Case: Restoring Tourism Assets in Charleston, South Carolina after Hurricane Hugo (1989)

Community Profile

Located on the eastern coast of South Carolina, Charleston has a rich history that stretches back to colonial times. It is well-known for its charm, Southern tradition, and abundant historical landmarks and attracts nearly four million visitors each year. Charleston is the second most populous city in South Carolina, with almost 125,000 living in the city and 659,000 in the metropolitan statistical area. Tourism is the Charleston area’s top industry and accounts for $2.8 billion in annual economic impact and $1 billion in industry employment.

Disaster and Impact on Charleston

In September 1989, Hurricane Hugo swept up the east coast from the Caribbean and did extensive damage to Charleston and its neighboring suburbs. About 50,000 were still homeless after a week, and many more were left without electricity, water, and food, which took a month to fully restore. Hugo caused a total of $2.8 billion in damage in the city of Charleston alone. Although the most devastated areas were outside of Charleston, upwards to three-quarters of the 3,500 buildings in the historic downtown were damaged. About 20 to 25 historically significant buildings endured severe damage.

While hotels were operating at capacity the first four months because of the cleanup work, these “visitors” failed to provide critical revenue for the community, such as visiting historic sites and tourist attractions, high-end restaurants, and retail shops. However, due to rigorous recovery efforts, the following tourism season was launched successfully. Charleston carried out its annual tour of local historic homes even as the city continued to rebuild.

Tourism Recovery Efforts

Developed a Post-Disaster Taskforce to Address Tourism Issues

In the wake of the disaster, a local hotel manager, a retail business owner and a tourism video producer launched a task force to “Save the Season”—an initiative to save the 1990 season’s tourism business. Prior to the hurricane, Charleston tourism stakeholders—retail owners, small

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businesses, and others—were relatively autonomous. The task force rallied approximately 40 stakeholders who began to meet on a weekly basis to discuss recovery priorities. Joe Riley, Mayor of Charleston, and John Bourne, Mayor of North Charleston, met with the group and heeded its counsel to prioritize cleaning up the visitor-heavy Charleston Market Area. The task force eventually integrated into the Charleston Convention and Visitors Bureau (CVB) as the Travel Council, which became its private-sector marketing fund as the CVB took over long-term, comprehensive recovery efforts.

Reallocated Tourism Dollars to Address Perception Issues

Once recovery on the ground began to stabilize, the Charleston CVB launched a public relations campaign with the motto, “We’re Going Strong.” The Oprah Winfrey Show was televised from Charleston to raise money for recovery, and Mayor Joseph Riley appeared on the show wearing a t-shirt that said “CHARLESTON, S.C.: WE’RE GOING STRONG.” The key was to dispel the notion that damage was more extensive than it actually was. For instance, the national media would portray a collapsed building (which had already been in disrepair prior to the hurricane), while the building in the adjacent lot had suffered only minor damage from the storm. The CVB found that the most effective method of correcting extreme perceptions was to counter image-for-image. Ads ran via public information channels and in print media and displayed tourists seeing and enjoying local attractions. Today, tourism organizations are employing even more immediate technologies such as web cams, live feeds, blogs, and social media.

The “We’re Going Strong” campaign was funded primarily by CVB reallocations from that fiscal year. The South Carolina Department of Tourism contributed a $100,000 grant to be matched by the CVB as well as another $50,000 outright. Charleston also received a $100,000 grant from the U.S. Travel and Tourism Association (USTTA) for international marketing, and Coastal South Carolina USA received a $500,000 USTTA grant. These funds supported the campaign between October and February to encourage tourism in the coming spring season.

Cooperation on a Regional Level

As tourists are drawn to attractions regardless of municipal lines, a central component in Charleston’s marketing efforts was regionalism. Charleston CVB represents nine different jurisdictions, including Charleston County. These groups worked together to form a recovery task force as well as to pool funds for regional marketing. Promoting the region provided a synergy that offered tourists the best possible range of activities. For instance, visitors can explore the cultural appeal of Charleston’s historic downtown and cross over to one of Charleston’s barrier islands to enjoy its beaches. The CVB determined that in regional marketing, the whole is often greater than the sum of the parts.

Proactive Leadership from both the Public Sector and Community

One of the main factors that shaped the recovery process in Charleston was proactive leadership. Mayor Riley worked to coordinate recovery resources and to maintain an active
presence in front of the media—local, regional, and national—to provide accurate information and to promote the city and the region. The CVB president also provided strong leadership in coordinating the “We’re Going Strong” campaign and in working with local leaders to remove obstacles to tourism. In addition, industry volunteers were critical in organizing the task force and maintaining momentum in the guidance of recovery efforts.

**Prioritizing the Rebuilding of Unique Cultural Assets**

Charleston’s leadership worked effectively together to channel the use of recovery resources and funds to build back the community and attract the return of both residents and revenue-generating tourists. In the words of Mayor Riley, “Boiled down, our philosophy about tourism is that all decisions for a city should be made with the resident in mind first.” The focus on improving the quality of life and meeting the needs of residents often translates into an attractive place for both residents and visitors.

The Board of Architectural Review had a strong vision for how many of the historic properties should be rebuilt in the historic districts. It formed a preservation consortium with the Preservation Society, Historic Charleston Foundation, the Charleston Museum, the southern regional office of the National Trust for Historic Preservation, and city planners. This consortium provided critical leadership to oversee the renovation work, realizing that insurance payments would help fund much of the needed repairs. To maintain authentic, historic design elements in the properties, they even brought in artisans from France to repair sleigh roofs. In addition, the injection of insurance payments allowed residents not only to restore but to update homes, improving the quality of neighborhoods overall.

**SUMMARY**

Prior to the storm, Charleston had been experiencing gentrification of its poorer neighborhoods, development of its suburbs, and revitalization of its barrier islands at destination locales. Hugo, however devastating, presented the opportunity for Charleston to accelerate its urban renewal efforts. Insurance payments and a clear vision created what some locals refer to as the “Hugo Effect”—forced urban renewal. Said Mayor Riley, “Without any question, this city emerged from the recovery stronger, more beautiful, and more economically vibrant than it was before.”