



## **CITY OF KIRKLAND**

**City Manager's Office**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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### **MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Sheila Cloney, Special Project Coordinator  
Ellen Miller-Wolfe, Economic Development Manager

**Date:** February 18, 2009

**Subject:** Kirkland Uncorked

#### **RECOMMENDATION:**

Receive a report from staff regarding Kirkland Uncorked.

#### **BACKGROUND DISCUSSION:**

At the December 16, 2008 Council meeting, the Council earmarked Tourism funding in the amount of \$15,000 for the 2009 Kirkland Uncorked event pending final consideration by the Lodging Tax Advisory Committee (LTAC) in January 2009. The LTAC met on January 8, 2009 and voted to fund the 2009 event at \$15,000.

To reflect community and committee input about the 2009 event, the LTAC also recommended that event producer, Bold Hat Productions, consider the possible need for a name/brand change to highlight art and music and reduce the wine focus; extend the hours; offer more food options; and work with local art organizations to augment the art element of the event (i.e. jazz, visual, performing, fine art etc).

Staff is incorporating these LTAC conditions into a Letter of Understanding that will be part of the Tourism Outside Agency Funding Agreement between the City and Bold Hat Productions. The Letter will include specific tactics and performance measurements.

#### **2008 Event Evaluation**

Attached please find the evaluation reporting for the 2008 event. Highlights that might be of interest to the Council are as follows:

#### **Economic Impact Statement for Kirkland Uncorked**

Survey data was collected and analyzed by Birchhill Enterprises, which specializes in the preparation of economic impact statements for events held throughout the State of Washington. The need for a comprehensive report was twofold. First the report shows the overall impact the event had on the area over the event period. Secondly, the State of

Washington now requires that events receiving Lodging Tax Funds submit an annual report reflecting the economic impact of the event (Attachment F).

Several financial goals were established for the event including:

- The event generates sufficient revenue to cover production costs
- The event generates seed money is to fund the 2009 event
- The event generates \$40,000 in net revenue to be paid to the City of Kirkland (less admissions tax)

Event outcomes were as follows:

- Production costs were covered
- There is no seed money for 2009. Based on 2007 and 2008 results, event staff estimates that a minimum of \$30,000 is needed for cash flow. Bold Hat Productions would finance that amount if the event proceeds in 2009.
- The event paid \$1,264.08 in admissions tax in 2007 and \$2,344.28 in admissions tax in 2008 to the City of Kirkland totaling \$3,608.36 applied against the \$40,000 payable to the City. The net proceeds from the event post 2008 are \$1358.33.

The major factor that effected 2008 financial performance was the economic downturn. As is customary in an economic downturn, leisure spending is reduced. This was reflected in:

- Advanced ticket sales down \$10,500 from projections
- Projected attendance down 354 patrons
- Wine bottle sales down \$1,700
- Art sales lower than expected

The following table shows the financial results of the event compared to the budget:

	<b>08 Budget</b>	<b>08 Actual</b>	<b>08 Variance</b>
Revenue	\$209,489	\$199,324	(\$10,165)
Expenses	\$190,410	\$197,966	\$7,555
Net Profit	\$19,079	\$1,358	(\$17,721)
Credit for Admissions Tax (2007 and 2008)	\$5,000	\$3,608	(\$1,392)
Net Profit Available to City	\$40,000	\$1,358.33	(\$38,642)
Maximum Payment to City (Total of 07/08 Admission Tax and Net Revenue)	\$40,000	\$4,967	(\$35,033)
Net to 2009 Event	\$30,000	\$0	(\$30,000)

According to a Kirkland Downtown Association (KDA) survey, the event resulted in generally positive impacts for downtown businesses and a variety of “companion” activities and specials in downtown Kirkland were offered to complement Kirkland Uncorked.

- The Heathman Hotel promoted a Kirkland Uncorked Weekend Package.
- While not necessarily attributable to the event, all hotels reported being at full occupancy.
- Kirkland Gallery Association members purchased individual ad spaces in the event program
- The KDA produced the Kirkland Classic Car Show on Sunday, July 21, 2008.
- Antique Mall took advantage of Kirkland Uncorked and sold their parking spots to festival-goers.
- The weekend of Kirkland Uncorked, many businesses reported that they experienced an influx of business in the evenings after the event closed at 9:00 p.m.

Promotions for the City of Kirkland in July were branded and marketed as “Kirkland Comes Uncorked in July”. Various press releases announced all the summer activities that were happening in Kirkland along with the promotion of the Kirkland Uncorked Event.

The events and activities that were leveraged through the Kirkland Uncorked promotion include:

- Juanita Bay Park
- Kayak, boat rentals, waterskiing and parasailing
- Argosy Cruises
- Kirkland Wednesday Market
- Friday Night Market at Juanita Beach
- Kirkland Art Walk and Jazz nights
- Art Galleries
- 4<sup>th</sup> of July
- Summer Performing Arts Concert Series
- Kirkland Car Show

### **Next Steps**

Preparation for the 2009 Kirkland Uncorked is well underway. Bold Hat Productions staff has met with the Kirkland Cultural Council, and has been talking with members of the Kirkland Gallery Association, Cultural Council and other key Kirkland art stakeholders to discuss how to best augment the art element in a manner that complements Kirkland’s existing art offering. Going forward, Bold Hat Productions also hopes to talk with the newly formed downtown retail group about how retailers can engage with the event in ways that are meaningful and measurable.

With the exception of Attachment B, all other attachments referenced in the attachment memorandum are available at City Hall, in the Council Study for review.



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**MEMORANDUM**

**To:** Dave Ramsay, City Manager  
**From:** Sheila Cloney, Special Projects Coordinator  
**Date:** October 24, 2008  
**Subject:** KIRKLAND UNCORKED -2008

**RECOMMENDATION:**

Lodging Tax Advisory Committee receive a report on the 2009 Kirkland Uncorked event and;

- 1) Approve tourism outside agency funding request in the amount of \$15,000 to Kirkland Uncorked 2009;
- 2) Decline request for \$15,000 in tourism outside agency funding. Approve tourism outside agency funding in a lesser or greater amount than \$15,000; or
- 3) Make no decision on request for tourism outside agency funding. Refer matter to City Council for final decision.

**BACKGROUND:**

In its second year, Kirkland Uncorked was again promoted, nationally, regionally and locally as a tourism event featuring wine, art and jazz. (Attachment A and B) The event, sponsored by the City of Kirkland was intended to attract visitors to Kirkland to shop, dine and stay at local hotels (Attachment C). Requiring a non-profit for permitting purposes, The Hope Heart Institute, an eastside organization was the event beneficiary. The Hope Heart Institute gained exposure in the event pre-promotion and at the event. The organization was able to promote Heart Health programs to a variety of target audiences. Hope Heart received \$3,783.25 from a percentage of ticket sales as well as the proceeds from the "Kirkland Uncorked Benefit CD" produced by Pony Boy Records. Pasado's Save Haven also received \$2,000 from the well attended City Dog Cover Dog contest (Attachment H). In 2007, The Kirkland Art Center (KAC) was the beneficiary. In light of the recent change in executive leadership, the KAC elected not to play a prominent role in the 2008 event.

The 2006 proposal presented to Council was for two Kirkland Uncorked events (to be held in 2007 and 2008), and included an initial investment from the City of \$40,000 which was to be repaid over a two-year period. Pursuant to Section 3 – Revenue Sharing of the Agreement for Professional Services by Bold Hat Festivals and Events for Kirkland Uncorked 2007 and 2008 (Attachment D):

*“Should the 2007 Kirkland Uncorked Event generate net proceeds in excess of the break even amount established by the parties in Section 3.2, the City shall receive the net proceeds in excess of the breakeven amount (the “City Revenue Share”) up to a total payment of \$20,000, reduced on a dollar-for-dollar basis by admissions taxes generated by 2007 Kirkland Uncorked. The parties intent in providing for the potential City Revenue Share is for the City to recover one-half of the Contract Amount in 2007 and the other half in 2008 through admissions taxes with the balance being recovered in the revenue share. Any revenue in excess of \$20,000 less the admissions tax credit shall be paid into the Kirkland Uncorked Event account administered by Bold Hat to assist in the successful continuation of the Kirkland Uncorked Event in 2008.*

*The City acknowledges and agrees that the event may not generate revenue sufficient to reach the break-even point or to fund the City Revenue share. Bold Hat makes no representation or warranty as to the revenue that may or may not be generated by the event no is Bold Hat guaranteeing any revenue amount or payment of the City Revenue Share.”*

In 2008, Kirkland Uncorked was one of several tourism related events that received funding from the tourism program. The event received an initial \$15,000 in tourism outside agency funding for marketing, and was awarded an additional \$15,000 following the receipt of a five-year event business plan. (Attachment B )

The Kirkland Special Event Service Team and tourism staff worked with event producers to coordinate city permits, and the events integrated marketing plan.

Event organizers coordinated activities and promotional plans with the following:

- Kirkland Art Center
- Kirkland Chamber of Commerce
- Kirkland Cultural Council
- Kirkland Downtown Association
- Kirkland Downtown Restaurant Association
- Kirkland Gallery Association
- Kirkland Kiwanis
- Kirkland Parks Department
- Kirkland Rotary
- Kirkland Special Event Team
- Lodging Tax Advisory Committee and Tourism staff Kirkland
- Kirkland Wednesday Market

Kirkland Uncorked was built in collaboration with the following stakeholders:

- City Dog Magazine
- Classical King FM
- Hope Heart Institute
- Northwest Arts and Crafts Alliance
- Northwest Marina Trade Association

- NuCulinary
- Pony Boy Records
- Seattle Homes & Lifestyles
- Washington State Wine Commission

The following local event organizers and tourism partners provided input after the 2007 event that was used to strengthen the 2008 offering:

- Dick Bezell (Kirkland Downtown Association)
- John Brockman (SRJO)
- Shirley Day (Kirkland Crab Cracker)
- Nancy Demond (Heathman Hotel)
- Denise Gray (Marriott Hotel)
- Pat Howard (Howard Mandville Gallery)
- Steve Lorian (Kirkland Performance Center)
- Ben Lindekugel (Concours de Elegance)
- Russell Lowell (RDL catering)
- Mark Novak (Woodmark Hotel)
- Chris Sharpe (KAST)
- Penny Sweet (The Grape Choice)
- Bill Vadino (Kirkland Chamber of Commerce)

The rigorous post-event-evaluation resulted in the following revisions for the 2008 event:

- The addition of Northwest Arts and Crafts Alliance to host a juried art show in Marina Park, Kirkland Avenue and Park Lane
- In conjunction with research done by an ad hoc jazz committee, Pony Boy Records was engaged to perform live jazz music
- Classical King FM retained to host classical music performers
- A designated food area outside of the wine garden including more offerings
- Pairing plates offered by Kirkland Rotary inside the wine tasting area
- Bread available at wine tasting tables
- Replacement of chain link fencing with picket fencing. (This change required additional security resources.)
- Addition of the Discover Boating - Boat Show to enhance free public area
- City Dog - Dog Contest to enhance the free public area

Following is a summary of the feedback and a general assessment of the various elements of the 2008 Kirkland Uncorked event.

