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Patriot's Point
Annual Accountability Report 1996-97

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15 October, 1997

Office of State Budget
Attn: Donna Capps
112 Lady Street, 12th Floor
Columbia SC 29201

Dear Ms. Capps:

Patriots Point's mission, as stated in this Fiscal Year 1996-1997 Accountability Report, is an abbreviated derivation of the agency's 1973 enabling legislation, as amended in 1990. Objectives and related performance measures reflect major categories and areas of concern which most objectively depict the agency's "due diligence" and stewardship.

Program Objectives One through Five, addressed by priority, correlate directly to the Agency Head Performance Planning Document objectives for Fiscal Year 1996-1997, as prescribed by the Patriots Point Development Authority Board of Directors. Program Objectives Six and Seven have been added as accountability measures.

The following is presented as one major program with seven primary objectives ranked in priority order. The overall program costs are reflected as Operating and Maintenance Costs and Capital Costs. Revenues to cover these costs were self-generated, as Patriots Point Development Authority is statutorily defined as an "enterprise agency", expected to function in a self-sufficient fashion.

If there are any questions concerning the content of this report, please contact Charles G. Waldrop, Deputy Director, at 803-881-5980.

Yours sincerely,

A handwritten signature in black ink, appearing to read "James H. Flatley III".

James H. Flatley III
Chief Executive Officer

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Patriots Point Development Authority
Annual Accountability Report for Fiscal Year 1996-1997

Executive Summary:

The statutory authority of the agency dictates that development of natural resources should support and sustain the Naval and Maritime Museum and enhance its mission of fostering pride and patriotism in all of its visitors. In strict compliance with all state procurement guidelines, approved elements of Patriots Point's Master Plan permitted the lease of selected parcels of property for commercial and other state-agency development, thereby maximizing the return on the value of said properties while ensuring their best use.

While continuing traditional methods of ship and aircraft maintenance, restoration and preservation with given manpower resources, we have aggressively sought more innovative and cost-effective ways to catch up on the massive and accelerating challenges in each of these manpower-intensive disciplines. Successful implementation of a fund-raising program, with an early concentration on grant seeking is essential to the long-term success of the maintenance, restoration and preservation of the Museum's ships and aircraft.

Museum assets are already in hand, including the Medal of Honor Museum and its reference library, to create meaningful educational projects and programs, conveying effective history lessons with stirring patriotic content for consumption by the tens of thousands of young people who visit and camp at Patriots Point. We must aggressively market Patriots Point as an educational experience, not simply as a tourist attraction.

Maintaining open dialogue and relationships with local citizens' groups, the business community and veterans' organizations throughout the Greater Charleston area as well as with elected state and federal officials will help to ensure that development of the goals and objectives of Patriots Point receive optimum support.

While Patriots Point currently enjoys the highest gross revenue of any South Carolina tourist attraction, its marketing and advertising budget remains significantly below recommended industry standards. A carefully calculated budget increase, combined with coordinated marketing and advertising strategies, including closer working relationships with local, state and regional tourism bureaus, as well as motor coach and group entertainment industries, will attract increased visitation. Significant potential exists for increasing overnight youth camping revenues by as much as 100% through effective marketing of Patriots Point's facilities to the southeast regional division of the federally-supported high school JROTC program as well as other youth and church group organizations.

An unfortunate decrease in attendance and resultant revenues over the prior fiscal year was influenced by a general decline in attraction visitation in the Charleston area and by two multi-day periods in which the museum was closed due to severe weather activity associated with the passage of sequential hurricanes. This reinforces the need to be creative in developing alternate sources of revenue.

Following maintenance, restoration and preservation, a properly constituted, well-managed volunteer/docent program is the agency director's number one priority in the area of museum operation because these tasks are the only effective vehicle to carry out the museum's mission of education. The day-to-day impact of the program on museum operations will be most evident in terms of overall productivity, workforce attitudes, cost avoidance and, more importantly, customer satisfaction and feedback, thus assuring more focused marketing and advertising. The success of Patriots Point Naval and Maritime Museum rests in its volunteer/docent program.

Mission Statement: To develop and improve Patriots Point, thereby providing a place for historic preservation, education and recreation that will foster among its local, national and international visitors a sense of pride, patriotism and respect for America's ideals and democratic principles as well as an appreciation for the cost of defending those ideals and principles in terms of the ultimate sacrifice paid by tens of thousands of U. S. soldiers, sailors and airmen.

Program Name: Patriots Point Naval and Maritime Museum

Program Cost: Operating and Maintenance: \$4,288,400
Capital: \$73,550

Program Goal: Establish, develop and operate a national museum of ships, naval and maritime, equipment, artifacts, books, manuscripts, art and historical materials to foster patriotism, generate pride and respect for the United States and honor our valiant dead from World War II to the present.

Develop and enhance the Patriots Point land area and water areas of the contiguous Cooper River to support the operation of ships, provide a place of education and recreation, and stimulate national and international travel by providing museums, attractions, lodging and accommodation.

Program Objective One:

Continue to refine mid-to-long-range business plans and strategies for the overall development and revenue enhancement of Patriots Point as the Authority's Conceptual Master Plan continues to be refined and becomes a reality.

