

A work session of the Beaufort City Council was held on August 16, 2011 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling, council members Donnie Ann Beer, Mike Sutton, and Mike McFee, and City Manager Scott Dadson. George O'Kelley was absent.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

Mayor Keyserling called the meeting to order at 5:00 p.m.

DISCUSSION ITEMS: MEMORANDUM OF UNDERSTANDING WITH THE BEAUFORT HISTORY MUSEUM

Katherine Lang reviewed current efforts underway with the museum. Dr. Stroup and archeologists have looked at the collection, she said. They have found some items that they would like to auction, i.e., a Greek or Russian triptych which has nothing to do with Beaufort but which they feel would earn money at auction. They are inventorying Indian artifacts, which should take a couple of weeks, and then they will be ready to go. They have applied for a grant for \$15,000 for half the cost of transportable artifact display cases.

They have requested space in City Hall for a period of time, Ms. Lang said, and have discussed this with the Office of Civic Investment, which is creating a space plan. They want to have a chronological permanent exhibit and a separate exhibit space for Lowcountry art that they own, a collection which they hope will gradually grow.

Councilman Sutton said he thought they had made a good start. Ms. Lang said it might be fun to have an exhibit of what was originally in the museum and the things people brought back from foreign lands then made contributions of their souvenirs. Councilman Sutton asked how they would handle family donations, and Ms. Lang said they have to direct them tactfully if it's not something they need or have space for. They might not be able to store all items they have or receive, but could have a special temporary exhibit. She said the museum committee has to be realistic about what they can take on. Councilman McFee said they can refer them to another state's preservation society or a maritime museum, etc.

Bob Moquin asked how much space they would like to have; **Ceil Dore** said 3500' as a base, then 600-800 square feet of storage. They don't have to be restricted to one building. Mr. Moquin asked if they had determined temperature control and other environmental factors. Ms. Lang said they will need temperature control within a safe range. As far as light, they have concerns about UV light. Ms. Dore said they need sleeves for fluorescent lights, and they can buy temperature and humidity sensors.

Councilman McFee asked if the display cases were lighted. Ms. Lang said most won't be lighted, though they may do that in some cases. Mayor Keyserling suggested that there are cases in

Lipsitz. Ms. Lang said there are a few that were retrieved from the original museum during renovations. Councilman Sutton suggested they call his mother who was at an exhibit in Charleston that had some refurbished cases that they were willing to donate.

Mr. Moquin asked for an estimate of the average amount of time people would spend in a 3500 square foot museum. Ms. Dore discussed her experience at the Telfair and said they could do some research on the answer. Ms. Lang said she guessed half-an-hour to forty-five minutes.

Councilman Sutton asked if they have thought about virtual museums. Ms. Lang said to some extent, and the web site will become more sophisticated in time. Councilman Sutton said it will be difficult to find 3500 square feet in the older area of town. Mayor Keyserling said that virtual is "a way to share stuff," adding that Dataw museum makes use of an interesting Power Point.

Mayor Keyserling said the Beaufort Three Century project just began to scratch the surface, and some of those materials can be made virtual. Ms. Lang said once people know that they're serious, they will get many more exhibits. Councilwoman Beer said people will contribute artifacts when they know that what they are giving will be taken proper care of. Councilman McFee said they will have to take care not to get rid of something and then finding out that it was actually an important piece. Ms. Dore said everything is being cross-referenced among the inventory sheets, so before anything is let go, they will match up the items to the index cards. She added that there are state regulations to be followed as well.

Councilman Sutton asked if they would be interested in helping to restore a property that could be rehabbed and then used to house certain types of exhibits. Mayor Keyserling suggested the John Cross Tavern. Councilman Sutton went on to describe a couple of remaining "corner stores" which might be appropriately zoned and could be a preserved setting; there are buildings in the Northwest Quadrant that could be stabilized with a grant and acclimatized.

Ms. Lang said they'll never run out of materials, and Mayor Keyserling asked how to keep them from running out of steam. Ms. Lang said they have discussed that, and they have to keep it from being 'just a social thing.' They have to find serious, passionate successors as well. Councilwoman Beer said as things are accomplished, people will remain motivated, which they weren't in the past. Ms. Dore said they have technology they didn't have in the past beyond index cards and typewritten lists; this technology will draw young people, she feels.

Mr. Dadson highlighted the Memorandum of Understanding before council. Councilman Sutton asked what the Olson bequest was. **Donna Alley** said it was some money meant for the museum. Mr. Dadson said it's a complicated bequest, and it's not available yet because it's still in probate.

Mr. Dadson said the space has been approved by building code in its current state. It can be used for art, etc., though as it becomes more permanent, they will have to invest more in it.

Ms. Lang said they like its Art Deco-ness. They have used it for exhibits, receptions, and charettes thus far. Councilman Sutton asked what they do if they donate the space in-kind, and then find out they “have ‘an original player’ who wants it” from among those they have already approached about renting space at City Hall. There ‘needs to be surety on both sides,’ Councilman Sutton said. It wouldn’t bother the city to let the museum use space in-kind for two years, Mr. Dadson said, but if they need to lease it out, they need to be able to deal with that. If there is any cost in it, Mr. Dadson said, they need to discuss what that would be.