### **Customer Experience**

The analysis of data collected at the 2008 event from Kirkland survey cards as well as the Economic Impact study provide the following:

### **Downtown Business Experience**

A variety of “companion” activities and specials in Downtown Kirkland were offered to complement Kirkland Uncorked.

- The Heathman Hotel promoted a Kirkland Uncorked Weekend Package.
- While not necessarily attributable to the event, all hotels reported being at full occupancy.
- Kirkland Gallery Association members purchased individual ad spaces in the event program
- The KDA produced the Kirkland Classic Car Show on Sunday, July 21, 2008.
- Antique Mall took advantage of Kirkland Uncorked and sold their parking spots to festival-goers.
- The weekend of Kirkland Uncorked, many businesses reported that they experienced an influx of business in the evenings after the event closed at 9:00 p.m.

Promotions for the City of Kirkland in July were branded and marketed as “Kirkland Comes Uncorked in July”. Various press releases announced all the summer activities that were happening in Kirkland along with the promotion of the Kirkland Uncorked Event.

The events and activities that were leveraged through the Kirkland Uncorked promotion include:

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- Kayak, boat rentals, waterskiing and parasailing
- Argosy Cruises
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- Friday Night Market at Juanita Beach
- Kirkland Art Walk and Jazz nights
- Art Galleries
- 4<sup>th</sup> of July
- Summer Performing Arts Concert Series
- Kirkland Car Show

### **Music Experience**

Following the formation of a Jazz Committee, and staff research into the best way to add a music element to Kirkland Uncorked, Pony Boy records was approached and agreed to produce a live jazz music element at the event. The jazz music was well received, however, there was not a huge focus on the music and physical presence in front of the stage by the audience. In the future, jazz music will continued to be featured but the stage positioning will be reevaluated. It should be noted that Pony Boy Records counseled event organizers that this was likely to occur and did not interpret this as an indicator that the music was not well received by event-goers.

### **Food Experience**

In response to feedback from Kirkland downtown restaurants that event often compete for the same business, the 2007 Kirkland Uncorked event erred on the side of not having enough food offerings. The plan for the 2008 event was to increase food sampling within the Lifestyle and Tasting Garden as well as increase food vendors in the free festival area. The 2008 Kirkland Uncorked hosted six food vendors as well as one City contracted vendor at Marina Park. The response from restaurants was that they had a busier than normal weekend. The 2008 analysis was that the amount of food offered was a good balance between the downtown restaurants and the customers at the Kirkland Uncorked event.

Inside the Lifestyle and Tasting Garden, the event was not able to attract the amount of restaurants that were originally projected. Unfortunately, restaurants were one of the first sectors

affected by the economic downturn. Despite aggressive efforts to recruit restaurants to offer samples in the wine garden, financial worries prevented all but a few restaurants from participating. On Saturday, from 1 – 5 p.m. four restaurants participated in a sampling session. In response to the under anticipated amount of restaurants sampling, additional grilling demonstrations were added at which guests enjoyed food samples.

In addition to food sampling, in 2008 the addition of wine pairing plates for sale was added in the Lifestyle and Tasting garden. A partnership between The Crab Cracker, who produced the plates and the Kirkland Rotary who sold the plates at the event was made. The Kirkland Rotary testified that they had a successful event but stated that the restaurant sampling slowed their sales.

Bold Hat Productions is exploring a partnership with the Washington Restaurant Association for the 2009 event.

### **Art Experience**

Following the 2007 event, staff was contacted by Best of the Northwest otherwise known as Northwest 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 in the Puget Sound. 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 it was determined that a partnership with BTN would be a very acceptable solution to providing juried art at the 2008 event.

Art organizers expected a moderate amount of interest in the event and were pleasantly surprised when they received an overwhelming response from artist who were anxious to access the Kirkland market. Wishing to proceed cautiously, BTN selected 70 artists out of 120 to participate in the event. Although the economic downturn is partly responsible for less than robust art sales at the event, all parties agree that Park Lane was not a good fit. There was a disconnect between activities at Marina Park/Kirkland Avenue and Park Lane. On Sunday, the car show helped to alleviate the disconnect to a certain degree, although BTN has notified event organizers that they would not be willing to produce the event on Park Lane in the future.

In 2009, artists have proposed the use of one more section of the Marina Park parking lot to host artists.

### **Wine Experience**

The Washington State Wine Commission's objective continues to be to reach people ages 21-35 (millennia generation). While early on there was discussion about raising ticket prices in alignment with other similar events, the economic downturn caused event organizers to rethink prices and ultimately repeated the \$25 ticket price. 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 2009. A total number of 23 wineries were represented with a special focus on Walla Walla wines. Many wineries expressed interest and were not selected to attend due to limited space at the venue.

Bottled wine sales totaled 795 bottles at an average price of \$21, resulting in \$16,797 in gross revenue.

Event organizers continue to strengthen relationships with Walla Walla wine organizations in hopes of increasing the presence of wine from that region at the event in 2009.

### **Sponsor Experience**

Below is a list of companies and organizations that were 2009 Kirkland Uncorked sponsors. The comprehensive marketing plan that was created from \$30,000 in funds provided by the City was the key component to attracting \$50,000 in cash sponsors. Sponsorship from the City of Kirkland helped to garner interest inasmuch as an event supported by the jurisdiction in which it takes place may serve as an indicator to potential sponsors that a city permitted and supported event will present a safe and healthful environment for their target markets.

Baileys

City of Kirkland Tourism

Discover Boating

Explore Kirkland

Fred Meyer

Henry Weinhard's

Icelandic Glacial Water

Kirkland Cultural Council

Kirkland Performing Arts Center

Kirkland Waste Management

New York Times

Northwest Art Alliance

Overlake Chiropractic

Planet Poochie

Pony Boy Records

Seafair

Snoqualmie Casino

Sterling Savings Bank

The Grape Choice

Two Men and a Truck

Verizon FiOS

Villas at Carillon

Washington State Wine Commission

Weber Grills

Woodmark

In addition to cash sponsors, the success of the 2007 event attracted an additional \$127,500 in media trade in 2008. A variety of marketing efforts were undertaken in cooperation with local and regional outlets, including:

### **Print Sponsors:**

Seattle Homes & Lifestyles	\$22,750
Kirkland Reporter	\$1,320
Seattle Weekly	\$500
City Dog	\$2165
Woodinville Weekly	\$1,320
425 Magazine	\$11,300

### **Radio Sponsors:**

98.1 Classical King FM	\$29,000
Movin' 92.5	\$33,000

The Mountain \$26,150

In addition, cross-marketing efforts were undertaken with the following partners:

- Woodinville Wine Highway
- Seafair Marathon
- www.ExloreKirkland.com
- www.WashingtonStateWineCommission.org
- Kirkland's Partner City - Walla Walla Tourism
- Walla Walla Wine Alliance
- Pony Boy Records
- Northwest Art Alliance
- Northwest Marine Trade Association

### **Tourism**

A destination such as Kirkland needs two or three major stories each year to keep the travel media writing about the area. Kirkland Uncorked was tourism's summer story. While Bold Hat Productions focused on securing advertising sponsorships, the tourism program complimented that effort by submitting calendar listings and pitching the story in all appropriate travel and media outlets (Attachment A and F).

The tourism program hosted the following national media writers at the 2008 Kirkland Uncorked:

- John Blanchette of Creators News Service/Copley News
- Bob Haru Fisher of Frommers.com
- Rob Bhatt of AAA Western Journey
- Sheila O'Connor of Travel World
- Patrice Raplee of Offbeat Travel/Positively Ent. Travel
- Matt Wilson of JohnnyJet.com.

The return on investment on these types of activities is ongoing. For example, the media writer who attended the event in 2007 has continued to write about Kirkland as a visitor destination.

### **Economic Impact of Kirkland Uncorked**

Survey data was collected and analyzed by Birchhill Enterprises, which specializes in the preparation of economic impact statements in the State of Washington. The need for a comprehensive report was twofold. First the report shows the overall impact the event had on the area over the event period. Secondly, the State of Washington now requires that events that receive Lodging Tax Funds submit an annual report reflecting the economic impact of the event (Attachment F).

### **Attendance**

Public areas planned 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.

The Kirkland Uncorked attendance from 2007 to 2008 increased by 8.65%. The 2007 attendance was 3,332 and the 2008 attendance was 3,646, an increase of 314 people. The projected

attendance for 2008 was 4,000. Actual attendance was down 8.85% from projected or 354 people. The failing economy is a viable reason why attendance did not meet projections.

**Financial Performance**

Going into the event, several financial goals were established:

1. The event generates sufficient revenue to cover production costs
2. The event generates seed money is to fund the 2009 event
3. The event generates \$40,000 in net revenue to be paid to the City of Kirkland (less admissions tax)

Following the event:

1. Production costs were covered
2. There is no seed money for 2009. Based on 2007 and 2008 results, event staff estimates that a minimum of \$30,000 would need to be available for cash flow. Bold Hat Productions would finance that amount if the event proceeds in 2009.
3. The event paid \$1,264.08 in admissions tax in 2007 and \$2,344.28 in admissions tax in 2008 to the City of Kirkland totaling \$3,608.36 applied against the \$40,000 payable to the City. The net proceeds from the event post 2008 are \$1358.33.

The major factor that effected 2008 financial performance was the economic downturn. As is customary in an economic downturn, leisure spending is reduced. This was reflected in:

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- Wine bottle sales down \$1,700
- Art sales lower than expected

The following table shows the financial results of the event compared to the budget:

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Maximum Payment to City (Total of 07/08 Admission Tax and Net Revenue)	\$40,000	\$4,967	(\$35,033)
Net to 2009 Event	\$30,000	\$0	(\$30,000)

Overall the event offering improved in 2008, inasmuch as it was well-received by most attendees and sponsors. Elements that did not work such as art booths on Park Lane are a lesson for the following year. Unlike an event such as a farmers market which can be recalibrated each week,

there is much less flexibility with annual events. Once load-in and set up occur there is little flexibility to respond to large scale issues such as moving an event venue.

