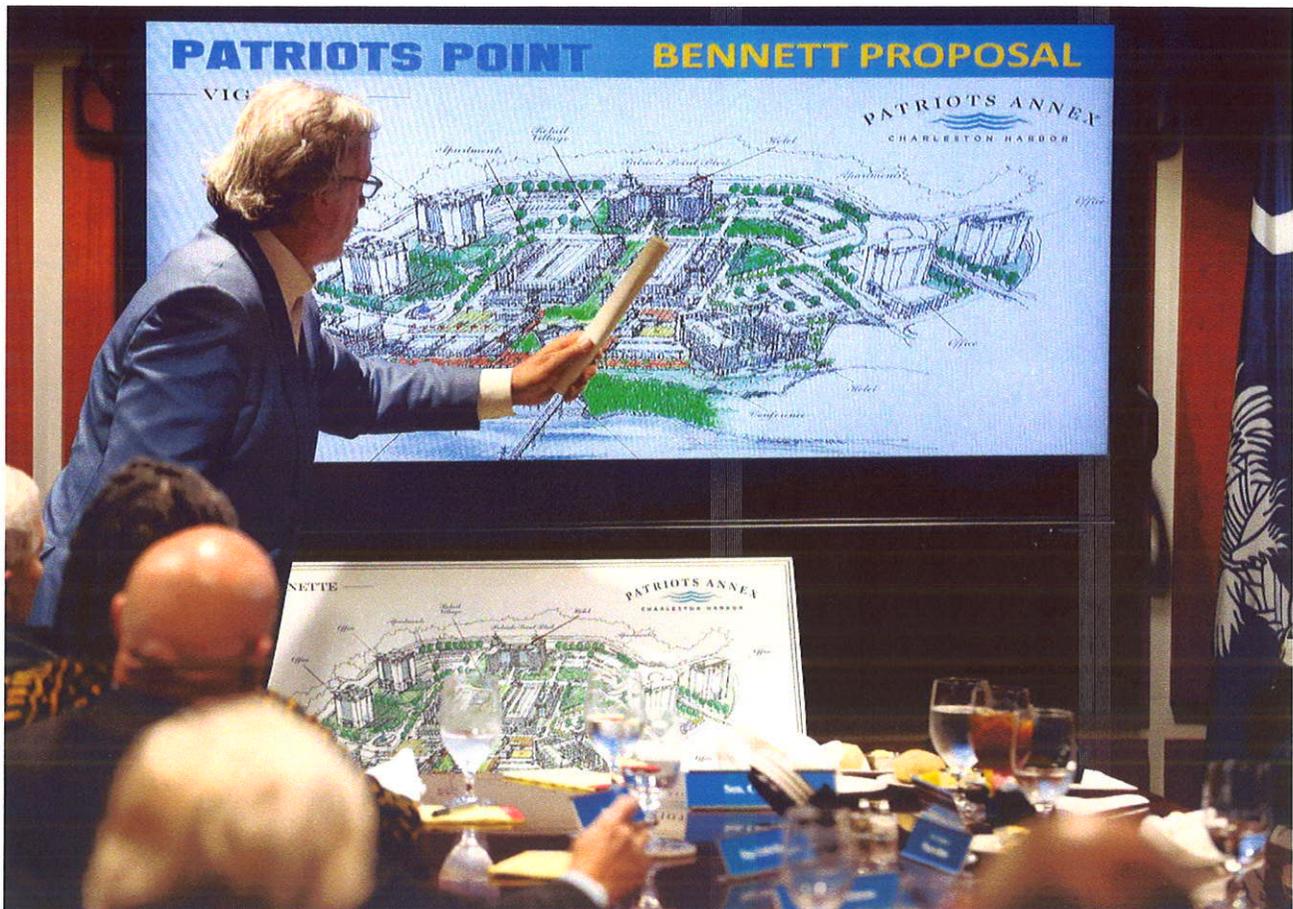


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TOP STORY

## Patriots Point resort development gets green light from the state

By Dave Munday [dmunday@postandcourier.com](mailto:dmunday@postandcourier.com) Aug 31, 2017



Developer Michael Bennett explains his plans for a 61-acre development on state-owned land at Patriots Point to lawmakers earlier this year. File/Grace Beahm/Staff

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A 61-acre resort development near the Yorktown is clear to proceed.

The S.C. Fiscal Accountability Authority on Thursday approved the final details of the lease that lets developer Michael Bennett's Patriot Annex LLC start building a resort hotel, a 4,000-seat amphitheater, apartments, offices and retail space.

Bennett said the next step is to obtain the permits and other approvals he needs to break ground. It will be a couple more years before he starts digging the foundations, he estimated.

"Now that it's been approved by the state, we can start the entitlement process," Bennett said by phone on his way back from Columbia after the meeting.

"It's an exciting day for everybody, Patriots Point, the state, Mount Pleasant and for us," he added.

The 99-year lease allows a two-year due diligence period prior to construction.

The state had to approve the lease because Patriots Point Development Authority, which owns the land near the Mount Pleasant naval museum, is a state agency.

The holdup was a plan to repay the \$8.2 million balance of a \$9.2 million loan from the state to repair the Laffey in 2009. The lease for the development includes the loan repayment plan.

According to the terms, Patriots Point will pay only the interest on the loan for three years and then pay down the rest over the following eight years.

The Bennett lease is expected to generate \$3.5 million a year for Patriots Point, which will help maintain the ships and piers, according to estimates.

Board chairman Ray Chandler faced some questioning by state Comptroller General Richard Eckstrom before the vote. Eckstrom wanted to know if the repayment plan depended entirely on the success of the development. Chandler assured him that the debt could be repaid through ticket sales without the development, although the income would help maintain the ships.

Eckstrom said he had reservations in light of the recent failure to build new reactors at the V.C. Summer Nuclear Station near Jenkinsville.

"I'm not feeling very easy with setting aside this land in the middle of Patriots Point," he said.

Chandler said that if the developer defaulted and the lender stepped away, Patriots Point would get the land back, as well as any infrastructure, to lease to another tenant.

"Your project seems more controllable than that project," Eckstrom said, referring to the scuttled nuclear plant expansion. "I really wanted to make the point that you picked a bad time with the V.C. Summer project. ... My point is we're making a commitment ... that could conceivably tie up that land for a long time."

Several other members of the Patriots Point board and Bennett attended the meeting in Columbia, which was broadcast live through South Carolina ETV.

"Congratulations, gentlemen," Gov. Henry McMaster said as they left the room.

Patriots Point released a statement shortly after the meeting. It included an estimate by University of South Carolina economist Joey Von Nessen that the development will create more than 1,000 jobs and generate more than \$80 million in state taxes and more than \$200 million in local taxes and fees.

"This is an important day for Mount Pleasant and for Patriots Point," Mount Pleasant Mayor Linda Page said in the statement.

The development is expected to complement the National Medal of Honor Museum that's planned near the Yorktown aircraft carrier at Patriots Point, according to Mark Updegrove, executive director of the museum's foundation.

"The National Medal of Honor Museum Foundation is excited about the energy and economic impact of the Bennett development and the effect it may have on the National Medal of Honor Museum and our partners at Patriots Point Naval & Maritime Museum," Updegrove said.

Updegrove expects to start building the \$100 million museum in 2020.

Reach **Dave Munday** at 843-937-5553.

**Dave Munday**