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\$400M-\$500M Mount Pleasant development breaks ground at Patriots Point

By Warren L. Wise wwise@postandcourier.com Oct 20, 2022

MOUNT PLEASANT — A long-planned real estate development that could cost as much as \$500 million and take 15 years to complete is underway at Patriots Point Naval & Maritime Museum.

Patriots Annex is expected to pump an infusion of much-needed capital into the coffers of the state-owned military tourist attraction to help maintain its fleet of aging warships.

Gov. Henry McMaster, developer Mike Bennett of Charleston-based Bennett Hospitality and representatives of Patriots Point, where the World War II-era

aircraft carrier Yorktown is the centerpiece, kicked off the 31-acre, mixed-use waterfront project at a groundbreaking ceremony Oct. 20.

"It's the most important initiative at Patriots Point in its history," said Wayne Adams, vice chairman of the visitor attraction's board of directors.

Initially approved five years ago, the master plan for Patriots Annex shows three hotels, a convention center, three office buildings, three parking garages with 2,800 spaces, an amphitheater, a boardwalk, retail space and 130 residential units on land that Bennett Hospitality is leasing from the state under a long-term deal.

The largest of the hotels, at 250 rooms, would sit opposite the Yorktown, toward the rear of the development site and be called The Grand Patriot.

Bennett, who pegged the phased-in development at \$400 million to \$500 million, called the planned lodging "a Southern-style hotel with porches and balconies."

"I want what I build to be beautiful first," Bennett said. "I want it to look like it belongs there and fits there. It will be classic and traditional."

Some structures will be reminiscent of long-gone wharf developments, built with large porticos.

"When you show up here, you will know you are in the beautiful South," Bennett said.

The other two lodgings would have 100 and 150 guest rooms. They are slated to be built near the waterfront on either side of the boardwalk.

In between the two smaller hotels, Bennett plans to add retail space and a 60,000-square-foot amphitheater. Next to that, the Patriots Point Development Authority will construct a building for ticketing, a gift shop and administrative space.

A combined 405,000 square feet of office space is planned for several structures around the perimeter of the developed area. Two apartment buildings, above retail space, would have about 65 units each.

"Apartments are not the driving force behind this," said Mac Burdette, interim director of Patriots Point. "We didn't want any large residential buildings, but we did want some upstairs living space."

McMaster called the eight years to get to the point of breaking ground "not easy" as "there were some tough times."

"This project is going to be wonderful. ... The larger importance of this is to ground this for generations to come," he said.

Much of the site where the planned development will be built is currently a 600-space parking lot for the maritime museum.

Burdette said a new parking area must be built before any other construction can begin. Land is currently being cleared near a roundabout off Patriots Point Road for it. Bennett said he expects the work to take about a year. At that point, he'll submit plans for construction of the first building.

The development will be built in a three-tiered system, with height limits of 50 feet near the waterfront, 65 feet in the middle of the parcel and 80 feet in a smaller section farthest from the harbor.

"I think it was a good decision by the town to do it that way," Burdette said.

Approved developments cover about half of Bennett's leased 61 acres. Some of the other half is protected by a conservation easement.

The construction process will require much collaboration between Patriots Point and the developer, since the naval museum will continue to operate while Patriots Annex is being built. At all times, including during construction, Bennett Hospitality is expected to ensure that at least 600 spaces are available for visitors.

Patriots Annex has been billed as a game-changer for the state-owned museum's finances. Once it's completed, the developments are expected to generate about \$5 million a year through agreements that give Patriots Point a share of the revenue from the various businesses on the property, Burdette said.

The hotels are expected to generate the largest share, about \$2 million per year.

"We need an estimated \$100 million over the next 75 years to restore and preserve our two ships," Burdette said, referring to the Yorktown and the destroyer Laffey. "The only way to do that is through the land leases. This is a big deal."

Plenty to see from all eras in 350 years of Charleston military history

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The rent structure is designed to provide Patriots Point part of the financial upside of the project, according to its attorney, Bill Craver.

Bennett began monthly lease payments two years ago based on fair market rent of just over \$20,000, which has since risen to \$38,000 based on an annual escalation formula, Craver said.

The value of Patriots Annex also will be assessed by Charleston County, but instead of property taxes, the development will pay a fee to the county and the town.

Bennett Hospitality controls other holdings at Patriots Point, including 10 waterfront rental cottages near Charleston Harbor Resort & Marina. In 2018, the firm took over the lease to the 18-hole Patriots Point Links Golf Course.

Nearby, Bennett's mixed-use Ferry Wharf complex on privately owned land near the Ravenel Bridge includes an office building, hotel, apartments and retail space.

Bennett and his firm also own numerous hotel and restaurant holdings across the Charleston area, including the eight-story Hotel Bennett, which opened on Marion Square in 2019.