**Attachment List:**

Attachment A: 2008 Media Audit

Attachment B: 2008 Art, Wine Jazz Participants

Attachment C: Five Year Kirkland Uncorked Business and Marketing Plan

Attachment D: City Contract

Attachment E: 2008 Travel stories from Media Writers

Attachment F: 2008 Kirkland Uncorked Economic Impact Study

Attachment G: 2008 Kirkland Uncorked Testimonials

Attachment H: City Dog Cover Dog Media Coverage

BIRCHHILL ENTERPRISES LLC

# **Economic Impact of Kirkland Uncorked**

**July 18<sup>th</sup> - 20<sup>th</sup>, 2008  
Kirkland, Washington**

**Project Manager:**

Scott Nagel, CFEE  
President  
Birchhill Enterprises

**Model Created by:**

Matthew S. Anderson

**Scott Nagel, CFEE**

**Birchhill Enterprises**

**105 ½ E. First St.**

**Port Angeles, WA 98362**

**Phone: 360-452-7019**

**Fax: 360-452-4695**

**Cell: 360-808-3940**

**E-mail: [birchhills@mindspring.com](mailto:birchhills@mindspring.com)**

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## Section 1 – Executive Summary

Kirkland Uncorked is a festival of style and taste located in the downtown picturesque Marina Park July 18<sup>th</sup> through 20<sup>th</sup> 2008. The weekend consisted of grilling demos and grill-offs between 3 of the areas top chefs, home and lifestyle lectures, 2 stages of live jazz and classical music, over 70 of the Northwest's bests artists, a CityDog dog modeling contest, Discover Boating boat show and a tasting of over 20 of Washington's finest wines.

This study was conducted by Birchhill Enterprises (BHE) to reveal an accurate demographic\* and economic impact\* profile of the Kirkland Uncorked festival. The findings of this report are organized so that event management can easily develop more informed marketing, development, and fundraising strategies. *Section 1* summarizes the findings of the study. *Section 2* details festival-goer's\* spending and the event's economic impact. *Section 3* illustrates the demographics of the festival-goers. *Sections 4, 5, and 6* outline the procedural aspects of the study.

### How the Study was Conducted

BHE provided a pre-festival survey to the management of the Kirkland Uncorked festival to establish basic facts about the event including: 1) estimated attendance, 2) a profile of vendors, 3) how people enter the festival grounds, 4) the number of days of the event, and other pertinent information. BHE then sent the required number of surveys to the event so a statistically sound representation of the festival attendees could be obtained. Additionally, BHE provided training materials for the staff and volunteers to establish an accurate and consistent methodology for on-site sampling of festival-goers. As instructed by these materials, the festival management assigned a survey manager to the project to insure the process of completing surveys was done properly.

### Economic Impacts

In this study, we measured economic impact with two primary models: 1) The *New Money\** Model measured the impact of only Visitor related spending, and 2) The *Overall Impact\** Model measured the impact of both Local and Visitor spending.

**New Money Model-** The direct\* economic impact of Visitors\* and Visiting Vendors\* who came from over 50 miles from the event, including the Tax Rate\*, was **\$817,990**. Factored with an industry established 1.5 Universal Multiplier\*, the direct and indirect\* *New Money* impact was **\$1,226,985**.

**Overall Model-** The direct\* economic impact of Visitors, Visiting Vendors, Locals\*, Festival Budget\*, and Tax Rate was **\$2,059,925**. Factored with an industry established 1.5 Universal Multiplier, the direct and indirect\* *Overall impact\** was **\$3,089,887**.

*See page 21 for a glossary of terms. All terms and titles used in the models will be highlighted with a "\*" for their first time in use. The following terms will be capitalized whenever their use is specifically intended to represent key elements of the models: Visitors, Locals, Visiting Vendors, Festival Budget, Importance Factor, Vendor Leak, Universal Multiplier, and Tax Rate.*

## **Total Dollars Generated**

The economic impact figures reported on the previous page take into account a Vendor Leak\* factor that has the effect of reducing impact totals. After the event, festival Vendors who live outside of the area return home, *leaking* a portion of the money spent by festival attendees at the event. The numbers below reflect the spending inputs without including the Vendor Leak calculation, and therefore represent the total economic activity that occurred on-site and within the region of the festival. The numbers also include the standard 1.5 Universal Multiplier.

**New Money Model without Vendor Leak**-The direct and indirect economic impact of Visitors and Visiting Vendors including the Tax Rate, without the Vendor Leak factor was **\$1,257,144**.

**Overall Model without Vendor Leak**-The direct and indirect economic impact of Visitors, Visiting Vendors, Locals, Festival Budget, and the Tax Rate, without the Vendor Leak factor was **\$3,352,465**.

## **Tax Dollars Generated**

The following figures represent the sales tax money raised for both the Kirkland area and the State of Washington by the festival-goer's on-site\* and regional\* spending. Please note that the Vendor Leak calculation mentioned above does not reduce the tax dollars raised for the community, as all tax money spent on the festival grounds stays within the region and state regardless of where Visiting Vendors take their earnings. Although we are reporting these tax dollars separately, they are also added to the New Money and Overall models as inputs to economic impact.

**Total Sales Tax Dollars Generated for the State of Washington**- The total sales tax generated by all Visitors, Vendors, and Locals as a result of the festival to the State of Washington (including the Kirkland area) based on a **9%** sales tax was **\$170,388**.

**Total Sales Tax Dollars Generated for the Kirkland Area**- The total sales tax generated by all Visitors, Vendors, and Locals as a result of the festival to the Kirkland area based on a **0.85%** sales tax was **\$16,092**.

## **Spending Per Day**

Visitors and Locals had different spending profiles. On average, on-site and within the region of the festival, Locals spent **\$22.52** per-day, and Visitors spent **\$72.53**. Please note that many off-site spending categories that applied to Visitors did not apply to Locals (see Page 7, Table 5). Additionally, Visitors often spent more days in the area than the number of days the festival was held, which added to their overall spending impact.

## **Retained Local Impact**

The Retained Local model\* was designed to estimate the total number of local dollars that would have left the region had the festival not been held. This is calculated by determining the number

of Locals who indicated they would leave the area for another recreational event in the hypothetical absence of the festival, factored by the estimated dollar amount Locals would spend outside of the Kirkland area, and finally, by the number of days they would be gone.

**Number of Locals that Would Have Left the Area-** Approximately **11,387** locals at this year's Kirkland Uncorked festival indicated that if the festival had not been held, they would have left the Kirkland area to find other recreational opportunities.

**Retained Local Impact Dollars-** The estimated amount of money that would have left the Kirkland area had the Kirkland Uncorked festival not been held was **\$1,504,778**. For more information on the Retained Local model, see page 17.

## **Demographics**

- The percentage of individuals who attended the festival in a group was **88%**.
- For those who came in a group, **18%** brought their children, **59%** came with friends or relatives over 18, **8%** came with children of friends, and **51%** came with a spouse.
- Among adults, the largest age group attending the event was **36-50**.
- **58%** of attendees were female, **42%** were male.
- The most common marital status among festival-goers\* was **Married**.
- The most common level of education among festival-goers was **College Graduate**.
- The most common level of household income among festival-goers was **125,001 and above**.
- The most commonly used information source was **Word of Mouth**.
- Listed in order, the 5 most common zip codes were: **98033, 98034, 98004, 98011, 98052**.
- The estimated attendance of the festival including repeat daily visits was **52,000**. The total estimated number of individual attendees to the festival, including those who visited multiple times was **41,538**.
- The estimated attendance for Visitors who came from over 50 miles to attend the event including repeat daily visits was **4,844**. The total estimated number of individual Visitors including those who attended multiple days was **4,527**.
- **91%** of attendees were Locals, **9%** of attendees were Visitors.

## **Section 2 – Economic Impact/Spending**

### **Economic Impact**

#### **1. The New Money Model**

This model of economic impact calculates the: 1) spending of Visitors and Visiting Vendors, and 2) the input of the Tax Rate. It deducts the Vendor Leak from Visitor spending, then factors in a conservative 1.5 Universal Multiplier. (See page 16 for a full explanation of the model.)

*Direct New Money Economic Impact \$817,990*

*Direct & Indirect New Money Economic Impact (including the 1.5 multiplier) \$1,226,985*

#### **2. The Overall Model**

This model of economic impact calculates the: 1) spending of Visitors, Visiting Vendors, and Locals, and 2) the inputs of the Festival Budget and 3) the Tax Rate. It deducts the Vendor Leak from Visitor and Local spending, then factors in a conservative 1.5 Universal Multiplier. (See page 16 for a full explanation of the model.)

*Direct Overall Economic Impact \$2,059,925*

*Direct & Indirect Overall Economic Impact (including the 1.5 multiplier) \$3,089,887*

#### **3. The Retained Local Model**

This model of economic impact calculates the total amount of local money that would have left the area had it not been for the existence of the festival. It infers data from Visitor spending and applies it to Locals who reported they would have left the area for another recreational opportunity had the festival not occurred. (See Page 13, Table 2, and Page 17 for a full explanation of the model.)

*Retained Local Economic Impact \$1,504,778*

#### **4. Sales Tax Generated by Festival Related Spending**

The sales tax charge at the festival was 9%, of which 0.85% stays within the Kirkland area. We took the total of all Visitor, Vendor, and Local spending that occurred as a direct result of the festival, and applied these sales tax percentages to calculate the following figures. Sales tax is included in the New Money and Overall models, as it also contributes to the economic impact of the event.

*Amount of total sales tax raised by the festival for the state of Washington- \$170,388*

*Amount of total sales tax raised by the festival that stays directly in the Kirkland area- \$16,092*

## 5. Calculation Breakdown for Economic Impact, Including New Money, Overall Models, and Retained Locals Models.

The following tables illustrate the contributing factors to the economic impact of the event.

### New Money Impact

<i>Factor</i>	<i>Totals</i>
Visitor's Spending	\$830,108
Vendor's Spending	\$924
Local Taxes	\$7,064
Vendor Leak	\$20,106
Total after Leak	\$817,990
Multiplier	1.5
<b>Impact</b>	<b>\$1,226,985</b>

### Overall Impact

<i>Factor</i>	<i>Totals</i>
Visitor's Spending	\$830,108
Vendor's Spending	\$924
Local's Spending	\$1,062,169
Taxes	\$16,092
Festival Budget	\$197,532
In-Kind Budget	\$128,152
Vendor Leak	\$175,052
Total After Leak	\$2,059,925
Multiplier	1.5
<b>Impact</b>	<b>\$3,089,887</b>

### Retained Locals

<i>Factor</i>	<i>Totals</i>
\$ Per-Person, Per-Day	\$92.42
Days Locals Would Have Left the Area	1.43
Population that Would Have Left the Area	11,387
<b>Retained</b>	<b>\$1,504,778</b>

Note-Calculations in this report are presented after rounding. Therefore, it may often not be possible to precisely replicate the calculations within this report by hand.

## Spending

### 1. Total Spending On-Site at the Festival, N=543

*This table reports the money spent by Visitors and Locals at the festival as a: 1) per-person, per-day calculation, and 2) event on-site total.*

	<i>Average of Spending Per Person – Per Day On-Site</i>	<i>Total For Event Spent On-Site</i>
Visitors	\$23.38	\$113,281
Locals	\$18.44	\$869,324
<i>Total On-Site Spending</i>		<i>\$982,605</i>

### 2. Total Spending in the Region of the Festival, N=543

*This table reports the money spent by Visitors, Locals, and Vendors within the region of the event due to, but not within the festival as a: 1) per-person, per-day calculation, and 2) as a regional total. This table factors in an Importance Factor\* for Visitors. (See pages 14 & 21 for more information about the Importance Factor).*

	<i>Average of Spending Per Person – Per Day in Region</i>	<i>Total in Region</i>
Visitors	\$49.15	\$716,828
Locals	\$4.08	\$192,845
Vendors	\$92.43	\$924
<i>Total Spending in the Region</i>		<i>\$910,597</i>

### 3. Total Spent Per-Day, Per-Person, N=543

**Visitors-** The average spent per-day, per-person; on-site and within the region of the festival was: **\$72.53**

**Locals-** The average spent per-day, per-person; on-site and within the region of the festival was: **\$22.52**

#### 4. Itemized On-Site Spending at the Festival

*This table reports the total itemized money spent directly at the festival for: 1) Locals, 2) Visitors, and 3) the total of both categories. Additional columns were included for per-person, per-day spending.*

<i>Category</i>	<i>Locals N=500</i>	<i>Locals, Per- Person-Per day</i>	<i>Visitors N=43</i>	<i>Visitors, Per- Person-Per Day</i>	<i>Total N=543</i>
Food	\$567,567	\$12.04	\$76,501	\$15.79	\$644,068
Arts/Crafts	\$301,757	\$6.40	\$36,780	\$7.59	\$338,537
<b>Total</b>	<b>\$869,324</b>	<b>\$18.44</b>	<b>\$113,281</b>	<b>\$23.38</b>	<b>\$982,605</b>

#### 5. Itemized Regional Spending

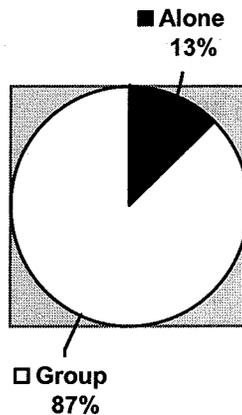
*This table reports the total itemized money spent within the region of the event due to, but not within the festival as three spending categories, including: 1) Locals, 2) Visitors, and 3) a total of both categories. Additional columns were included for per-person, per-day spending. This table factors in the Importance Factor\* for Visitors. (See pages 14 & 21 for more information about the Importance Factor).*

<i>Category</i>	<i>Locals N=500</i>	<i>Locals, Per Person-Per Day</i>	<i>Visitors N=43</i>	<i>Visitors, Per Person-Per Day</i>	<i>Total N=543</i>
Parking	\$42,174	\$0.89	\$18,781	\$1.29	\$60,955
Transportation	\$13,597	\$0.29	\$0	\$0.00	\$13,597
Gasoline	\$108,082	\$2.29	\$84,043	\$5.76	\$192,125
Child Care	\$28,992	\$0.61	\$0	\$0.00	\$28,992
Motels/Hotels/B&B	N/A		\$222,821	\$15.28	
Campgrounds	N/A		\$0	\$0.00	
Entertainment	N/A		\$31,800	\$2.18	
Restaurants	N/A		\$201,215	\$13.79	
Bars and Clubs	N/A		\$22,936	\$1.57	
Clothing	N/A		\$10,526	\$0.72	
Arts/Crafts	N/A		\$34,348	\$2.36	
Personal Items	N/A		\$16,454	\$1.13	
Groceries	N/A		\$35,733	\$2.45	
Other	N/A		\$38,171	\$2.62	
<b>Total</b>	<b>\$192,845</b>	<b>\$4.08</b>	<b>\$716,828</b>	<b>\$49.15</b>	<b>\$909,673</b>

## Section 3 – Demographics/General Information/Profile of Locals/Profile of Visitors

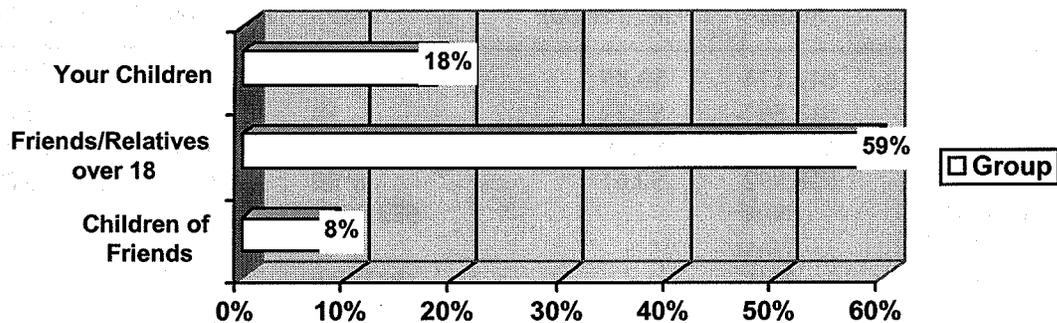
### Demographics

#### 1. Percentage of Individuals Who Attended in a Group, N=544

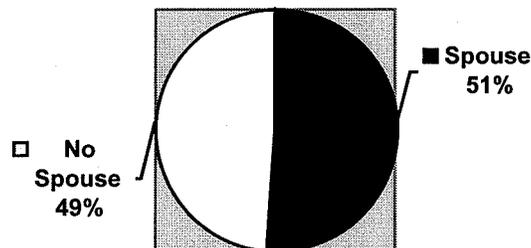


#### 2. Group Composition, N=469

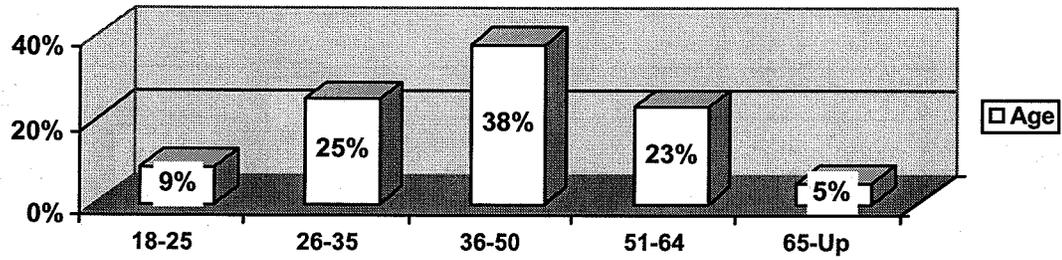
*For those who came in a group, the following graph reports group composition for festival-goers.*



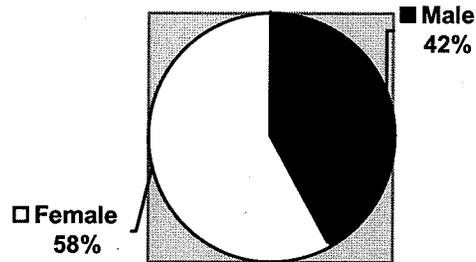
#### 3. Percentage of Individuals Who Came to the Festival with a Spouse, N=469



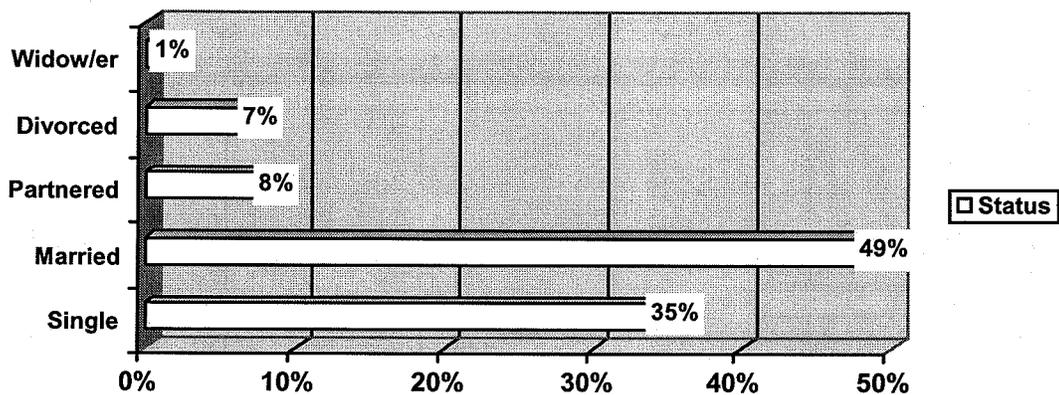
#### 4. Age of Festival-Goers, N=543



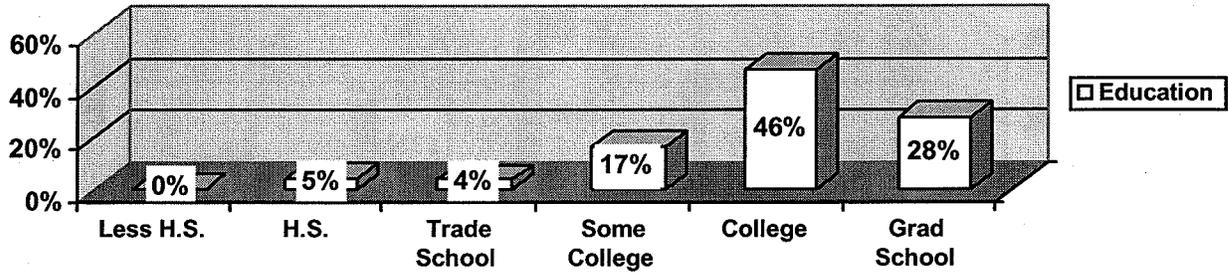
#### 5. Gender of Festival-Goers, N=544



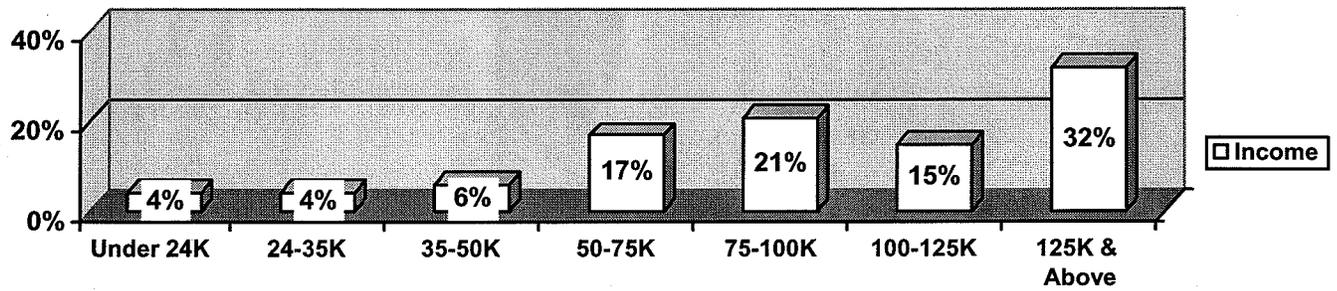
#### 6. Marital Status of Festival-Goers, N=541



