

A work session of Beaufort City Council was held on September 10, 2019 at 5:00 p.m. at Fire Station #2, 1120 Ribaut Road. In attendance were Mayor Billy Keyserling, Councilwoman Nan Sutton, Councilmen Stephen Murray, Mike McFee, and Phil Cromer, and Bill Prokop, city manager.

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.

CALL TO ORDER

Mayor Keyserling called the work session to order at approximately 5:00 p.m.

PRESENTATION: DOWNTOWN BEAUFORT MERCHANTS ASSOCIATION'S REQUEST FOR HOSPITALITY FUNDS FOR FY2020

Mary and Eric Thibault made a presentation about the merchant association's events and plans for the coming year.

Mr. Thibault reviewed the group's goals, including outreach, particularly through social media, for which they created a "fantastic website" at DowntownBeaufortSC.org and a marketing committee. They have used various media to promote their "signature event," First Fridays, he said, and have increased foot traffic for First Fridays.

"Challenges ahead" include "mitigating the severe economic impact faced from hurricane activity," Mr. Thibault said, and looking for ways to "offset the loss" of tourists that results after the evacuations, in the period before tourists come back to Beaufort.

Mr. Thibault said the Downtown Beaufort Merchants Association has created an "online marketing hub" that is more than a website; it's "a hub of information about everything downtown." He discussed some of the links and features of the hub. Almost half of the traffic to the site comes directly from social media, he said.

Ms. Thibault pointed out the association's QR code.

The website has been up 6 or 7 months, Mr. Thibault said. He discussed the numbers of followers on Facebook and other social media. The association's target age range is 30 to 65 and "mainly females," he said, and that's who their social media is reaching, but they are going to start targeting it more.

Mr. Thibault said they were a little over-budget on radio ads, which are expensive, so they would be adjusting that to control costs and would focus more on targeting their audience via social media.

The membership in the association has moved up from 34 members to 46, Mr. Thibault said; their target number for this year was 50, so they're close. He presented other data

about First Fridays (e.g., overall sales numbers are “significantly higher” the four times a year that Bay Street is closed for First Fridays).

Mr. Thibault read comments from merchants and galleries about the positive effects of First Fridays on sales and foot traffic. For example, 16% of the average monthly sales at Thibault Gallery occur on First Friday, he said, and at Lulu Burgess, from 5 to 8 p.m. on First Fridays there have been an additional “375 register rings,” year-to-date.

Downtown Beaufort Merchants Association is an inclusive organization, Mr. Thibault said, and he described its activities in the past year. The organization is growing, thanks in part to **Rhonda Carey**, who has helped them identify zones downtown.

Mr. Thibault said the merchant association plans to grow in the coming year by offering “affiliate” and “Friends of Downtown” local memberships, which he described, and by using email lists and targeted social media marketing. This year, the organization will have three new board members, he said.

Mr. Thibault presented a budget breakdown for the coming year. Entertainment is paramount to making First Fridays enticing, he said. The biggest difference in this year’s budget is that no money will be spent on radio ads; the bulk of the budget – other than entertainment – will be spent on social media advertising, he said.

The Downtown Beaufort Merchants Association is asking for \$22,050 from the City of Beaufort, Mr. Thibault said.

Councilwoman Sutton said the First Friday events are “finally happening” after years of trying to get them off the ground. She sees a real difference in the numbers at her store because of the events.

Mr. Thibault said the biggest impact the merchant association has had is on the “cohesiveness of downtown,” where merchants are now communicating better. “It’s made us . . . a cohesive unit,” he said, and he feels “the future looks bright.”

Councilman Murray said he continues to be “impressed” by and “appreciative” of what the Downtown Beaufort Merchants Association is doing. The organization is being led and run by the merchants themselves, and he feels the First Friday events and the website are very well done, especially in encouraging the day trips from Hilton Head and Savannah. He said he supports the group’s funding request.

There is about a 25-30% in-kind contribution by the merchants in the association, relative to the public funding the group receives, Councilman Murray said, which is something he likes to see, and as the association is more successful, he would like to see that amount increase. He asked Mr. Thibault about member dues and other sources of funding for the organization. Mr. Thibault said the merchant association’s income from

annual member dues is \$7,200, with an additional \$1,800 that comes in for “membership co-op advertising”; \$22,050 is the ask the association is making from city council. The average business spends \$150 per month for First Friday, he said.

Councilman Murray said he’d underestimated the in-kind contributions of the merchants, which would be almost twice what he had previously suggested. Councilwoman Sutton said \$150 is what most businesses spend “just for that night,” on First Fridays, while also spending “a lot more” money “for marketing and advertising.” Councilman Murray said he feels \$150 is probably a conservative estimate for what some merchants spend on refreshments and entertainment for First Fridays.

Councilman Murray said if the Downtown Beaufort Merchants Association could successfully get more merchants to stay open later hours, he would support city funding to help market that, so the public would know that businesses were staying open later. It “would make a tremendous difference . . . aligning those hours with when the public actually wants to shop,” he said. Mr. Thibault agreed. Councilwoman Sutton said, “It’s a tough sell.” Mr. Thibault said it is, in “some areas,” but there are a lot of newer business owners who are “energetic” and want to do what it takes “to make all of us successful.” Councilman Murray suggested getting “creative” and providing incentives to “people who want to participate” in having extended hours.