Ms. Lang said the museum wants two years so they “can have time to make it a real museum.” It would also give the city a sense that it really has a museum. In two years, they can have time to explore other location possibilities and raise the money to get a permanent space. As far as rent, they can’t pay it now, but they will be drawing the right kind of tourism and helping the city with both tangibles and intangibles, so economically, it would be an investment for the city to have ‘something that is solid.’ Ms. Dore said if it’s marketed for tour buses, to come to the Beaufort History Museum rather than to Parris Island’s, etc., they need the surety of knowing it’s there.

Councilman Sutton said there’s space above the police/courts building that could be rented. Mr. Dadson said the difference between the spaces is how you access them; the space in City Hall is much more accessible, and the municipal building space is more like secure office space. Councilman Sutton said the institutional groups that they have been courting could use that municipal building space better than the museum could, and Mr. Dadson agreed if they’re not very customer-oriented. Councilman McFee said they are better able to offer a space in the City Hall to the museum if someone else could be put in the municipal building. Mayor Keyserling said the City Hall building should be made a public building to justify its existence. Mr. Dadson asked if they could use the museum space for ‘other utilities,’ and Ms. Lang said that doing so is part of their mission, and they want receptions, etc. to go on there.

Mr. Dadson said council should add that the museum will have non-exclusive use of the space at City Hall for two years or until a permanent home for the museum is found; they should emphasize that there will be in-kind assistance provided from the city, and take out all of the references to particular divisions of the city and what each may do; and there should be an emphasis on finding other small space opportunities, i.e., Councilman Sutton had mentioned rehabilitating ‘corner store’ props as museum spaces. If a space can be preserved, it could drive infill in the property next to it, Councilman Sutton said.

Councilman Sutton said the museum can be a partner to the city, so that the city isn’t the only one doing preservation efforts. Ms. Lang said a lot of grants are drying up, but they’re out there. Mr. Dadson said that various partners can coordinate and engage in work together.

Mayor Keyserling suggested that the retired chair of the art department at USCB is a photographer who is good at the technology side of things; he could help restore photos and

put together Power Points. Councilwoman Beer said there are a lot of resources available. Mayor Keyserling said he's hearing that council thinks this is a great idea, and though there's small concern about the two-year lease, for an institutional tenant, the municipal space is workable, and the City Hall building should have people coming and going in its use as a community center. Mr. Dadson said 'insurance and the in-kind stuff is easy'; he's not concerned about money at this time and feels they should work out the space instead.

Mayor Keyserling requested that Mr. Dadson run it by Councilman O'Kelley. Mr. Dadson said the resolution is adopted, and it's up to the city manager's office to work out the logistics. He reiterated that it's a non-exclusive space, and Ms. Lang said they will have art there already, and others could bring in temporary exhibits, for example. Ms. Dore said everything – cases, etc. – will be mobile.

DESIGNATED MARKETING ORGANIZATION (DMO)

Mayor Keyserling said in reference to a meeting the previous day that 'the oversight will be done,' and he asked council members if any of them would be interested in being on the committee. Councilman McFee said there are specific provisions for oversight and final audit capabilities for the state, etc., but they don't follow the regulations. Mr. Dadson said they have been audited before, so there's some level of oversight on the grant side. Mayor Keyserling asked Mr. Moquin if a DMO submits a report to the state, and Mr. Moquin said no, just to the city and county grant givers. However, they received a grant and had to provide a lot of documentation for that. He's happy to provide the city and county with the same level of documentation he provides the state.

Mr. Dadson said there's nothing specific in the city ordinance like there is at the county. Councilman Sutton said the same financial reporting is done every year. Mr. Dadson said financial reporting is easy to do and to understand as it's currently formatted, but 'what is done with it is another matter.' There are state restrictions and local needs and wishes. Councilman Sutton said co-mingling funds by the DMO makes them less able to be clearly defined.

Mr. Dadson said 'there's a DMO pot and then there are grants.' What the designators of the DMO want it to be used for is one concern, and then there's how it's measured, which is 'a return on investment audit, not a financial one.' Councilman Sutton said he wants to know what type of reporting they can get that will give them a picture of how the money is used beyond 'advertising.' Mr. Dadson said things can be measured in accounting or economic terms. Accounting is simple to do; economic values are different and involve measures to weigh against the accounting perspective, measuring 'what they want the money to do.'

Mr. Moquin said if there's anything council wants from the Visitor and Convention Bureau in terms of expenditures or results, he's happy to be accountable and transparent. He said the marketing arm isn't necessarily selling the product, but that can be factored in. They want to be

able to measure an average visitor's expenditures per visit. If the strategy is to get a younger audience, for example, expenses will go up in order to develop that new market.

Mayor Keyserling said marketing efforts are 'extraordinarily fragmented': what is the point of festivals, for example? He suggested that there is an element no group has done: thinking of smaller events in the broader sense, like a rowing regatta. Such things don't get done because 'they are stuck doing the same old things.' They could spend money to target the groups they want and bring those events/conferences in.