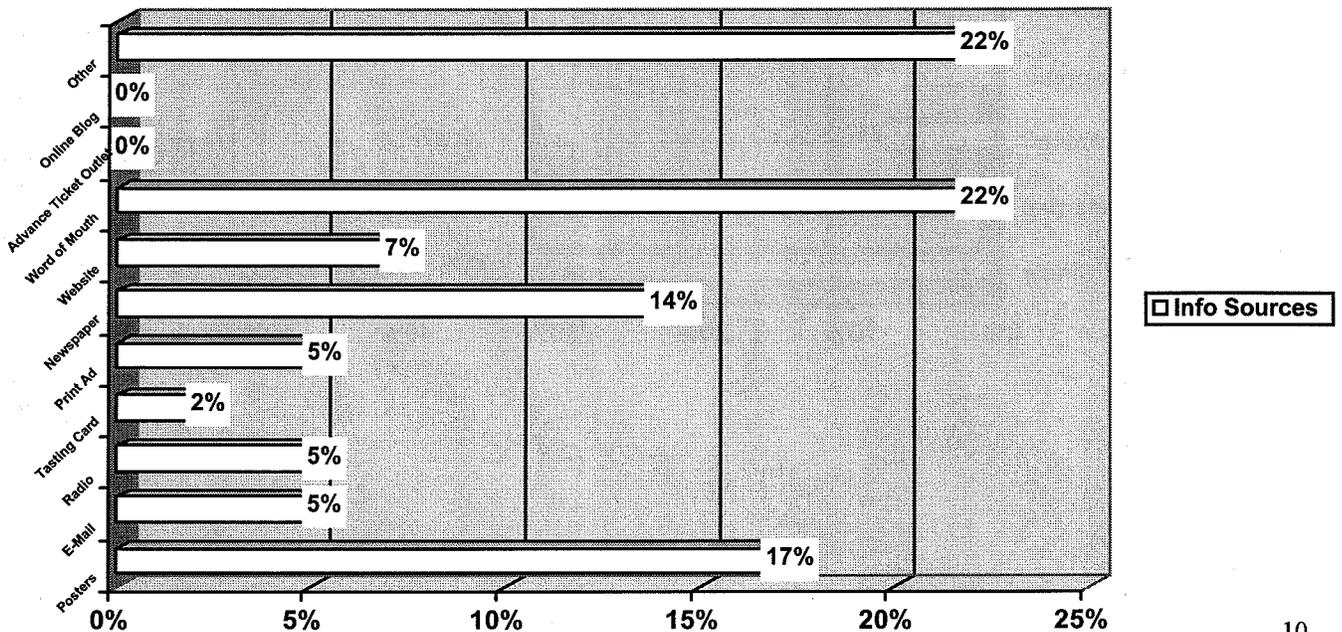
### 7. Level of Education of Festival-Goers, N=522



### 8. Household Income of Festival-Goers, N=493

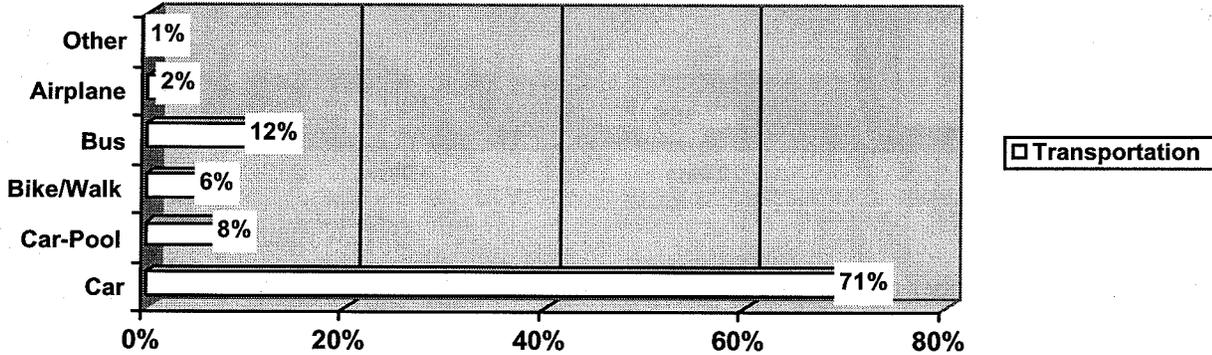


### 9. Information Sources of Festival-Goers, N=524



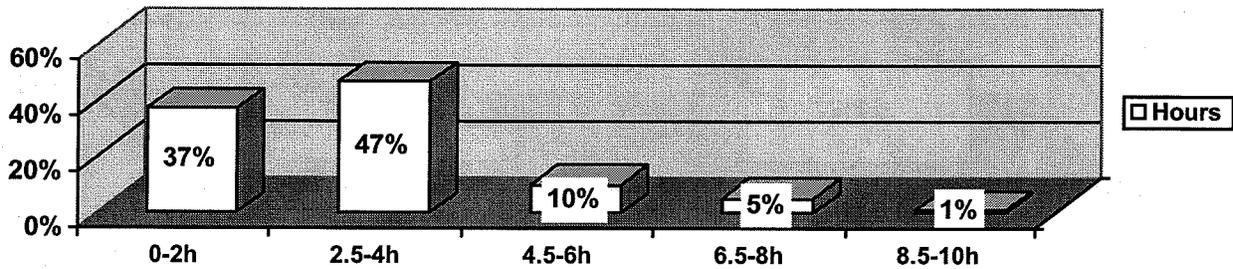
## General Information

### 1. Transportation Methods, N=544



### 2. Hours at the Festival, N=538

*The following graph reports the length of time festival-goers stayed at the festival per-day.*

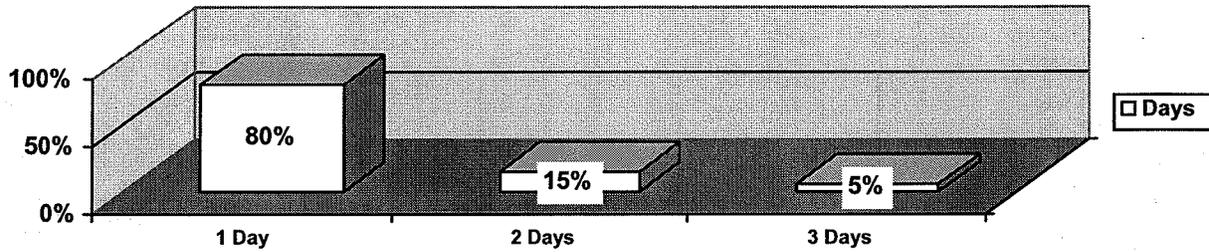


### 3. Average Number of Hours, N=538

3a. The average number of hours spent at the festival per-person, per-day was 3.28

#### 4. Days at the Festival, N=540

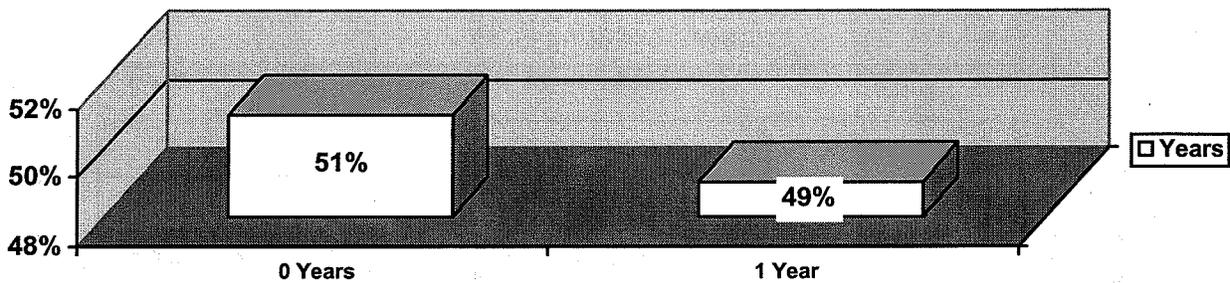
The following graph reports the number of days attendees spent at the festival.



4a. The average number of days spent at the festival was 1.25

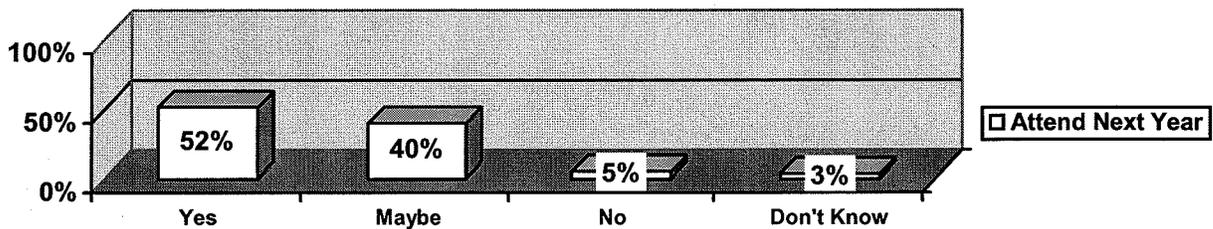
#### 5. Years at the Festival, N=472

The following graph reports the number of years festival-goers had previously attended the festival.



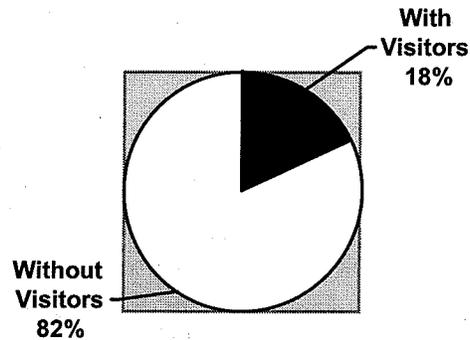
5a. The percentage of first time festival-goers was 51%

#### 6. Will Attend Next Year, N=542



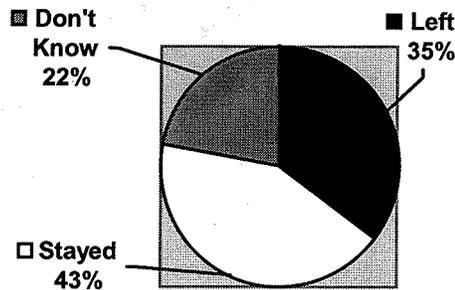
## Profile of Locals - 91% of the Overall Sample

### 1. Locals Attending with Out of Town Visitors, N=497



### 2. The Percentage of Local Festival Attendees Who Indicated They Would Have Left the Area for Another Entertainment Opportunity had the Festival Not Been Held, N=485

*Note- this calculation is a key variable for determining the "Retained Local" model. (See pages 17 for a full explanation of this model.)*



### 3. Average Number of Days These Departing Locals Would Have Left the Area, N=114

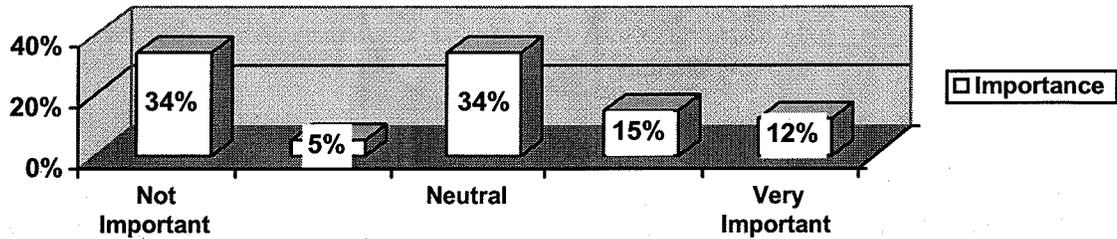
Average number of days=1.43

*Note-To maintain a conservative calculation of the Retained Local model, the highest number of days departed we allow into our model is 3.00.*

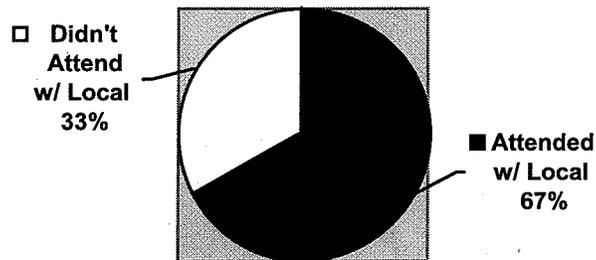
## Profile of Visitors- 9% of the Overall Sample

### 1. Importance of the Festival, N=41

The following graph reports how important a determinate the Kirkland Uncorked festival was for Visitors making their decision to come to the Kirkland area. These numbers determine the "Importance Factor" which modifies Visitor spending within the region.



### 2. Percentage of Visitors Who Attended the Festival with Local Residents, N=43



### 3. Stayed with Friends, N=22

The percentage of Visitors who stayed with friends from the Kirkland area was 36%

### 4. Number of Nights That Visitors Stayed in the Area, N=36

The average number of days that Visitors stayed in the area was 3.22

## **Section 4 – Research Questions, and The Models**

### **Research Questions**

The goal of this BHE study is to develop reliable economic impact and demographic data for a variety of festivals. To achieve a clear understanding of the festival environment in context to this study, we address four primary research questions\* regarding both demographics and economic impact. Research questions are simply questions that guide the development and direction of a research project so that accurate and useful information will be revealed about the environment studied.

The following are the research questions that framed this project.

#### ***Research Question 1***

What is the demographic profile of the Festival-goers?

#### ***Research Question 2***

What is the “New Money” economic impact of the festival, which includes only the spending of Visitors and Visiting Vendors?

#### ***Research Question 3***

What is the “Overall” economic impact of the festival; including all Locals and Visitors, Vendors, and the Festival Budget?

#### ***Research Question 4***

What is the “Retained Local” impact of the festival, which measures how much local money stayed within the area due to the existence of the festival?

### **Models**

Calculation and reporting of demographic variables for Research Question 1 did not require the development of models examining variable interaction. Therefore, the results of Research Question 1 were simply reported as graphs in *Section 3* of this report. However, for Research Questions 2, 3, and 4, three separate models were developed to determine the economic impact the festival has upon the Kirkland economy. These models include the: 1) New Money model that profiles the spending of Visitors to the area, 2) the Overall model that profiles all possible spending related to the festival, and 3) the Retained Locals model that estimates the amount of local money that would have left the area had the festival not been held. These models allowed us to design the theoretical basis of the study, and to develop a survey that derives accurate economic impact figures.

A graphical representation of these models is provided on page 18. The three models defined above utilize different combinations of festival related spending from four distinct populations; including: 1) Locals, 2) Visitors, 3) Vendors, and 4) the Festival Budget. Because each of the three models are based on different theoretical standards, these models provide different economic impacts. However, all models are generated from the same data set that was collected in the post-festival and on-site survey\*. To fully illuminate the elements of each model, the following descriptions are provided below.

### **Model 1. New Money**

This model represents only the money spent by Visitors and Visiting Vendors in the local economy of the festival. The usefulness of this model is that it allows us to focus on the money that was spent specifically by visitors to the area.

#### **Elements of the New Money Model**

From on-site survey (completed by festival-goers)

- *Visitor Spending (On-Site\* and Regional\*)*
- *Importance Factor*

From post-festival\* survey (completed by festival management)

- *Visiting Vendors Spending (Regional)*
- *Vendor Leak*
- *Tax Rate*

From BHE

- *Universal Multiplier*

### **Model 2. The Overall Model**

This model represents the overall spending in the local economy that can be attributed to the festival by Locals, Visitors, Vendors, and the Festival Budget. Although the Locals do not bring money into the community from outside regions as Visitors do, it is valuable to include their spending as it has the effect of initiating economic activity within the local economy. Examined in this way, a festival's contribution to a local economy is comparable to a local business that both draws money from and contributes to its community. To consider only the tourist dollar in terms of economic impact would greatly underestimate the complete financial benefits of festivals and similar events. In addition, we recognize that without festivals, a significant amount of money would leave the area due to locals seeking an alternative venue for entertainment in other regions (See *Model 3*).

We have determined that the usefulness of the Overall Model is that it allows us to measure the amount of money that the festival circulates through the local economy from every source that the festival draws financial impact from.

## **Elements of the Overall Model**

From on-site survey (completed by festival-goers)

- *Visitor Spending (On-Site and Regional)*
- *Importance Factor*
- *Local Spending (On-Site\* and Regional\*)*

From post-festival survey (completed by festival management)

- *Visiting Vendors Spending (Regional)*
- *Vendor Leak*
- *Tax Rate*
- *Festival Budget*

From BHE

- *Universal Multiplier*

## **Model 3. Retained Local Model**

The Retained Local Model focuses on money that would have left the area if the festival had not been held. Retention models are not yet an economic impact standard, which is in part why the resulting amount was not added to the Overall Model. Therefore, the most effective presentation of this model would be as a compliment to the other two models. The Retained Local Model allows us to see how festivals and other events contribute to the local economy by encouraging their residents to stay and spend recreation dollars within the area. Because much of this model is based on estimated and inferred figures, it should be viewed more cautiously than other models provided in this report.

There were three main elements of the Retained Local model. First, we estimated the group size of these departing Locals at 11,387 individuals. Next, we calculated the number of days that Locals estimated they would have left. Then we utilized an application of Visitor spending to estimate how much departing Locals would have spent outside of the area. In this study Locals indicated they would have left the Kirkland area for 1.43 days. Finally, we multiplied these three elements to arrive at the Retained Local calculation.

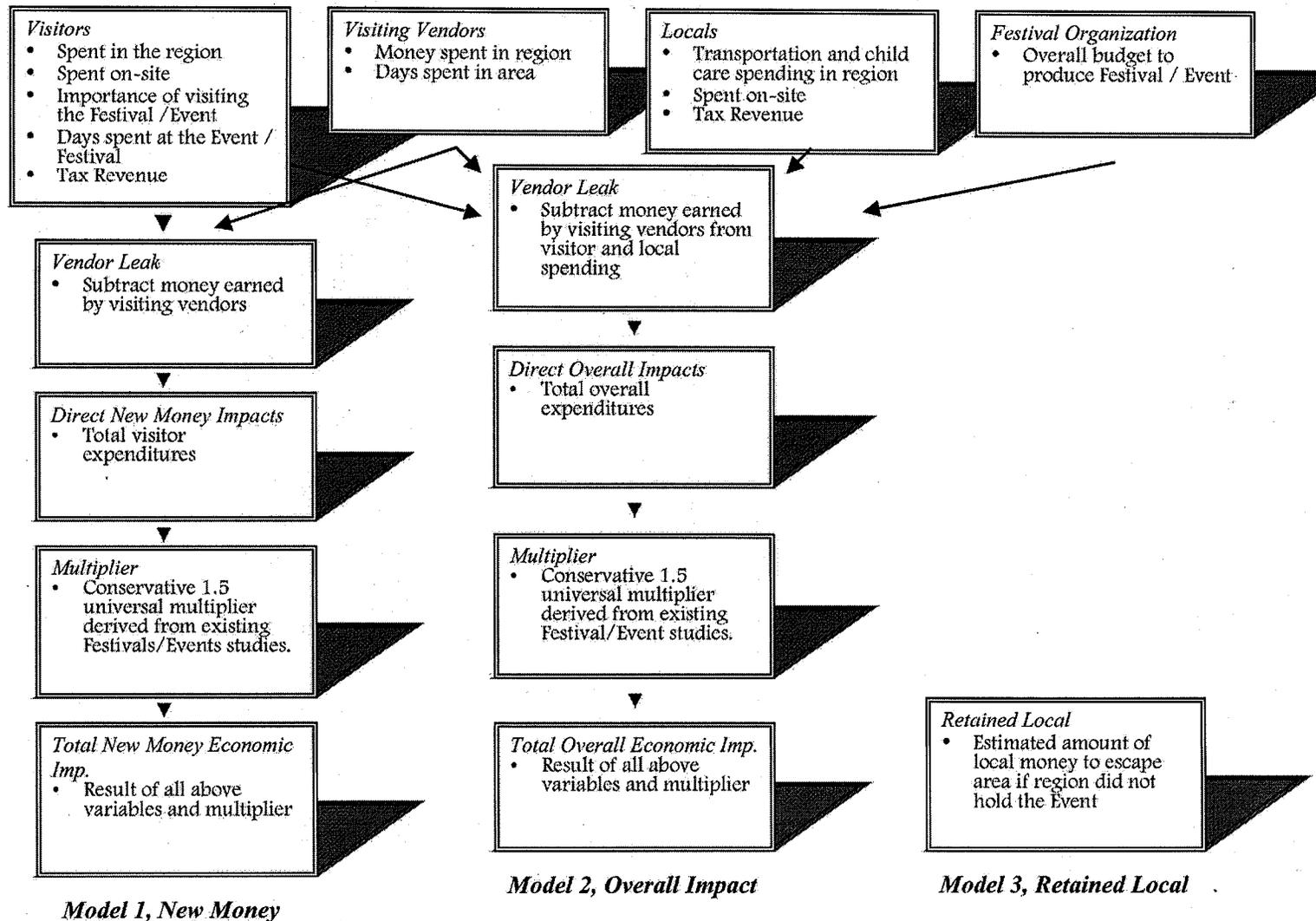
## **Elements of the Retained Local Model**

