



September 23, 2010

The Charleston Wine + Food Festival® has been following closely the developments with the proposed changes that the TRAC Tourism Subcommittee is considering with the local city's accommodations tax. We are greatly concerned about the impact this change would have on our organization's success and we wanted to inform you why.

The Festival receives roughly \$90,000 annually from the City of Charleston through the ATAX grant funding. This funding is critical to our out-of-town marketing efforts, including advertising in key target markets, sending direct mail campaigns to past out of town attendees and more. The funding we have received in the past from the City does not cover the entire out of market expenses but is an important source of our marketing budget. Not receiving this funding will negatively impact our marketing budget when now more than ever we need to market Charleston and the Festival to important out-of-town markets.

It was recently announced that Atlanta will be organizing a food and wine festival in May 2011. This will directly compete with our Festival. We already have planned to continue our out of town marketing and hope to reach key people that could possibly be considering attending the Atlanta event over ours. If we lose the City of Charleston ATAX funding, we will have to cut our already limited out-of-town marketing campaign and will greatly risk cutting the number of out-of-town visitors to Charleston during our Festival.

If you are not familiar with our event, it has been named one of the top five food and wine festivals by *Forbes* and *USA Today*. We fly in over 100 of the world's top chefs, media, authors and beverage professionals to be a part of this four-day event that showcases Charleston. National media coverage has been explosive including articles in *The New York Times*, *Wall Street Journal*, *USA Today*, *Bon Appétit* and mentions on multiple Food Network shows.

The Festival is a big economic boost to the local economy in a historically slower time of year for tourists. We bring in over 16,500 attendees and over 40 percent of our attendees reside 50+ miles from Charleston. 13 percent of those had never been to Charleston prior to the Festival. 69.4 percent of the out-of-town guests paid for accommodations for an average of 2.8 night, spending an average of \$769 per person during their stay or \$1,900 per party. Total taxes raised for local state, federal and accommodations tax was \$843,000.

We also create jobs for the local economy. The Festival has a full-time staff of six and a part-time team of 15 for the Festival. The Festival also hires a staffing, security and

clean-up company which total employees over 100 people throughout the weekend bringing a labor income of \$1.7 million with a generated tax of \$842,000. Approximately 90 percent of the \$1.9 million operating budget is spent locally and best of all we give back funds raised at charity related events and auctions to area charities and culinary scholarship programs. The total Economic Impact of the Festival, as determined by the College of Charleston's Office of Tourism Analysis, was \$5 million for the 2010 Festival, double from the year before.

We hope that the TRAC Tourism Subcommittee will consider the long term impact of the proposed accommodations tax funding cuts and will continue to find ways to provide funding to festival's like ourselves that bring tourist to Charleston and put "heads in beds." This past March, we brought 7,200 out-of-town guests to the area, most of which stayed at local hotels and resorts. We have proven our success and we hope that we can continue to have your support.

Attached is a breakdown of the 2010 Economic Impact Study by the College of Charleston. Please let us know if you would like a copy of the complete study (over 150 pages) and we will send it to you. We appreciate your consideration.

Sincerely,

Angel Postell
Executive Director

Rick Jerue
President, Art Institute of Charleston
Vice Chair, Board of Directors