Performance Measures:

1. Projected "five-year" capital and operating budgets were developed along with an updated business plan. This resulted in the ability to focus on identifying and developing revenue sources.
2. Focus on business plan and revised strategy facilitated the lease of selected parcels of property for commercial and other state agency development, thereby maximizing the return on the value of said properties while ensuring their best use.

Program Objective Two:

Accelerate all efforts and emphasis on the maintenance, restoration and preservation of Patriots Point's historic collection of naval ships, aircraft and associated artifacts and memorials.

Performance Measures:

1. Approximately 25% of the severest of the leaks and structural integrity problems on the flight deck of the aircraft carrier USS YORKTOWN have been corrected.
2. Final testing and optimum performance was achieved on the cathodic protection systems which are designed to protect the underwater walls of the museum ships from deterioration caused by electrolysis.
3. The exterior of the Coast Guard Cutter INGHAM was completely repainted.
4. The flight deck of USS YORKTOWN was completely repainted.
5. Two (2) flight deck aircraft and a majority of the Museum's collection of missiles were repainted and refinished.
6. Completed construction of four new permanent exhibits and refurbishment of three existing exhibits aboard USS YORKTOWN.
7. Completed restoration and installation of new exhibits in the Mess Deck area of USS LAFHEY.
8. Completed a major exhibit in the Pavilion area devoted to the Battle of Charleston Harbor during the War between the States.

Program Objective Three:

Develop the Naval and Maritime Museum and its surroundings including plans for an adjunct Patriots Point Museum ashore in concert with museum programs, so as to ensure that the resulting historical, educational and patriotic content will cause Patriots Point to be recognized as one of the nation's finest memorials to soldiers, sailors and airmen who have paid the ultimate sacrifice for their country.

Performance Measures:

1. A committee comprised largely of volunteers from the local community has developed preliminary plans and cost data for a shore-side memorial to those men who served so gallantly on FBM submarines to protect America's freedom during the "Cold War" era.
2. An agreement was signed between the Congressional Medal of Honor Society and the Patriots Point Development Authority pledging mutual cooperation and support in designing and building a structure ashore (approximately 80,000 square feet) to focus on the Medal of Honor and all that it stands for.
3. A Youth Education Department has been established which will focus on and, and be responsible for, curriculum development and initial implementation of a program directed at the middle and secondary school student. The program will be centered around the Medal of Honor and will be designed to instill patriotism and duty to country.

Program Objective Four:

Continue to improve on Patriots Point's public image in the local community and throughout the State, thereby creating the atmosphere necessary for the constructive and tangible fulfillment of the mission goals of the agency.

Performance Measures:

1. Participated in and was host site for the 1st Annual Autumn Fest. Autumn Fest is a community/business-sponsored family outdoor festive event with live music, entertainment and specialty foods and drink.
2. Sponsored 1st Annual "Free Admission" Evening Independence Day celebration, complete with fireworks.
3. Hosted the inaugural public display of "The Wall That Heals", a traveling 1/2-scale version of the Vietnam Memorial Wall in Washington, D. C.

4. Patriots Point parade float participated in several seasonal parades around the state, increasing awareness of Patriots Point in areas outside the Greater Charleston area.
5. Hosted and co-sponsored with the Charleston County School System, history-related patriotic events on USS YORKTOWN celebrating Memorial Day and Veterans Day.

Program Objective Five:

Achieve a 3% increase in visitation to the Patriots Point complex by continuing to expand and refine marketing and advertising (M & A) strategies to include better M & A coordination with co-located business partners, Fort Sumter Tours and Patriots Point Links as well as the rest of the South Carolina Tourism industry.

Performance Measures:

	<u>FY 96</u>	<u>FY 97</u>
1. Total regular paid admissions	269,086	257,897
2. Total overnight campers	15,117	16,189
3. Total lease event attendees	6,215	9,304
4. Average dollar expenditure per visitor	13.94	15.13

Program Objective Six:

Improve quality and reliability of telephone services while cutting costs.

Performance Measures:

1. A digital telephone switch upgrade was installed in April, 1997, which offers improved transmission quality, enhanced voice messaging and sophisticated bulletin board and automated attendant services for more reliable internal and external communication.
2. Computer-based management of telephony services allows in-house staff to perform most station installations and system modifications for a significant increase in flexibility and reduction in cost.
3. Installation of 8-hour capacity backup power supply for the telephone system now guarantees reliable internal and external communications even during power outages and emergency states.
4. Fax messaging has significantly broadened staff access to inbound fax services without requiring additional telephone lines or dedicated fax machines.

Program Objective Seven:

Facilitate internal and external communications, improve employee efficiency and cut costs by leveraging computer technology.

1. Patriots Point web site on the internet went on-line in December, 1996, with address www.state.sc.us/patpt.
2. Employee access to computers and the internal network increased 75%.
3. All workstations were upgraded to Windows 95 and Office 97, thereby cutting support costs, simplifying employee training and allowing staff to perform complex tasks in a more efficient and timely manner.
4. A Windows-based computerized accounting system went on-line internally on 1 July, 1996, allowing better control of accounts payable and cash flow requirements.
5. Installation of software and hardware upgrades for graphic arts and marketing now allow in-house production of exhibit signage, brochures, newsletters and other materials previously contracted out, significantly cutting cost and turnaround time for such projects.
6. Digital photography is now used to document and identify all newly accessed collections items, producing a 90% decrease in accessions-related photographic costs while significantly enhancing the security and accessibility of the collections.