Mr. Thibault asked if Councilman Murray was talking about extended hours during First Fridays or “all the time.” Councilman Murray said he’s thinking “more year-round,” perhaps starting with Thursdays through Saturdays. He understands that labor is expensive, and they might not all want to commit to extended hours in the first part of the week, but he has seen significant foot traffic downtown at 5:30 and 6:00 p.m. on Thursday, Friday, and Saturday evenings, “looking into dark store windows.” The same is true on Sundays. Some stores are open/stay open a little later on those days, for which he thanked them. If the majority of the downtown shopping district was open until 8 or 9 p.m. consistently on certain days, Councilman Murray said, and that were marketed, people would come to expect it and would come downtown. He said they have all heard from hoteliers that people who check in at 2 or 3 p.m. on a Friday or Saturday, walk downtown in the early evening after settling in, and “want to spend money, but there’s nowhere to do it.”

Mayor Keyserling said the Downtown Beaufort Merchants Association has “done what you said you were going to do.” He asked if there is duplication between the CVB’s website and the merchant association’s, and if they could talk to the CVB about the sites being “tied more closely.” Mr. Thibault said he would love to do that and thinks it’s a good idea.

Mayor Keyserling asked how much the city is contributing in-kind to First Fridays, via **Linda Roper’s** and Ms. Carey’s time on those events. **Kathy Todd** said that hasn’t been quantified. Ms. Roper said, “It’s 2 to 3 people every Friday for 4 to 5 hours, not to

mention" coordination ahead of time, on which she said she couldn't put a number. Mayor Keyserling suggested putting "numbers on those hours" to "get a real picture of what" the city is contributing in-kind. There might be another \$5,000 to \$7,000 that the city is giving to this effort, over and above the hospitality funds.

Mayor Keyserling said many downtown retail studies have shown that, other than retail mix, "the hours" stores are open is "the issue." He wonders whether the increases in sales on First Fridays are because of the promotion of the events or because the stores are open those extended hours on those nights. There are more people in Beaufort on weekends in certain seasons, he said, and there is anecdotal evidence about their disappointment when "everything's closed" in the evenings and on Sundays. "The times when we have more people here, many of the stores are closed," Mayor Keyserling said, so he thinks it's something to think about within the Downtown Beaufort Merchants Association.

Mayor Keyserling said there was brouhaha years ago because of merchants moving to Boundary Street, where he thinks there will now be a lot of growth in retail, restaurants, and "culture" because of available space and "a new audience" of USCB students. He'd like the Downtown Beaufort Merchants Association to think about "getting people" to travel the 8 or 10 blocks from Bay Street to Boundary Street to shop. He thinks it's important to support "those businesses that are leading the way on Boundary Street" and the university. The proximity to the water is an advantage for Bay Street area businesses, but "we pay a price in parking" downtown, Mayor Keyserling said, so they need to look at commercial "as a band that runs around residential." At one point, he said, Main Street Beaufort wouldn't allow Boundary Street merchants to belong, but later they relented and even put Main Street flags on Boundary Street. Councilwoman Sutton said that was "a long time ago." Mayor Keyserling said the right way to grow retail and the neighborhoods by expanding and providing more opportunities in the Boundary Street area and for everyone to "support that area as part of downtown."

Mr. Thibault said Downtown Beaufort Merchants Association's parameters are in its bylaws, but the board could vote to change that in the future to encompass "Midtown and Uptown." Mayor Keyserling said he's saying Boundary Street is "a potential goldmine," and the city needs to be aware of promoting "all of its businesses fairly."

Councilman Murray asked to correct his math from earlier: with \$150 in-kind spent per association merchant per month, the annual in-kind total is \$82,800. Adding in membership co-oping and dues is "another \$9,000 in actual cash investment," so the member merchants are making "a 4-to-1 match over public dollars."

Ms. Roper said the consistency of First Fridays and the merchants' buy-in are what have made them successful. She feels the events are bringing in locals consistently, including inquiries about whether there would be a First Friday during the week of the Hurricane Dorian evacuation.

Mr. Prokop said, if the merchant association were to update its bylaws in the future, the inclusion of Boundary Street businesses in the “core district” would not be on the whole street but “Boundary Street to either Bladen or Ribaut” Road, “back to Carteret Street.” Mayor Keyserling agreed and said he and Mr. Prokop are encouraging them to “think with us about the future.”

Mr. Thibault thanked the city for its faith in the Downtown Beaufort Merchants Association and the help Ms. Roper and Ms. Carey have given them.

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) and (1) of the South Carolina Code of Law, **Councilman Murray made a motion, seconded by Councilman McFee, to enter into Executive Session for discussion of land acquisition, legal advice, boards and commissions, and personnel. The motion passed unanimously.**

There being no further business to come before council, the work session was adjourned at approximately 5:30 p.m.