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## Patriots Point granted two-year extension on ship repair loan

May 10, 2013 by [Matt Long](#)

Patriots Point Naval & Maritime Museum has been given two more years to come up with a plan to pay back \$8.7 million on a state loan.

The Mount Pleasant-based museum received the loan in 2009 to pay for badly-needed repairs on the destroyer *U.S.S. Laffey*. The South Carolina Budget & Control Board granted Patriots Point a two-year extension in 2011, which expired on May 1. The board approved another two-year extension last week in a 4-1 vote.

It's unlikely the museum would pay back the \$8.7 million by 2015, but officials hope they will have a better financial plan in place by then.

Executive Director Mac Burdette said his staff is trying to find a steady source of money. "We believe our revenue stream is going to increase by over 20 percent in the next three years," he told the board moments before the vote, "We think we'll certainly know better how much we can handle in terms of a debt service payment."

Patriots Point Development Authority Chairman Ray Chandler told the board that museum officials want to first [pay for \\$4 million in renovations](#) to help attract more visitors that will, in turn, lead to increased ticket sales. Chandler said the authority would continue to pay interest on the loan in the meantime.



U.S.S. Laffey (File)

"What we're asking is not to give us money, but let us pay interest so we can invest (our reserves) in the improvement of Patriots Point," he told the board.

But not all of the state's financial officers were happy about the extension. Comptroller General Richard Eckstrom made it clear the museum was years behind schedule and had barely started paying back the principal part of the loan.

"I think that we've given you plenty of time to pay your debts," he told Chandler, "I appreciate the fact you've got to have some sort of a reserve, but you've also got debt payments."

Burdette, who was not at Patriots Point at the time of the original loan, told Eckstrom that the museum's annual budget is only \$9.5 million each year. Most of its \$1 million in revenue goes into maintenance of the flagship vessel *Yorktown*.

The *Yorktown* is also the museum's biggest liability, as it will eventually require an estimated \$81 million in total repairs. Before that can even occur, Patriots Point would have to [spend \\$4.4 to clean up diesel fuel and other hazardous materials](#) currently inside the vessel.

Burdette says he believes the Navy and the Defense Department will pay for many of the costs. He said it was not standard practice for the Navy to purge hazardous materials from ships when Patriots Point first acquired the *Yorktown* in 1975.

But Eckstrom was skeptical that the Navy would approve the funding, noting that federal sequestration was limiting any new spending. But Chandler was optimistic that the museum could eventually raise the \$4.2 million on its own, if that were the case. However, Chandler said he was certain the Navy would support the cleanup.

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