- *A conservative estimation of how many Locals would have left the area had the Kirkland Uncorked festival not been held.*
- *An estimation as to how long Locals would have left the area without the existence of the festival.*
- *Estimated Local spending outside of the area based upon the Visitor's local region spending.*

## **The Graphic Model**

The following comprehensive graphic model outlines the relationships between the variables that are defined by the three economic impacts models mentioned above.

**BHE Impact Study-New Money, Overall, and Retained Local Economic Impact Models**



## **Section 5 – Methodology**

### **Development of the On-Site Instrument**

Based upon the requirements of the three models developed for this study, a survey was created to provide the necessary data to establish economic impact and demographic information outlined in this report. The two phases involved in the development of the survey were the: 1) writing of the instrument\*, and 2) pilot study\*. Sections of the on-site survey include: 1) festival demographic and general information questions, and 2) festival spending questions that were used to derive economic impact figures. Staff members of BHE and the researcher conducted the pilot study of the survey with 20 individuals who were from the general public and event community.

### **Selection of The Subjects**

Subjects interviewed in this study were individuals 18 years of age and older attending the Kirkland Uncorked festival. A systematic sampling method\* was utilized to administer 544 on-site surveys to festival attendees as they entered the festival grounds. Systematic sampling refers to a method where interviewers approach festival attendees on a regular interval to eliminate a selection bias. Volunteers who were trained by the On-Site Survey Manager acted as the interviewers, and BHE instructed for them to be positioned at the main entrances of the festival. The Kirkland Uncorked festival was held from July 18<sup>th</sup>-20<sup>th</sup>, 2008. Based on daily attendance estimates, surveying was conducted proportionally per-day to obtain as representative a sample\* as possible. The overall response rate to the survey was 88%.

During the administration of the survey, volunteers were available to answer any questions and provide assistance to the chosen respondents. The survey took approximately ten minutes to complete.

### **Development of The Post-Festival Instrument**

In order to calculate the economic impact figures, the festival management was required to provide BHE responses to a post-event survey that included: 1) the festival attendance, 2) information about vendors, 3) regional tax figures, and 4) the festival budget.

### **Attendance and Sample Populations**

Because many festival-goers attend events for more than one day, BHE has developed a system to determine the proper number of surveys to distribute at the festival. Management of the Kirkland Uncorked festival estimated the total attendance to be 52,000. Given the expectation of repeat visitation, the investigator chose to estimate the *actual* number of festival-goers attending during the event at 31,200, anticipating that approximately 40% of festival-goers are repeat attendees. Then, adopting a 95% confidence level\*, plus or minus 5%, the total number of completed questionnaires required for this study was  $N^*=384$ . As a safety barrier, an additional 160 surveys were distributed at the festival, totaling  $N=544$ .

## **Limitations\* of the Study**

1. On-site spending in this study is asked as an estimate of daily spending as the festival-goers enter the grounds. Having festival-goers report estimated spending is less accurate than utilizing actual spending figures, but it is a common convention in festival research due to the difficulty of conducting post-event surveys.
2. A Universal Multiplier is used to calculate the Overall Economic Impact model as well as the New Money model. There is often variance between regions and their appropriate multipliers. If you know what your regional tourism multiplier is, contact BHE and we will utilize it. Universal Multipliers are common convention in festival research, and we have averaged many existing multipliers and set ours to calculate economic impact conservatively.
3. Because there are multiple methodologies in obtaining attendance figures for non-gated events, the accuracy of the economic impact reported is directly related to the accuracy of the attendance estimate provided.
4. To calculate Vendor spending, we infer spending data from typical Visitor spending, assuming that Vendors have the same spending patterns during their visit as the festival Visitors. The steps used to generate these spending estimates are commonly used within the industry, and are executed in the most conservative way possible.
5. When executed correctly, the overall results of the data generated by this program are accurate at the 95% confidence level, a standard in festival and event research. When establishing spending patterns between Locals and Visitors, however, it is possible that the group N for each sub-group when calculated separately will no longer reflect the standard 95% confidence level.
6. The model for Retained Locals estimates the amount of local money that would leak from the region specifically due to Local festival-goers leaving the area without the event to keep them home. The results should be evaluated in the most conservative framework possible due to the elements of this model that are based on estimated and inferred figures.
7. The accuracy of this study is dependent upon the quality of the data obtained on-site at the event.

## **Scope of the Study**

1. Many economic impact studies provide the amount of tax revenue, jobs, and wages that their event is responsible for generating. It is beyond the scope of this study to provide those figures. However, after generating the impact figures, the results provided by the BHE will be sufficient to utilize with formulas should the festivals have access to them. Such information is typically generated with multipliers that are specific to the region. BHE may in the future be contracted to provide this information.

## **Section 6 – Glossary of Terms/Survey**

*(Note- Page numbers are included to reference the first appearance of each term in the text)*

### **Glossary**

**Confidence Level-** The chance of accuracy reported as a percentage that our survey represents the overall population of the event. In this study, our confidence level is 95%. We are 95% confident that information from our report accurately represents the overall population of the event, with a margin or error of plus or minus 5%. *Page 19.*

**Demographics-** Expressed as graphs, key characteristics that define the types of individuals who attend the festival. *Page 1.*

**Direct New Money Impacts-** The total of all Visitor expenditures, including regional and on-site spending. *Page 1.*

**Direct Overall Impacts-** The total of all festival related expenditures, including Visitor, Visiting Vendor, Local, and Festival Budget expenditures. *Page 1.*

**Economic Impact-** The money that is brought into or circulates through the economy due to a festival or special event. *Page 1.*

**Festival Budget-** The total amount of money that the festival management contributes to the creation of the festival. This figure is used in the Overall Impact model as a source of relevant money contributing towards the economic impact. *Page 1.*

**Festival-Goer-** Any Local or Visitor attending the festival that is not involved with the organization or involved as a participant. *Page 1.*

**Importance Factor-** A way to economically weigh the determining factors of a visit to the region of the festival for Visitors. If Visitors rate that they attended the area for reasons other than the festival, the economic impact of their visit that is allotted to the festival will be reduced. Likewise, if the festival is the primary reason for their visit to the area, their regional spending will in a greater proportion be allotted to the festival's economic impact. *Page 6.*

**Indirect New Money Impacts-** The total of all Visitor expenditures including regional and on-site spending, factored by a set Universal Multiplier. *Page 1.*

**Indirect Overall Impacts-** The total of all festival related expenditures including Visitor, Visiting Vendor, Local, and Festival Budget expenditures, factored by a set Universal Multiplier. *Page 1.*

**Instrument-** The on-site survey or questionnaire. *Page 19*

**Limitations-** Elements of the study that cannot be executed at a higher level due to cost restrictions relating to a festival environment. *Page 20.*

**Locals-** Festival-goers who live within the local area of the festival. *Page 1.*

**Local On-Site Spending-** Spending by Local festival-goers directly at the festival, that in this study is measured by food expenditures, souvenirs, etc. *Page 17.*

**Local's Regional Spending-** Spending by Locals within the region of the festival, but not directly at the festival. In this study it is measured by transportation and child care expenditures (spending that is pre-determined by BHE to be specifically related to festival activities). *Page 17.*

**N-** The number of respondents who answer to a specific question or set of questions from the survey. *Page 19.*

**New Money Model-** A model of economic impact that calculates how much money has been brought into the area from Visitors and Visiting Vendors specifically because of the festival. *Page 1.*

**On-Site Spending-** Spending by Visitors and Locals directly on-site at the festival. Does not include spending within the region, such as hotels, etc. *Page 2.*

**On-Site Survey-** The survey conducted on the festival grounds that generates data about festival-goers. *Page 16.*

**Overall Impact Model-** A model of economic impact that calculates how much money has been brought into and has circulated through the area from Visitors, Visiting Vendors, Locals, the Festival Budget, and taxes- specifically because of the festival. *Page 1.*

**Pilot Study-** A review of a final draft of a survey by members of the public, and individuals who work within the festival industry. *Page 19.*

**Post-Festival Survey-** A survey completed by the festival management providing valuable information that allows economic impact figures to be calculated. *Page 16.*

**Regional Spending-** Spending by Visitors and Locals only within the region of the event. Does not include spending at the festival, such as food booths, vendor booths, etc. *Page 16.*

**Research Questions-** A formal question developed to address a problem posed in a research project. *Page 15.*

**Retained Local Model-** A model of economic impact that calculates how much money would leave the area of the event should the festival not be held. *Page 2.*

**Sample-** The number of festival-goers required to statistically represent the entire population of the festival. *Page 19.*

**Systematic Sampling Method-** A way to insure that the selection process of festival-goers for the survey is executed randomly. Potential respondents are approached based upon a pre-set interval that stays constant throughout the process of interviewing. *Page 19.*

**Tax Rate-** Tax revenue generated from spending on-site and within the region of the event. *Page 1.*

**Universal Multiplier-** A fixed calculation that expands economic impact figures to take into account how the impact circulates through many tiers of a local economy. *Page 1.*

**Vendor Leak-** The amount of money that leaves the local area due to the Visiting Vendors. These vendors earn money from festival-goers, then quickly return to homes away from the area of the festival, taking with them the money earned from the festival-goers. *Page 2.*

**Visitors-** Festival-goers who come from farther than 50 miles to the event. *Page 1.*

**Visitor On-Site Spending-** Spending by visiting festival-goers directly on the grounds of the festival. In this study it is measured by spending for food, souvenirs, etc. *Page 16.*

**Visitor Regional Spending-** Spending by Visitors within the region of the festival, but not directly at the festival. It is measured in this study by hotel, restaurant, and entertainment expenditures, etc. *Page 16.*

**Visiting Vendors-** Vendors who are from outside of the area of the festival who sell their foods or goods. Coupled with the Vendor Leak formula, Visiting Vendors both contribute towards economic impact in the form of regional spending (vendors are tourists as well), and against economic impact in the form of Vendor Leak (the money that they take away from the area generated by their on-site earnings). *Page 1.*

**KIRKLAND UNCORKED  
& BIRCHHILL ENTERPRISES LLC  
FESTIVAL VISITOR SURVEY**

1. INCLUDING YOURSELF, HOW MANY PEOPLE ARE IN YOUR GROUP TODAY? \_\_\_\_\_<sup>(1)</sup>

1A. YOUR GROUP INCLUDES:  CHECK ALL THAT APPLY

- YOUR CHILD(REN)<sup>(2)</sup>
- FRIENDS/RELATIVES 18 YEARS OR OLDER<sup>(3)</sup>
- CHILD(REN) OF FRIENDS/RELATIVES<sup>(4)</sup>
- SPOUSE/PARTNER<sup>(5)</sup>

2. WHAT WAS THE MAIN TRANSPORTATION METHOD YOU USED TO GET TO THE FESTIVAL?  CHECK ONE

- CAR
- CAR-POOL
- BIKE/WALK
- BUS
- AIRPLANE
- OTHER<sup>(6)</sup>

3. YOU LIVE HOW MANY MILES FROM THE FESTIVAL GROUNDS?  ONE AND CONTINUE TO BOX DIRECTLY BELOW

WITHIN 50 MILES FROM THE FESTIVAL



**A. IF THE FESTIVAL DID NOT HAPPEN, WOULD YOU HAVE LEFT THE AREA FOR OTHER ENTERTAINMENT?**

- YES
- NO
- DON'T KNOW<sup>(7)</sup>

**B. IF YOU LEFT FOR OTHER ENTERTAINMENT, HOW LONG WOULD YOU HAVE BEEN GONE? \_\_\_\_\_ DAYS.**<sup>(8)</sup>

FARTHER THAN 50 MILES FROM THE FESTIVAL<sup>(7)</sup>



**A. HOW IMPORTANT WAS THE FESTIVAL IN YOUR DECISION TO COME TO THIS AREA?**

- NOT IMPORTANT
- NEUTRAL
- VERY IMPORTANT<sup>(10)</sup>

**B. HOW MANY NIGHTS WILL YOU STAY IN THIS AREA?**

\_\_\_\_\_ INDICATE "0" IF NOT STAYING OVERNIGHT<sup>(11)</sup>

4. ARE YOU ATTENDING WITH FRIENDS/FAMILY WHO LIVE 50 MILES OR FARTHER FROM YOU?  YES  NO<sup>(12)</sup>

5. HOW MANY HOURS DO YOU PLAN ON SPENDING AT THE FESTIVAL TODAY? \_\_\_\_\_<sup>(13)</sup>

6. HOW MANY TOTAL DAYS DO YOU PLAN TO ATTEND THE FESTIVAL THIS YEAR? \_\_\_\_\_<sup>(14)</sup>

7. HOW MANY YEARS HAVE YOU ATTENDED THE FESTIVAL? \_\_\_\_\_<sup>(15)</sup> PLEASE INDICATE "0" IF YOU'VE NEVER ATTENDED.

8. WILL YOU ATTEND THE FESTIVAL NEXT YEAR?  YES  MAYBE  NO  DON'T KNOW<sup>(16)</sup>

9. WHERE DO YOU RESIDE? ZIP/POSTAL CODE \_\_\_\_\_<sup>(17)</sup>

10. YOUR AGE?  18-25  26-35  36-50  51-64  65 AND ABOVE<sup>(18)</sup>

11. YOUR GENDER?  MALE  FEMALE<sup>(19)</sup>

12. YOUR MARITAL STATUS?  ONE  SINGLE  MARRIED  PARTNERED  DIVORCED  WIDOWER<sup>(20)</sup>

**PLEASE TURN TO THE BACK SIDE!**

NOTE- THE FOLLOWING QUESTIONS HELP TO DETERMINE THE ECONOMIC IMPACT OF THE FESTIVAL. ROUND ALL DOLLAR AMOUNTS IF IT IS HELPFUL WITH YOUR ESTIMATES.

13. HOW MUCH MONEY DID YOUR GROUP SPEND WITHIN 24 HOURS IN PREPARING TO ATTEND THE FESTIVAL? PLEASE ESTIMATE, EVEN IF IT IS JUST A FEW DOLLARS.

➔ PLEASE REPORT GROUP SPENDING WITHIN THE LAST 24 HOURS. IF YOU SPENT NO MONEY, REPORT "0."

- \$ \_\_\_\_\_ PARKING INCLUDING FESTIVAL PARKING<sup>(21)</sup>
- \$ \_\_\_\_\_ PUBLIC TRANSPORTATION INCLUDING BUS, CAB, RENTAL CAR, ETC.<sup>(22)</sup>
- \$ \_\_\_\_\_ GASOLINE, REPAIRS, ETC. INCLUDING DRIVE TO FESTIVAL<sup>(23)</sup>
- \$ \_\_\_\_\_ CHILD CARE<sup>(24)</sup>

➔ IF YOU LIVE WITHIN 50 MILES FROM THE FESTIVAL, PLEASE SKIP TO QUESTION 15.  
IF YOU LIVE FARTHER THAN 50 MILES FROM THE FESTIVAL, PLEASE ANSWER THE QUESTIONS IN THE BOX BELOW, THEN CONTINUE WITH THE SURVEY.

14. HOW MUCH MONEY HAS YOUR ENTIRE GROUP SPENT WITHIN 24 HOURS OUTSIDE OF THE FESTIVAL GROUNDS? IF YOU DON'T REMEMBER EXACT AMOUNTS, ESTIMATES WILL BE HELPFUL.

➔ PLEASE REPORT GROUP SPENDING WITHIN THE LAST 24 HOURS. IF YOU SPENT NO MONEY, REPORT "0."

- \$ \_\_\_\_\_ MOTELS/HOTELS/BED AND BREAKFAST COST FOR ONE NIGHT<sup>(25)</sup>
- \$ \_\_\_\_\_ CAMPGROUNDS COST FOR ONE NIGHT<sup>(26)</sup>
- \$ \_\_\_\_\_ NON-FESTIVAL ENTERTAINMENT MOVIES, SPORTS, ETC.<sup>(27)</sup>
- \$ \_\_\_\_\_ RESTAURANTS NOT AT THE FESTIVAL<sup>(28)</sup>
- \$ \_\_\_\_\_ BARS AND CLUBS NOT AT THE FESTIVAL<sup>(29)</sup>
- \$ \_\_\_\_\_ CLOTHING NOT PURCHASED AT THE FESTIVAL<sup>(30)</sup>
- \$ \_\_\_\_\_ ARTS OR CRAFTS NOT PURCHASED AT THE FESTIVAL<sup>(31)</sup>
- \$ \_\_\_\_\_ PERSONAL ITEMS POSTCARDS, PHOTO SUPPLIES, ETC. NOT PURCHASED AT THE FESTIVAL<sup>(32)</sup>
- \$ \_\_\_\_\_ GROCERIES NOT PURCHASED AT THE FESTIVAL<sup>(33)</sup>
- \$ \_\_\_\_\_ OTHER NON-FESTIVAL EXPENSES<sup>(34)</sup>
- Yes  No STAYED WITH FRIENDS/RELATIVES AT HOUSE/APARTMENT/CONDO<sup>(35)</sup>

15. NOT INCLUDING ADMISSION, AT THE FESTIVAL HOW MUCH DO YOU ESTIMATE YOU'LL SPEND AS A GROUP TODAY?

- \$ \_\_\_\_\_ FOOD AND BEVERAGES? GROUP SPENDING, & IF "\$0", PLEASE INDICATE<sup>(36)</sup>
- \$ \_\_\_\_\_ ARTS AND CRAFTS? GROUP SPENDING, & IF "\$0", PLEASE INDICATE<sup>(37)</sup>
- \$ \_\_\_\_\_ SOUVENIRS/OTHER GROUP SPENDING, & IF "\$0", PLEASE INDICATE<sup>(38)</sup>

16. WHAT IS YOUR HIGHEST LEVEL OF EDUCATION? ✓CHECK ONE ONLY

- LESS THAN HIGH SCHOOL GRADUATE<sup>(39)</sup>  TRADE/VOCATIONAL SCHOOL<sup>(40)</sup>  COLLEGE GRADUATE<sup>(41)</sup>
- HIGH SCHOOL GRADUATE<sup>(42)</sup>  SOME COLLEGE<sup>(43)</sup>  GRADUATE SCHOOL<sup>(44/45)</sup>

17. HOW DID YOU HEAR ABOUT KIRKLAND UNCORKED? ✓CHECK ALL THAT APPLY

- POSTERS<sup>(46)</sup>  NEWSPAPER<sup>(47)</sup>  OTHER \_\_\_\_\_<sup>(48)</sup>
- EMAIL<sup>(49)</sup>  WEBSITE<sup>(50)</sup>
- RADIO<sup>(51)</sup>  WORD OF MOUTH<sup>(52)</sup>
- TASTING CARD<sup>(53)</sup>  ADVANCE TICKET OUTLET<sup>(54)</sup>
- PRINT AD<sup>(55)</sup>  ONLINE BLOG<sup>(56)</sup>

18. WHAT IS YOUR TOTAL HOUSEHOLD INCOME? ✓CHECK ONE ONLY

- UNDER \$24,000<sup>(57)</sup>  \$50,001-\$75,000<sup>(58)</sup>  \$100,001-\$125,000<sup>(59)</sup>
- \$24,001-\$35,000<sup>(60)</sup>  \$75,001-\$100,000<sup>(61)</sup>  \$125,001 AND ABOVE<sup>(62/63)</sup>
- \$35,001-\$50,000<sup>(64)</sup>

TIME: (10-2) (2-4) (4-8) INTERVIEWER \_\_\_\_\_ SURVEY NO: \_\_\_\_\_ REVISED: 06/20/2008