



CITY OF KIRKLAND
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MEMORANDUM

To: Dave Ramsay, City Manager

From: Sheila Cloney, Special Projects Coordinator

Date: September 20, 2007

Subject: KIRKLAND UNCORKED

RECOMMENDATION:

City Council receive a report on the 2007 Kirkland Uncorked event.

BACKGROUND:

The vision for Kirkland Uncorked was to host a regional event featuring wine and art. Kirkland Uncorked was sponsored by the City of Kirkland as a tourism event intended to attract visitors to Kirkland to shop, dine and stay at local hotels. The event was also used as a fundraiser for the Kirkland Arts Center. Kirkland Uncorked replaced Summerfest which was discontinued after the Kirkland Arts Center announced in the early Fall of 2006 that it would not longer produce the event. The proposal presented to the City Council was for two Uncorked events (to be held in 2007 and 2008), including an initial investment from the City of \$40,000 which was to be repaid over a two-year period.

As a new event, Kirkland Uncorked was “built from scratch” using concepts from other events and involving a number of community groups as well as outside groups. The City engaged the services of an event production company (Bold Hat Productions) to organize, promote and stage the event. City staff worked with Bold Hat Productions to coordinate within the City organization (as we do for all special events), with the Cultural Council and with other community groups such as the Kirkland Downtown Association and Kirkland Arts Studio Tour.

Kirkland Uncorked was built in collaboration with the following stakeholders:

- Bold Hat Productions
- Washington State Wine Commission
- Seattle Homes and Lifestyles
- Kirkland Cultural Council
- Kirkland Art Center
- KAST – Kirkland Artist Studio Tour
- Kirkland Downtown Association (KDA)
- Kirkland Parks Department

- Kirkland Teen Center
- Kirkland Tourism Program
- Kirkland Special Event Program

The objective for the first year was to focus on the customer experience by producing a lifestyle, experiential event not produced anywhere else. For a first-time event of this magnitude, it was planned and produced in a relatively short time frame.

A rigorous post-evaluation checklist was developed that would assess the success of the event on multiple levels. Anecdotal feedback together with more objective results would then be used for planning the following year's event. As with most first-time events (and especially with events such as Uncorked that are multi-faceted in its offerings and objectives) there were elements that were very successful and others that were less successful that need to be changed or eliminated if another Uncorked event is held.

Following is a summary of the feedback and a general assessment of the various elements of the 2007 Kirkland Uncorked event.

Customer Experience

The customer experience fit into two categories – those who came for a wine event and those who came for “Summerfest.” Customer comments were very positive from the people who expected wine. They enjoyed the event and thought the price was right. Those who came for the Summerfest experience were disappointed. The deliberate effort to build Uncorked on the success of Summerfest contributed to the confusion. In addition, a number of customers were confused by the location and lack of availability of food in the wine garden and the price of admission to the event (there were several different options) was especially confusing to customers.

The testimonials taken from the (postage pre-paid) comment cards distributed during the event yielded a range of perspectives (complete text of comment cards is included at the end of this memo):

“We are back for second night. Thank you for having such a well-run function. This was an event shared with our visiting family.”

“Outstanding event – loved the bands – Thank you.”

“This is better than Summerfest.”

“Well planned and attended event. Needs like music throughout event. Needs many food booths (for meals).”

“. . . almost the whole area was not available for kids! This park is usually a family oriented place, and we've been there for the previous similar events, and it was always more open to the kids. Thanks.”

“Thank you for providing recycle bins! Bravo. I did think entry fee was costly though.”

“Not a good value for the money – not enough food, a bit disorganized. Love the event! Had a good time, but would not buy a ticket again.”

“Concept great; performance mediocre. When event opens there should be same options all the time. Coming at lunch definitely made one feel like a second rate citizen. Food tasting options did not occur until after 1pm and the best time was 3-5 p.m. No Woodinville Wines.”

“Great start for first year. Would love to taste more as well as explore/hear from local vintners about the wine process – food inside tasting are would be great.”

“Fun! Delicious food tasting, great wine, great grill cook-off!”

“Wine tasting event does not belong in public park. The tax-paying public should have use of full park not 1/3. I suggest it be held elsewhere. People turned away because of fees charged.”

“Thanks for using the Marina area – Kirkland is our second home – wine tasting great idea – its like NAPA.”

Downtown Business Experience

Post-event interviews were conducted with businesses in the downtown. Their comments indicate that the event had a positive impact. A variety of “companion” events and specials were offered to complement the festival.

- Argosy Cruises offered a wine cruise with a member of the Washington State Wine Commission who gave a wine lecture. According to Argosy, this was the most well-attended cruise they held all year.
- Oriel restaurant owners noted that not only did they serve food at the event but the restaurant did its best day of business since its opening.
- Luanne Erickson of Howard Mandeville said she had many visitors in the gallery – Sunday was especially good.
- Quinn Elliott, executive director of the Kirkland Arts Center, noted that the members booth located in the wine garden put in much less energy toward the event than required by producing Summerfest and still made about one third of the sales they did at Summerfest in 2006.
- The Grape Choice was pleased with event and noted that they gained exposure to a different audience.

Kirkland Downtown Association (KDA) Experience

The KDA produced the Artists in Action event on Kirkland Avenue. Following the event, the KDA advised the city that they do not plan produce Artists in Action on Kirkland Avenue next year. Rather, they would like to change their role in the event to providing notification to downtown merchants, distribution of

collateral materials throughout the downtown core, and assisting with soliciting restaurants to participate in the event. While the KDA will not be programming Kirkland Avenue in 2008, they want to see the area utilized as part of the event. Further, they ask that the Marina parking lot remain open for parking and agree that additional food needs to be provided at the 2008 event.

Music Experience

Music in the wine garden consisted of ambient music during day and live bands in the evening. The Kirkland Teen Center (KTUB) provided live music during the day on Saturday. Most of the music in the wine garden and at the Teen Center received good reviews. In hindsight, we believe that the overall music component could be improved as it was not programmed sufficiently or appropriately for the event. Placement of the grilling competition near the music stage was a problem as was timing of the KTUB music which conflicted with the grilling competition. While the KTUB stage provided live bands and assisted with providing additional ambient music throughout the day overall, both the Teen Center and the Uncorked event team feel that the teen center stage was not the best fit and location for the event.

Food Experience

Food inside the wine garden consisted of Kirkland restaurants that provided tastes, chef demonstrations, and a grilling competition. The chef demonstrations and the grilling competition were a big hit. All participants and sponsors were pleased with the event and promise to come back next year.

The amount and availability of food at the event was planned in response to the concerns expressed by downtown restaurants before the event that festivals negatively impact restaurant sales. In fact, the KDA reports that restaurants did much better than they ever had during Summerfest, and for a sunny weekend did slightly more business than they would have done on a nice summer weekend with no event going on. However, there were several issues noted:

- The food tasting area was not easy to find, and there were simply not enough food vendors (offering full meals) throughout the entire event.
- A better balance needs to be struck between having food on-site and supporting local restaurants. In the end, event patrons were disappointed that full meals were not available at the event site (we heard over and over that customers did not want to leave the event to go to a restaurant).

A clearly marked dining garden with an effective sponsor could greatly improve food operations in 2008. Kirkland caterers could be used in 2008 to compliment the samples provided by the restaurants and provide additional income to the event.

Kids' Experience

Although the kids had a terrific time building and racing potato cars (hosted by the Washington State Potato Commission) the event was not designed overall to be a family/kid friendly event. This is an area where we need better definition of the primary mission of the event – as a tourism promotion vehicle or a community event since they would be distinctly different in their design and appeal and potentially require different levels of public support.

Art Experience

Planning the art component of the event proved difficult for everyone involved in the effort. Again, a lack of focus on the mission of the event and, specifically, the art component led to conflicting visions among stakeholders. Uncorked event organizers, the Kirkland Cultural Council, the Kirkland Gallery Association, the Kirkland Art Center, KDA Artists in Action, and members of the Kirkland Artist Studio Tour (KAST) were all engaged in ongoing discussions and meetings during the entire event planning process. However, disagreement arose over the selection process for artists that would be featured on Kirkland Avenue. While artists from the Kirkland Artists Studio Tour (KAST) were featured at Uncorked they were not satisfied with the final product.

Following the event, staff was contacted by Best of the Northwest – NW Craft Alliance (BTN) regarding producing the art portion of Uncorked in 2008. BTN currently produces two large scale annual juried art shows that are very well regarded. Many KAST artists are also members of this highly regarded organization. Following a meeting with BTN, Bold Hat Production, city staff and KAST organizer Chris Sharpe determined that a partnership with BTN would be a very acceptable solution to providing art at the 2008 event.

In the end, we believe that the loss of Summerfest is a much bigger issue for the arts community than was originally understood. The larger issue of how art will be marketed and represented in Kirkland falls outside the role of Bold Hat Productions and the Special Event Coordinator, however remains a concern for the City and the arts community in general. Staff recommends that this issue be examined in greater depth, perhaps by the Kirkland Cultural Council, over the coming year.

Wine Experience

The Washington State Wine Commission's objective was to reach people ages 21-35 (millennia generation). The event adopted a "Wine for the People" motto and supported it with a \$25 ticket price. Comparable events have ticket prices ranging from \$60 to \$120. Initially it was thought that wineries would rotate out throughout the weekend however as it turned out the first 17 wineries to sign up wanted to stay for the entire weekend eliminating the need for rotating wineries (which made things much easier). The Washington State Wine Commission reported that the event was a success from their perspective. Quality contacts (in the form of mailing lists) were made and all participating wineries would like to return in 2008.

Bottled wine sales totaled 1,200 bottles at an average price of \$20.00, resulting in \$24,000 in gross revenue which was on target for the budgeted amount.

Marketing Sponsorships' Experience

While getting sponsors on board was reasonably successful, the challenge was in trying to sell an event that had not yet taken place. Kirkland Uncorked had no reputation or track record by which sponsors could anticipate a return on investment. Nonetheless, the event managed to garner sponsorships from a variety of businesses and associations.

Seattle Homes and Lifestyle (SH&L) representatives report that they were very satisfied with the event, made quality contacts and plan to return in 2008. SH&L printed and inserted 70,000 programs into the July issue of SH&L. Their publication aligns with a target demographic that the event attracted and they would like to start selling advertising/sponsorship this October for the 2008 event.

A variety of marketing efforts were undertaken in cooperation with local and regional outlets, including:

- Promotion trade with Argosy Cruises
- Washington Potato Commission (purchased \$20,000 in KING 5 TV ads)
- KMTT (purchased \$20,000 in advertising)
- Classic KING FM (purchased \$40,000 in advertising)
- Kirkland Courier Reporter (mini program/2 full pages - \$30,000 ad value)
- Kirkland Gallery Association (members purchased individual ad spaces in the event program)

In addition, cross-marketing efforts were undertaken:

- Woodinville Wine Highway
- Seafair and the Bellevue Marathon
- www.ExloreKirkland.com
- www.WashingtonStateWineCommission.org
- Kirkland's Partner City - Walla Walla Tourism
- Walla Walla Wine Alliance

All 2007 sponsors have indicated a desire to renew for 2008 and several new major sponsors and a foundation have come forward to indicate their interest in being involved with the 2008 event.

Tourism

A destination such as Kirkland needs two of three major stories each year to keep the travel media writing about the area. Kirkland Uncorked was tourism's summer story. It was new, different, and had broad appeal. While Bold Hat Productions focused on securing advertising sponsorships (TV, radio and print ads) the tourism program complimented that effort by submitting calendar listings and pitching the story from Kirkland to California. Ultimately, the event was mentioned in the LA Times, Seattle Weekly, Seattle Times, America Online travel web site, and the Kirkland Reporter (who also published photos following the event).

The tourism program assisted with the creation of the Uncorked website, printed 6,000 event programs and hosted Sarika Chawler producer of "Peter Greenberg Worldwide," a national travel researcher working on behalf of Peter Greenberg. Peter Greenberg is the travel writer for the Today Show, and hosts an AOL travel site that estimates an audience of two million readers. The exact return on investment is ongoing as the researcher continues to write about Kirkland as a destination. The tourism program directed approximately \$12,500 in lodging tax funds towards these public relations and marketing efforts.

One measure of success is the sales tax and lodging tax performance during the Uncorked event. Tax data for the July period is not available at this writing. At this time, we only have anecdotal information available to determine the impact of the event on City revenue.

Survey data was collected at Uncorked and event organizers are awaiting a report on the economic impact of the event. The report is being prepared by Scott Nagel, President of Washington Festival and Events Association.

Attendance

Public areas were programmed for attendance of about 30,000 people over the three-day event. Estimated actual attendance in the public areas and downtown was somewhere between 25,000 and 40,000. There were a total of 3,332 guests who paid to get into the wine garden with a total number of entries into the gated area of 5,250 (includes VIP passes and return entries that had already paid). Of those that attended, 349 advance tickets were purchased (270 of which were sold at local outlets, the remaining 79 were purchased online). Bold Hat Productions notes that this is an unusually high number of advance ticket purchased locally for this type of event.

The wine garden venue was planned to hold up to 8,000-10,000 customers over the three day period. However, at peak times the actual attendance, while less than planned, was about right for the venue (i.e. too many more people at the peak times would have seemed too crowded).

Event staff believes that attendance at the event was impacted by the closure of the 520 bridge over the event weekend. The Uncorked team learned that the 520 bridge was slated to be closed over the event weekend in January 2007. At that time, Kirkland Public Works and City Manager's Office staff contacted Department of Transportation staff regarding rescheduling the closure (in years past DOT staff had indicated that it had the ability to reschedule projects that were disruptive to other pre-planned activities such as the Uncorked event). Making no progress on the issue, staff contacted State Representative Larry Springer whose efforts to change the date of the 520 closure were also unsuccessful. The Kirkland Uncorked team believes that the bridge closure negatively impacted anticipated event attendance.

Overall, the Police Department reported that the event did not generate an unusual level of police activity. The hot dog vendor was robbed after the event closed. The Police Departments believes that someone was watching him during the day and waiting for an opportunity to steal his money (which we found out later had been stored in a bucket under a table). It should be noted that Police were on hand and available to all vendors for cash drops.

Financial Performance

Going into the event, several financial goals were established:

1. Generate enough money to pay Bold Hat its production costs.
2. Generates enough seed money is to fund the 2008 event.
3. Repay the City of Kirkland up to \$20,000 from net profits after the first year.

Final financial results are not available yet (there are outstanding bills and receivable). The original budget estimated that the City would receive half of its investment (\$20,000) and have \$7,384 in cash that would carry forward to provide seed funding for the following year's event. In other words, the event would have had to produce a \$28,000 "profit" to meet all three goals. It appears at this time that, for the first year, the event ended with a deficit of just under \$10,000. This means that the City would not recoup its

investment in the first year and Bold Hat Productions is liable for that amount. It also means that there is no cash carried forward to the next year event. Based on the 2007 results, staff estimates that a minimum of \$30,000 would need to be available for cash flow purposes.

Two factors contributed to the financial performance. First, attendance was lower than anticipated as discussed earlier in this memo. The second factor related to wine expenses. Even though overall expenses were less than budgeted, the cost of wine was greater than anticipated due to "over-pours." In order to participate in the event, each winery donated two cases of wine per varietal (each brought 2-4 different varietals). Once the donated wine was consumed the event purchased the remaining wine poured during the event. There are 12 pours per bottle. Over-pouring by winery representatives resulted in an additional expense to the event. Based on attendance numbers, the event should have paid approximately \$5,000 for additional wine over that which was donated. The actual amount paid to wineries was \$13,000. Event participants enjoy interacting with the vintners, and the vintners prefer (and often insist) on pouring their own wine. However, this arrangement often leads to over pouring.

The Washington State Wine Ambassadors are a group of volunteers who pour wine at tasting events just to avoid this dilemma. Another strategy is to use bottle stoppers that only allow for a one-ounce pour. Although the Wine Ambassadors were on scene and bottle stoppers were provided, regulating how much wine was being poured was a challenge the entire weekend. Wine glasses were not imprinted with a pour line which may have also contributed to over pouring.

Bold Hat staff has been asked to provide an estimate of the one-time costs for 2007 that would not occur in 2008 and a proposal regarding pricing and programming that they would recommend to recoup 2007 year losses.

Lessons Learned and Suggested Changes for 2008

It is our belief that the overall event was a success inasmuch as it was well-received by most attendees. The elements that didn't work as well resulted from trying to be too many things to too many people. There was some confusion about this event compared with Summerfest, which was a fundraiser for the Kirkland Art Center and a more family-oriented, community event. As such, its mission was not specifically tourism. In attempting to achieve an event that had something for everyone and that tried to meld a community event with a tourism event, our resources were diluted and there were too many stakeholders with diverse interests. A more focused mission for the event and prioritized outcomes would help in planning an event that capitalizes on the successes of 2007 and corrects the areas that can be changed. To that end, we recommend a variety of changes that will address the majority of concerns expressed and/or will build on the most successful elements of the event.

Overall, the event enjoyed many successes.

- The Kirkland Gallery Association has traditionally not felt that downtown events benefited the galleries. Downtown galleries advertised in the event program and were generally pleased with the success of the event.
- The event beneficiary was the Kirkland Art Center which will receive approximately \$5,000.

- T-shirts. Everyone wanted them. Event participants continually offered to buy the shirts off volunteer's backs.
- Coasters used for advertising were very effective. City staff and the KDA agree that the coasters were a more effective advertising medium than posters. The Uncorked coasters were a big hit with the restaurants and store owners. They are useful and different.
- Downtown merchants were thrilled that the Marina Parking lot remained open during the event.
- Continue locally driven advance ticket sales given the large percentage of pre-sales that occurred in town.
- Keep the same wineries throughout the event so as to eliminate the need for rotating wineries.

A number of changes are recommended if a 2008 Kirkland Uncorked event is held:

- Change the site plan to better accommodate music and food activities. Include a food venue within the wine garden where customers could purchase light snacks (e.g. bread and cheese, fruit) and water. While restaurant sales were good, customers complained that they missed the event food.
- Reduce "over-pours" by working with vintners to ensure that one-ounce pour spouts are being utilized and provide additional staffing in pouring areas.
- Locate the art portion of the event outside the wine garden so that it is open for all to enjoy. Feature the local Kirkland art scene more in marketing materials.
- Change the price structure – make it simple! For example, offer pre-event passports at Kirkland stores and restaurants. Completed passports receive a reduced admission fee to event.
- Insert programs into the Kirkland Courier Reporter and have programs available no later than May/June. Begin advertising in April in Seattle Homes and Lifestyle magazine.
- Start event set-up one day earlier to allow time for unexpected events (e.g. rain). Discussions with the Parks Department have already started to accommodate the summer concert that normally occurs on Thursday night and event production activities. It is a great way to generate interest in the event.
- Improve aesthetics of the perimeter fencing and design of entrances.

Summary and Recommendation

Staff will need direction from Council regarding whether to continue the Uncorked event in 2008. We believe that further evaluation is needed regarding potential pricing and programming changes that will help inform the Council's decision. If a second Uncorked event is planned, additional up-front outside sponsors will be needed to provide adequate cash flow for the event. At this time, staff is recommending

that Council defer a decision on continuing Uncorked until a final accounting and economic analysis is available. Staff would also like the opportunity to debrief with the Lodging Tax Advisory Committee about Uncorked as a tourism event to get their perspective on relative costs and benefits of the event.

Comment Card Responses

"We are back for second night. Thank you for having such a well-run function. This was an event shared with our visiting family."

"A lot of fun, great night. Jody Norwood and Philly were so friendly. Lots of happy people."

"Outstanding event – loved the bands – Thank you."

"Need more food...Kids ok if food as are restaurants...(this is gated so under 21 should be ok – more garbage cans."

"This is better than Summerfest."

"CR Sandidge wins Best in Show."

"It was a great event. We had a wonderful time. We have talked to a lot of others who attended and like it very much."

"Was a good, well planned, fun event."

"Well planned and attended event. Needs like music throughout event. Needs many food booths (for meals)."

"Hello, almost the whole area was not available for kids! This park is usually a family oriented place, and we've been there for the previous similar events, and it was always more open to the kids. Thanks."

"What happened to the festival of the arts!?! The artists? The music? The community camaraderie? . . . Annual community arts festival? Celebrate the arts with your kids and family? A few token arty/crafty booths and junk food? The obvious focus was segregating the rich elite inside a security-guarded and fenced off "estate" and from the common folk, grassroots citizens who love arts in the outdoors but don't see the sense in paying hard-earned money just to rub shoulders with the winners! A dismal failure. Very snobbish."

"Very fun event! I'll be back next year."

"Thank you for providing recycle bins! Bravo. I did think entry fee was costly though."

"Not a good value for the money – not enough food, a bit disorganized. Love the event! Had a good time, but would not buy a ticket again."

"Concept great; performance mediocre. When event opens there should be same options all the time. Coming at lunch definitely made one feel like a second rate citizen. Food tasting options did not occur until after 1pm and the best times was 3-5 p.m. No Woodinville Wines."

"Wife and I were led to believe that \$5.00 entry fee provided something other than watching others drink wine and sample food (food sampling red token). We felt ripped off. Will not attend in future."

"Have restaurants sampling start earlier. Two stand-up tables always filled with left over empty samples. Have volunteer stationed there to clean up. Start food samples at opening at 11 a.m."

"Great start for first year. Would love to taste more as well as explore/hear from local vintners about the wine process – food inside tasting are would be great."

"If I was a parent with young children, no option to visit wine area since their area was outside, with all that's going on that would not be an option. Only if things don't change. Would not come back. Two restaurants for eating."

"Fun! Delicious food tasting, great wine, great grill cook-off!"

"Wine tasting event does not belong in public park. The tax-paying public should have use of full park not 1/3. I suggest it be held elsewhere. People turned away because of fees charged."

"Thanks for using the Marina area – Kirkland is our second home – wine tasting great idea – its like NAPA."

"Saw ad on King 5 TV. So fun! Nice adult activity next to family venue."

"Good event. Shouldn't charge for food and have more food selection. Good wine selection. I can see this event growing – good job!"

"This was absolutely the worst rip off event I have ever attended. Charging \$5.00 for each tiny taste of wine and tiny taste of food was obscene. For years I have supported Kirkland events and never will again."