Councilman Sutton said 'history' is lower on the list of reasons people come here; the beauty of nature and water sports are much higher. They're targeting a market that may not use the water, etc. Mr. Dadson said towns always target a market that they think will get something from visiting the town, then go away, and more people in that same market will come to the town after them. There are various groups pushing various aspects of Beaufort, but there's not a broker in the market, so it remains fragmented. Should it be Visitor and Convention Bureau, the Marine Corps, etc.? he asked.

Mayor Keyserling said the national marketing of developments like Dataw is gone; Councilman McFee said the city could leverage that exposure they got in those days. Mr. Dadson said it's complicated now to determine the product that is being sold, who they are representing, etc. Who's brokering it, what are they brokering, and where does the tax come from in the first place? Mr. Moquin said it's called "destination marketing," which is 'the collection of the experience in a place.' He said the product/destination hasn't been packaged as well in the past as it could be. Mr. Dadson said the taxes are targeted in Accommodations Tax and Hospitality Tax. They replaced 'the godawful property taxes.' Mayor Keyserling said this tax was created on Hilton Head Island.

Councilman Sutton said it would be a great idea to solicit the input of the hotel and hospitality owners for a future council work session in order to have this conversation with them: what are you marketing, how are you filling your hotel, and what help do you need? State law requires that the marketing be 'for heads in beds,' but council is not talking to those people. He'd like to know if hotels 'are selling other things besides buggy tours.' Mr. Moquin said 'little is being done that is on behalf of the hotels out of market.' They 'look to the Visitor and Convention Bureau to get the word out.' The Visitor and Convention Bureau is trying to get them to participate more vs. going out and buying their own advertising.

Mr. Dadson said the city controls a series of dollars based on receipts they get in: they do economic development, Main Street Beaufort, parades, etc. There's also an investment in the product of Beaufort; they spend millions on open space to make accessible views of water. They spend money on boat ramps and parking meters. Hotel owners have made a major investment, too, and there are other pieces as well that 'create a complicated model of marketing and giving, both.' Councilman Sutton said Spring Island, Dataw, and Fripp sell a

lifestyle, and not everybody can afford that lifestyle. Mr. Moquin said that marketing should be to that group that can afford it.

Mayor Keyserling said the drivers in Beaufort remain the water and the historic district. Making life better for the people who live here is the best way to market Beaufort; economic development is important to tourism because 'people will want to live in this little town.' Mayor Keyserling gave the example of the Rail to Trail project, which is meant to enhance the quality of life of those who live here, but it will draw tourists, too. Councilman McFee said the "best places to live" issues of magazines rank Beaufort in the Top 20 or 30, though there's great disparity in the choices of other cities in the rankings and in what features are considered to rank them.

Councilman Sutton said they need to look at the stakes they are willing to change; they 'can't go status quo.' The pie's sliced too thinly now, and groups aren't given sufficient leverage. Groups need to be self-sustaining and actually have the ability to leverage.

Mr. Dadson said the city needs to determine what they want, too. Mr. Moquin said this affects the Redevelopment Commission, the Office of Civic Investment, and the 'harsh wall between the water and the land.' Mr. Dadson said all the groups who could be leveraging one group's efforts with them don't show up to do that. In a conversation about the hospital's support of the bike race, Mayor Keyserling said "wellness" could be a huge economic development tool. Councilman Sutton said in regard to the county, the accountability needs to be the same, and it would be ideal to have the marketing be the same, but Beaufort can't compete with Hilton Head Island. Councilman McFee said the DMO's for each side of the river will be different.

Mr. Moquin said the county's annual Accommodations Tax grant was discussed at the meeting the previous day, and it was recommended that if there are additional dollars available, not to have another doling out of money just to spend it, but to roll the excess over to the next year and 'use it to make a difference.'

Mayor Keyserling said the university is interested in getting some money for bringing groups of a few hundred to Beaufort for conferences. Rather than just giving them a little Accommodations Tax money, he would like to see that be part of a pot for a *team* that will have an integrated, rather than a fragmented, approach. Money to market the city should come only from the DMO, Councilman Sutton said. Councilman McFee said the 'approach has to be fine-tuned to create the biggest bang for the buck.' Mayor Keyserling said it's a matter of leadership. Councilwoman Beer said the way things are done hasn't changed much. Mayor Keyserling said council has learned that they can ask, "Is there not a better way to do it?"

Mr. Moquin said he's had discussions about creating a cooperative marketing program with some developers for a targeted audience. Councilman Sutton asked staff to prepare a cheat sheet on Hospitality Tax and Accommodations Tax. Mr. Dadson said it should include 'what is

consistently always done to make product better here' and what it costs in allocations and in-kind. Huge investments have been made. Mr. Dadson said they're making an effort to keep institutions in town and to market by the block instead of by huge developments. Councilwoman Beer said a retirement community is great, but they have to keep the town living by bringing in families with children and industries that will employ them.

A discussion ensued about the merits of the city.

There being no further business, the meeting was adjourned at 7:28 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK