



CITY OF KIRKLAND

City Manager's Office

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www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

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

Date: April 14, 2009

Subject: Status of Tourism Outside Agency Funding – Kirkland Uncorked

RECOMMENDATION:

Council receives a report regarding the status of tourism funding for Kirkland Uncorked.

BACKGROUND DISCUSSION:

The purpose of this memo is to forward to the Council a summary of the LTAC's process for consideration of the Kirkland Uncorked funding request, and their final recommendation on 2009 funding for Kirkland Uncorked.

The Kirkland Uncorked event was first produced in 2007 and was partially funded by seed money from the City of Kirkland (\$40,000) with additional marketing support provided from Lodging Tax Funds through the Lodging Tax Advisory Committee's (LTAC)ⁱ outside agency funding process. An agreement was executed in 2007 that provided for the seed money and for a potential payback of the seed money from event profits. In the first year, the event operated at a loss. As a result, none of the seed money was repaid in 2007 and Bold Hat Productions absorbed the loss of approximately \$10,000. In 2008, the event "broke even" inasmuch as Bold Hat was able to cover its costs. However, only a small portion of the seed money was repaid.

The Kirkland Uncorked event (and brand) is owned by Bold Hat Productions. The City's role with regard to the event is to permit the event pursuant to Title 19 of the Kirkland Municipal Code and to consider funding requests made through the annual outside agency funding process. The permitting process is not dependent on whether or not outside agency funding is granted. The permit is processed through the events coordinator in the Parks and Community Services Department. Tourism funding requests are processed through the tourism program coordinator in the City Manager's Office who provides staff support to the LTAC.

Similar to other special events permitted by the City of Kirkland, Bold Hat Productions applied for 2009 tourism outside agency funding in the Spring of 2008. The LTAC was awaiting the results of an economic impact analysis for the event before considering the funding request. The economic impact report was provided late in 2008 and the LTAC voted to recommend to

the City Council that lodging tax funding be withheld pending a follow-up presentation to be made by Bold Hat in January. The 2009-2010 Budget included an appropriation for the marketing funding request of \$15,000 with the understanding that a final recommendation from LTAC would be forwarded to Council in January.

On January 8, the LTAC received the follow-up presentation and discussed recommended changes to the event with Bold Hat representatives. They also voted to approve the funding for the 2009 event and release the funds. The City Council received reports in late January and early March regarding Bold Hat's report and the LTAC recommendation. Council accepted the report at their March 3, 2009 Council meeting and no further legislative action was needed at that time since the marketing funding was already included in the 2009-2010 adopted budget. Staff then started the process to follow through with a standard contract between the City and Bold Hat for the 2009 tourism outside agency funds. In that contract, staff worked with Bold Hat Productions to incorporate the suggested changes to the event requested by the LTAC. During this process, there was a concern expressed by the chair of the LTAC regarding whether or not Bold Hat complied with the LTAC recommendations for the 2009 funding.

The Lodging Tax Advisory Committee met on April 9, 2009 to discuss the funding request for Kirkland Uncorked and reaffirmed their recommendation to provide lodging tax funding for marketing the event in 2009.

A more complete chronology of activities is included below that describes the legislative history surrounding the tourism outside agency funding process specifically at it relates to Kirkland Uncorked. Meeting minutes and previous Council meeting memos and reports are also included for reference.

Date	City Council/LTAC	Attachment
July 14, 2008	Deadline for receiving requests for tourism outside agency funding.	Summary of 2009 tourism outside agency funding requests and Bold Hat Production funding request.
August 12, 2008	LTAC first review of tourism outside agency funding requests.	Minutes and agenda of August 12, 2008 LTAC meeting.
August 27, 2008	LTAC second review of tourism outside agency funding requests.	Minutes and agenda of August 27, 2008 LTAC meeting.
September 16, 2008	Continuation of August 27, 2008 LTAC meeting.	Minutes and agenda of September 16, 2009 LTAC meeting.

December 2, 2008 LTAC receives report regarding the 2008 Kirkland Uncorked event. Scott Nagel of Birchill and Associates presents economic impact report prepared for the 2008 event. Minutes and agenda of December 2, 2008 LTAC meeting. Economic Impact Report prepared by Birchill and Associates.

On a three to one vote the event was not funded in 2009 with the caveat that the LTAC could reconsider its decision after a follow-up presentation by the applicant in January 2009.

December 16, 2008 At the December 16, 2008 City Council meeting, tourism funding in the amount of \$15,000 was earmarked for the 2009 Kirkland Uncorked event pending final consideration by the LTAC in January 2009. Memorandum incorporated into 2009-2010 budget document

January 8, 2009 The LTAC met to reconsider the Kirkland Uncorked event proposal. On a unanimous vote the LTAC funded the 2009 event in the amount of \$15,000 with a recommendation to address committee concerns which included the possible need for a name/brand change to include more art; less of a wine focus; extended hours; a greater food component; and working with local art organizations to extend the art element of the event (i.e. jazz, visual, performing, fine art etc). Minutes and Agenda of January 8, 2009 LTAC meeting.

January 29, 2009 Reading File Memo to City Council regarding LTAC action forwarded to City Council via Read File. Read File item

February 10, 2009 LTAC meeting in which minutes of January 8, 2009 meeting are adopted. Minutes and Agenda of February 10, 2009.

March 3, 2009	Council meeting agenda item on Kirkland Uncorked.	Unfinished Business Agenda item for March 3 City Council meeting.
April 9, 2009	LTAC meeting regarding Uncorked proposal. The committee discussed the decision made on January 8, 2009 regarding funding for Kirkland Uncorked. The committee reaffirmed the recommendation to fund the request on a three to one vote and staff was directed to proceed with finalizing the contract.	Draft Minutes and agenda for April 9, 2009 LTAC meeting.

ⁱ The Lodging Tax Advisory Committee (LTAC) members are appointed by Kirkland City Council and provide recommendations to Council regarding lodging tax expenditure (Revised Code of Washington [RCW 67.28](#) and [Chapter 5.19](#) of the Kirkland Municipal Code outline the role of LTAC).



2009 Explore Kirkland Funding Request

Date: <u>7/14/08</u>	Funding Request Amount: <u>\$15,000</u>
Applicant Name: <u>BOLD HAT PRODUCTIONS</u>	
Contact Name (if different): <u>PHIL MEGENHARDT</u>	
Representing: <u>KIRKLAND UNCOCKED</u>	
Project Title: <u>KIRKLAND UNCOCKED</u>	
Address: <u>8050 25th NW SEATTLE, WA 98118</u>	
Phone: <u>206-295-1891</u>	Cell: _____ FAX: _____
Web Address: <u>KIRKLAND UNCOCKED.COM</u> E-mail Address: <u>PHIL@BOLDHATPRODUCTIONS.COM</u>	

SECTION I

Please describe how this project, program, or opportunity meets the following tourism goals. Please review the Kirkland Marketing Plan before completing this section.*

1. Increases hotel occupancy in Kirkland by extending length and frequency of overnight stays.
2. Increases overnight stay during the off season (October-May).
3. Provides visitor attractions and/or promotes the area's existing attractions.
4. Attracts more businesses to Kirkland and thereby generates additional business for hotels and motels.
5. Improves the City's overall image to stimulate positive customer awareness.

* Go to: http://www.ci.kirkland.wa.us/depart/CMO/SpecialEvents/Resource_Center.htm and click Kirkland Marketing Plan (PDF-563 kb)

Financial Factors:

1. How much Hotel/Motel Tax funding is being requested?
2. Total Project Budget _____ Total Funding Request _____
3. How will requested funds be used for tourism promotion, marketing special events, acquisition of tourism-related facilities or operation of tourism-related facilities?
4. Briefly describe the expected return on investment. If a public-private partnership is being posed, a direct return on investment must be shown through generation of additional hotel-motel tax revenues.
5. Attach proposed budget. Include other partners, sponsors, grantors and the amount of support directly related to this project. See example below.

Item	Total Cost	Community Funding Request	Source of Non-Kirkland Funding
Banners	\$3000.00	\$2000.00	\$1,000 (Waste Management)
T-shirts	\$500.00	\$200.00	\$300.00 (Shirt Factory)
Total Budget	\$3500.00	\$2200.00	

A long range plan for Kirkland Uncorked presented by Bold Hat Productions



Bold Hat Productions - 3503 Phinney AVE N - Seattle - WA - 98103
www.boldhatproductions.com

- 1. Executive Summary**
 - 1.1 Executive Summary
 - 1.2 Description and Vision
 - 1.3 Stakeholders
 - 1.4 Keys to Success

- 2. Event**
 - 2.1 Event History
 - 2.2 Event Elements/Offerings
 - 2.3 Vision for the Future

- 3. Market/Competition Analysis and Strategy Implementation**
 - 3.1 Market Segmentation
 - 3.2 Target Market Segment Strategy
 - 3.3 The Market Place
 - 3.4 Obstacle Management (SWOT Analysis)

- 4. Event Operations and Management**
 - 4.1 Event Management Tools
 - 4.2 Event Organizational Structure
 - 4.3 Personnel Plan

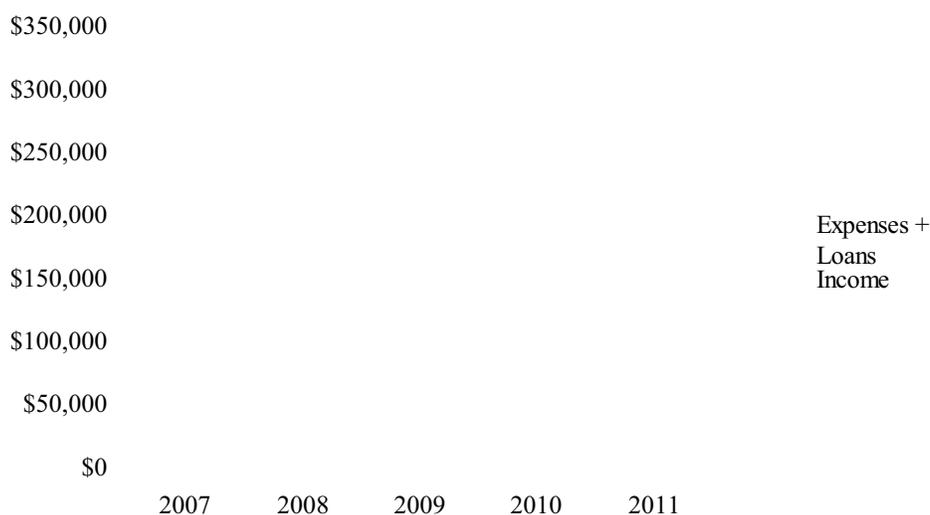
- 5. Financial Plan**
 - 5.1 Five Year Financial Outlook



Kirkland Uncorked, now in its second year, is a unique lifestyle event that is engaging and interactive for every guest! Charged with entertainment and elements not offered anywhere else in the Pacific Northwest, this three-day festival is dedicated to the experience of fine wine, local art, gourmet food, and fabulous jazz music. In addition to a Lifestyle and Tasting Garden, event-goers can experience the Best of the Northwest Art Show, the Kirkland Car Show, the City Dog Cover Dog Contest, and the Grow Boating Showcase while listening to jazz, sipping wine, and sampling delicious gourmet tid-bits. Not only does *Kirkland Uncorked* have a multitude of offerings, but its location makes it especially appealing. Located in charming downtown Kirkland, the event takes place in Marina Park on the shores of Lake Washington with vistas of the Olympic Mountains

The potential public benefits and economic impact created from this event are significantly noteworthy. With a positive impact on tourism through intense media exposure (Peter Greenberg travel writer back again!); increased spending on hotels, restaurants, and local businesses; support of the Kirkland Art Center; a jazz music offering through a local independent jazz and swing label, Pony Boy Records; a portion of the profits going to Hope Heart Institute; and admissions tax for the City of Kirkland, there's plenty to appreciate about *Kirkland Uncorked*. It's not only a tourism opportunity, but also a pleasant eastside community event in a safe and controlled environment.

The information contained herein contains a summary of *Kirkland Uncorked 2007* as well as the vision and direction for its future for the next four years. It's important to remember that top-notch events are not static, they evolve, and stay "fresh" as new elements are introduced, new information is uncovered, and new economic circumstances unfold. It's the rare event, of this caliber and complexity, that's profitable in the first year, but the potential for the event over time is fantastic!



Kirkland Uncorked is aimed to be a regional event. Backed by the Washington Wine Commission, Seattle Homes & Lifestyle Magazine, Best of the Northwest artists, and Pony Boy Records the event has the support and horse power to be a regional success. With aggressive PR and marketing efforts at the national, regional, and local levels (**section 2.3**) awareness of the event is rapidly growing (**see attachment A**). This is not just another wine-tasting event, but an engaging and interactive lifestyle event that takes place on the picturesque shores of Lake Washington in mid-July in beautiful downtown Kirkland, Washington. The event has several complementary elements that are refining themselves with each passing year. The mainstays include: wine, food, art, lifestyle displays, and music (**section 2.2**).

The **VISION** for *Kirkland Uncorked* is to be an annually anticipated **REGIONAL** summer lifestyle event for Kirkland.

Specifically the **Mission** of *Kirkland Uncorked* is:

- National: To showcase Kirkland as a vacation destination as well as an exciting event venue located conveniently to the Washington wine-making region.
- To be a unique, accessible and experiential lifestyle event, not done elsewhere, that focuses on the guest experience.
- Local/Eastside: To be an event that is embraced locally by its neighbors, downtown businesses, and the community at large.
- Seattle/Greater Washington: To create an opportunity for these residents to visit Kirkland and experience all the city has to offer as a day or weekend destination.

Measurable **Goals** for the event include:

- By year 5 to host 5,000 guests in the wine garden through specific attendance management strategies.
- To host a total of 30,000-40,000 guests at the entire event (public and private areas).
- To stimulate spending of more tourism dollars at Kirkland retail and hospitality businesses.
- To create a financially sustainable event – revenues for future years supporting new elements to the event.
- To return the City of Kirkland's 2007/2008 seed money of \$40,000 post the 2008 event (**see Attachment B**).



There were many stakeholders in 2007, with conflicting goals, organizational missions, and agendas, which ultimately diverted resources from event operations in the first year. Since then many of these stakeholders have redefined their roles and are now more aligned with the goals and mission of the event. This “settling in” of the key players will greatly enhance the possibilities for the event’s future as energies can be directed more efficiently and effectively. In year one the event tried too hard to be everything to everyone; in year two of its business cycle, the event is focusing on its target markets (**section 3.1**).

The **current stakeholders** include:

- Bold Hat Productions
- Washington State Wine Commission
- Seattle Home & Lifestyle Magazine
- Hope Heart Institute
- Northwest Arts and Crafts Alliance
- Pony Boy Records
- City of Kirkland Tourism Program
- Kirkland Downtown Association (KDA)

Many of the different artist groups from last year are still involved with the event but through the Northwest Arts and Crafts Alliance, the producer of the well known “Best of the Northwest”. The Kirkland Cultural Council and many of Kirkland’s fine artists are supporters and/or members of the Northwest Arts and Crafts Alliance and were thrilled at the prospect of having them manage the art. The role of the KDA is now more clearly defined as well and will function in a more business liaison role, helping to disseminate information to local restaurant and retail establishments. For 2008, the KDA has also brought to the event the Kirkland Classic Car Show featured on Sunday supporting the “slow day’s” offerings.



The [keys to success](#) for *Kirkland Uncorked* depend upon:

- [A long-term commitment and clear communication between the partners/stakeholders.](#) The success of the event will largely depend upon the continued involvement, support, sponsorship, and backing of its key partners: The Washington State Wine Commission, Seattle Home & Lifestyle Magazine, Northwest Arts and Crafts Alliance, and Pony Boy Records. It will be critical to the event's future for these partners to understand the goals and motivations of the community and jurisdictional stakeholders, so the event planning team must be an effective communication leader.
- [The experience and professionalism of the event planning team.](#) Bold Hat has over eleven years experience producing multi-faceted festivals, galas and events. Bold Hat strives to work with clients who share a mutual commitment of bringing community together through memorable events. Having developed the Fremont Oktoberfest many years ago, Bold Hat knows that truly successful events take time, nurturing, and patience to grow and reach their ultimate potential. Understanding how to work with and satisfy the sometimes seemingly opposed agendas of a variety of stakeholders takes a special skill in synthesizing information and clear communication among the group in order to satisfy everyone's needs. Bold Hat has these skills as well as a diplomatic "seek to understand" approach which has proven successful in these complex environments. Bold Hat also specializes in creative conceptual development, utilizing intricate production timelines, extensive promotion campaigns and careful budgeting to bring maximum profitability, accuracy and value to its clients.
- [Learning from the 2007 SWOT Analysis so that the above stated goals can be met. \(section 3.4\).](#)



In the fall of 2006 the Kirkland Art Center announced that they were no longer going to produce Kirkland's Summerfest event that had been taking place in Marina Park for many years and drawing over 45,000 attendees. At the end of its tenure the art center was utilizing the Marina Park parking lot to produce an art and wine tasting event. The decision to end Summerfest created an opportunity for Kirkland to repurpose this popular summer event utilizing best practices and the Central Business District (CBD) to capitalize on entrepreneurial opportunities. Simultaneously, the Washington Wine Commission (WWC) who was looking for a venue to host a waterfront wine-tasting event approached Bold Hat Productions. This was quite a coup as the Washington Wine Commission has not participated in any event other than the Taste of Washington held in Seattle. Additionally, the City of Kirkland had previously approached the WWC without success about somehow getting involved with the Kirkland community. Bold Hat brought the idea to the City of Kirkland and *Kirkland Uncorked* was born. In order to proceed with the event \$40,000 in "seed money" was needed from the City under the agreement that Bold Hat would repay that money in two annual increments of up to \$20,000 each in 2007 and 2008 assuming the events were profitable and the funds were available (**see Attachment B**).

In many ways the 2007 event was a great success attracting somewhere between 30,000-40,000 visitors total. Considering the event team had just over six months to develop a brand new event, much was accomplished in a very short time frame. However, there are also many lessons to be learned from 2007 that are examined below in section 3.4.



As mentioned earlier, *Kirkland Uncorked* has five major mainstay elements associated with it that differentiate it from other events:

- **Wine:** backed by the Washington State Wine Commission, the event will have some of the finest wines from over 20 Washington wineries. Vintners offer between 3 and 4 varietals so guests have an opportunity to taste wines that are not widely available, while scheduled wine seminars educate on the appreciation of wine and Washington wine trends. The wine shop sponsored by Grape Choice allows guests to take home any wines tasted.
- **Food:** Pairing plates, restaurant sampling, cooking and grilling demonstrations and a grilling competition are all highlighted events in the Tasting and Lifestyle Garden. Usually local restaurants are unable to participate in events due to high overhead costs, but Bold Hat has developed a low cost method for them to participate. As the event matures it is expected that Kirkland restaurants will dominate the food offerings. It is a goal for Kirkland restaurants to host winemaker dinners in conjunction with the *Kirkland Uncorked* weekend festivities. The development of relationships with restaurants, wineries, wine distributors, and wine associations will help make this a possibility.
- **Art:** The Northwest Arts and Craft Alliance are the producers of “Best of the Northwest” and they’ve now come to Kirkland to showcase some of their finest artisans in the Northwest. Along Kirkland Avenue artisan booths feature paintings, sculptures, ceramics, jewelry and more. Kirkland’s reputation as a major supporter of art and artists is highlighted with abundant galleries in the downtown core.
- **Lifestyle:** Seattle Homes and Lifestyle Magazine sponsors the engaging and interactive lifestyle exhibits within the Tasting and Lifestyle Garden. Complimenting the wine tasting is the opportunity to browse and shop current trends in home décor and fashion. The City Dog Cover Dog contest will allow dog-lovers to bring their small dogs to the event for stage strutting and picture-taking – three judges will determine a final winner.
- **Music:** Locally acclaimed jazz musicians from Pony Boy Records and a classical string quartet provide an ideal soundtrack for the Kirkland Uncorked experience. It is hoped that this element will grow as the event matures. Pony Boy Records is a streamlined independent jazz and swing label, featuring exciting artists with a Seattle connection. From background music to center-stage entertainment, sounds big and small, they’ve played for everybody – from Microsoft, Jaguar/Porsche, Boeing, SafeCo Field, art museums, and dance clubs – to the Paramount Theater and Jazz Alley, cruises and backyard parties.



In addition to these major offerings, the event is a Seafair sanctioned event, which allows for considerable cross-marketing opportunities with over 2,000,000 hits to their website annually. Not to be minimized, a percentage of the proceeds from the event are donated to Hope Heart Institute, one of the foremost leaders in cardiovascular research.

Beyond the offerings and the appeal of helping a worthy eastside non-profit, *Kirkland Uncorked* offers a magnificent setting in beautiful Marina Park on picturesque Lake Washington in downtown Kirkland where shopping and restaurants abound in a charming pedestrian-oriented setting.

For 2008, the KDA brings the Kirkland Classic Car show to downtown on Sunday. Also on Sunday, CityDog Magazine comes to the event to find it's next magazine Cover Dog. Taking place at Marina Park beach, the contest is free and open to the public to enjoy the "mutt strut" on the "dog walk". The \$10 registration fee goes to support Pasado's Safe Haven. Throughout the event, Grow Boating will showcase some of the hottest boats on the market. Boats will be located on the marina and are open to the public.



The vision for the event in 2007 was somewhat different than it is for 2008 and the future in that *Kirkland Uncorked* was initially intended to be a fundraiser for the Kirkland Art Center and was trying to be a bridge between the old Summerfest and the new Uncorked event. Now in 2008, with more time to plan and key players “settled in” other opportunities are taking shape that can be built upon for the future.

Assuming the event continues to be backed and supported by the Washington Wine Commission, Seattle Homes and Lifestyle Magazine, the Northwest Arts and Crafts Alliance, and Pony Boy Records the opportunities and potential for this event are enormous. Ten years from now, our goal is that visitors will want to come and discover Kirkland because they’ve heard about *Kirkland Uncorked*, and will even come during non-event times just to see the city that holds this amazing event they’ve heard so much about! *Kirkland Uncorked* will be clearly differentiated from other events.

- The event team is casting a much wider net for publicity and trying to entice more travel writers to the area with the help of the City’s tourism program and a national/international marketing and PR firm in California. Already the event has attracted a travel writer working with Peter Greenberg who is perhaps best known as the Travel Editor for NBC’s Today, but is an Emmy Award-winning journalist and producer in his own right. Previously, Greenberg was a correspondent for Newsweek, among other publications. In addition to his Today Show duties, Greenberg produces travel segments for America Online, is a contributing editor for Men’s Health (magazine), produces a radio show, Peter Greenberg Worldwide, and an online travel site at PeterGreenberg.com. He also appears periodically on MSNBC, CNBC, The View and even The Oprah Winfrey Show as a travel expert.
- The event team has also attracted Pony Boy Records to bring jazz to the event and Kirkland! Pony Boy Records is a streamlined independent jazz and swing label, featuring exciting artists with a Seattle connection. We see the jazz element becoming a stronger component of *Kirkland Uncorked* including after hour events and other venues with big-name bands. The event intends to build on the momentum of the KDA music nights and continue the buzz through August with the Kirkland Performance Center’s Jazz offerings.
- The event has its core offerings, but to stay fresh and interesting, new ideas will need to be incorporated every year. This proactive/creative approach will continue to differentiate *Kirkland Uncorked* from other events. Possibilities include expanding the event to include more wine-themed cruises by Argosy, winemaker’s dinners hosted by various downtown restaurants leading up to the event, cooking with wine classes, a sparkling wine and chocolate after party, private tastings, and other unique “entertainment” possibilities.
- Right now the event team is working tirelessly obtaining sponsorships for a relatively new event. Key returning sponsors are already contributing to making *Kirkland Uncorked* a much anticipated annual summer event.



The appeal for this event is broad, however demographic information gathered from 2007 has helped to focus efforts for the future. Prior to the event in 2007, the Washington Wine Commission was hoping to appeal to a younger, professional group who had not yet established a wine brand loyalty. Although this group was certainly represented, it was by far not the primary audience. Market research was conducted and the following information visually describes the demographic.

SEATTLE HOMES & LIFESTYLES: READERS

AVERAGE NET WORTH	\$1.7 MILLION
AVERAGE INCOME	\$259,200
AGE	
MEDIAN AGE	51
AGES 30-54	54%
WINE CONNOISSEURS	75%+ CONSUMED DOMESTIC WINE WITHIN THE PAST 7 DAYS

NORTHWEST CRAFTS ALLIANCE: BEST OF THE NORTHWEST ATTENDEES

OWN THEIR HOME	75%+
AVERAGE INCOME	\$100,000
AGE	
25 – 34	9%
35 – 44	18%
45 – 54	28%

KIRKLAND UNCORKED: ATTENDEES

AGE		INCOME LEVELS	
AVERAGE AGE: 36 – 50		AVERAGE INCOME LEVEL: \$50,000 – \$100,000	
18 – 25	12%	UNDER \$24K	5%
26 – 35	21%	\$24K – \$35K	7%
36 – 50	27%	\$34K – \$50K	17%
51 – 64	23%	\$50K – \$75K	21%
65+	17%	\$75K – \$100K	17%
OCCUPATION		\$100K – \$125K	15%
PROFESSIONAL	66%	\$125K+	18%
OTHERS	14%	38% MALE	
STUDENT	13%	62% FEMALE	
LABOR	5%		
GOVERNMENT	2%		

It is apparent that the majority of those that entered the wine garden were between the ages of 30 and 60, professional women, in a higher income bracket. Since this was built as a “lifestyle” event, these results were not completely unexpected. The main elements of the event (wine, art, cuisine, music and upscale lifestyle exhibits) would be appealing to this demographic.



In addition to the 2007 demographic information, the following groups are considered major target markets for the event:

Wine Enthusiasts

- Existing: who already attend wine events
- New: who have been priced out of existing wine events
- New: who would like to learn more about wine tasting/food pairing
- Current customers of area wine related stores
- Wine clubs and members who read wine related publications, sections in WA newspapers, or belong to wine blogs

Food Enthusiasts

- Currently attend “foodie” events (local and regional)
- Who read food related publications or sections in WA newspapers
- Who are current customers of participating restaurants
- Current customers of area gourmet stores

Art Collectors

- Currently attend art shows, gallery walks and exhibits
- Who read art related publications or sections in WA newspapers
- Friends and families of participating artists
- Followers of the Northwest Arts and Crafts Alliance events

Music Enthusiasts

- Jazz lovers who currently attend jazz events or listen to jazz stations
- Music lovers in general who appreciate it for the ambiance it creates
- Classical music lovers
- Friends and families of participating musicians

General

- Kirkland/Eastside/Seattle community looking for something to do
- Tourists in Seattle/eastside looking for something to do during their stay
- Tourists planning on visiting Kirkland already during their stay
- Singles looking for a way to meet new people and learn about wine/food
- Couples looking for a “date” event to try wine and food and enjoy Kirkland waterfront, restaurants and bars
- “Girlfriends” looking for an outing and fun
- Individuals who have been looking for an excuse to visit Kirkland



The intent and vision for *Kirkland Uncorked* is to naturally evolve into a REGIONAL event, as such it will be important to track geographic information to uncover WHERE guests are coming from as well as WHY they chose to attend the event. The questionnaire for 2008 will be asking guests what City/State they live in as well as their interests in the event to better understand our audience make-up. This information will assist in decision-making for future advertising, sponsorship and marketing efforts. In addition, the event team will work closely with local hotels to determine the best method for tracking hotel guest attendance to the event. **Section 2.3, Vision for the Future**, clearly examines some of the strategies being employed for maximum results aimed at the target markets with the vision, mission and goals of the event in mind. The event will also comply with State reporting requirements for activities receiving tourism funding.

When examining the “competition” for our audience, there are two areas that require attention and planning:

- **Wine events occurring regionally.** To compete with other wine events *Kirkland Uncorked* has to **differentiate** itself from events such as Taste Washington and the Washington Wine Highway. Although, wine-tasting is probably the most important element of *Kirkland Uncorked*, it is only one element and this is really what differentiates the event. Other events are providing food-pairing and some educational elements, but none of them have all the elements and appeal of Uncorked. The music, art, lifestyle and ambiance/setting of the event on the water in a pedestrian-oriented downtown with lots of restaurants and shopping nearby clearly distinguishes it from other wine events. As mentioned in **Section 2.3** by bringing in additional new entertainment elements the event will stay “fresh” and exciting. In addition, the target for *Kirkland Uncorked* is broader than those attending “serious” wine events and paying upwards of \$125/ticket.
- **Events occurring at the same time as Kirkland Uncorked.** Typically this would not be an issue as the event would be planned on a weekend when it would not be competing with other major festivals in the area. But, because 2008 is a leap year, The Bite of Seattle was also planned for the same weekend as *Kirkland Uncorked*. With thoughtful strategic planning from the team’s marketing consultant, the approach is to **locally cross-market** the event by capitalizing on the food element of Uncorked and suggesting a “food weekend” as part of the local publicity/advertising plan. Ultimately, we see the market for Uncorked as different from the market attending The Bite of Seattle.



A complete SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis was conducted after the 2007 event, which is summarized below and is key information for future programming and the success of *Kirkland Uncorked*. These are the “lessons learned”:

2007 Strengths include:

- Economic impact in 2007 of \$525,000
- Increases tourism benefits through extensive marketing and media exposure from an integrated marketing plan, Seattle Homes and Lifestyles Magazine, and travel writers like Peter Greenberg who also covered 100 weddings and the Juanita Café while visiting Kirkland.
- Opportunity for visitors to experience a Kirkland event.
- Recognition of Kirkland as a tourism destination for day and overnight visitors.
- Increased spending at hotels, restaurants, galleries and retail stores.
- Demographic a good match with event and downtown offerings.
- Location/ambiance: wine on the waterfront in beautiful Marina Park near pedestrian-oriented downtown Kirkland.
- The event builds community in a safe and controlled setting. A charming and hip metropolitan setting supplies a built-in audience and gives locals a place to “see and be seen” fairly effortlessly.
- Sponsors want to return and new sponsors are showing interest.
- City makes money from admissions tax.
- Support of non-profit through revenue-sharing.
- Arts community benefits through Kirkland Arts Center Fund raising element. Returning Kirkland Arts Center booth members will still make a significant percentage of what they made at Summerfest, but with minimal cost and effort.
- Lifestyle vignettes were very successful. Additional lifestyle sponsors are being sought with an improved site layout to better showcase their displays.
- The Kirkland Downtown Association reported that restaurants and galleries made more money than they normally would have on a typical summer weekend.



2007 Weaknesses and accompanying Opportunities for change include:

- **First Year Event and Perception of the Loss of Summerfest:** Sponsorship and attendance for first time (and even early years) events, is often difficult as the audience struggles to understand the event and is unsure if they want to put their money, resources, and time into untested waters. The customer experience for those who were expecting a wine event was positive, but for those who came thinking the event was going to be like Summerfest there was disappointment.
- **Opportunity:** The first year hurdle is behind us and those expecting Summerfest last year now know to expect a different experiential wine and lifestyle event for 2008. This is largely achieved through choosing appropriate advertising, marketing, and media channels. The hope is that a large portion of the Summerfest crowd will return for the Best of the Northwest art. For 2008 the event will have a great cross-marketing opportunity as a Seafair sanctioned event and *Kirkland Uncorked* will be able to capitalize on Seafair's publicity efforts (with an estimated 2,000,000 hits/yr).
- **Too many things to too many people:** In 2007 the event tried to offer something to everyone and meld a family-oriented community event with a tourism event causing resources to be diluted with so many stakeholders and diverse interests -- particularly with participating arts organizations.
- **Opportunity:** Identity has become more clearly defined as a tourism event for adults (section 3.1) and not a family-oriented event. In addition, the roles of key stakeholders have changed. For instance, the KDA will not be involved with the Art component of the event this year but will focus on notification to downtown merchants, distribution of collateral materials throughout the downtown core, and assisting with soliciting restaurants to participate in the event. No longer is there any disagreement and diversion of resources in determining a selection process for artists as the Northwest Arts and Crafts Alliance is producing the juried art segment for the event and will feature "Best of the Northwest" artists of which many Kirkland artists are members.
- **Closure of 520 Bridge during event weekend:** Despite extensive efforts on the part of event staff to overcome this obstacle by trying to work with the Department of Transportation and even contacting State Representative Larry Springer, no accommodation was made for the event in 2007. It's certain that attendance at the event was negatively impacted.
- **Opportunity:** The 520 bridge will be open in 2008 for the weekend of the event.
- **Pricing Structure:** There was considerable confusion regarding ticket pricing to the event in 2007 as too many options were available.
- **Opportunity:** The following new pricing structure has been determined based on current economic trends, the unique elements of the event, and on a simplified approach making it easier for the customer to understand.

\$20 advanced purchase for 10 tastes with souvenir wine glass or

\$25 at the door for 10 tastes with souvenir wine glass



- **Wine Over-pours:** One of the major reasons the event lost money last year was due to wine over-pours. In order to participate in the event, each winery donated two cases of wine per varietal. Once the donated wine was consumed the event purchased the remaining wine poured during the event. 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. In addition, since the tasting pours were so generous this had the trickle-down effect of reducing bottle purchases from the wine shop and reducing wine-by-the-glass token purchases at the event.
- **Opportunity:** One-ounce pour spouts will be required on all bottles, wine glasses imprinted with a pour line, and more event staff will be on hand to oversee wine pouring.
- **Site Plan:** The site plan in 2007 involved a “gated” area for the wine-tasting, the main stage, food sampling, lifestyle vignette displays, the wine store, and much of the art. This area did not work well in its arrangement for the food or the music and filled quickly during peak periods. The fencing was noted as feeling very obtrusive and not “friendly”.
- **Opportunity:** The site plan is revised for 2008 to better accommodate all the elements of the event and the guests (see Attachment C). Best of the Northwest artists will be located outside the gated area in the free public area along with more food booths. Fencing will feel much more welcoming by using lower 42” chain link fencing in inconspicuous areas and 42” white picket fencing in higher profiled areas.
- **Food Considerations:** In 2007 it was noted that the food was difficult to find at the event and there wasn’t enough of it. Restaurants, although very pleased with the outcome, were somewhat overwhelmed during peak periods.
- **Opportunity:** Food will be more easily available within and outside the wine garden to help smooth demand on the restaurants without competing with them. Food sampling and wine “pairings” will be made available in the wine garden. For example, one featured food item will be pairing plates consisting of cheese, meats, olives, bread and fruit sold by the Rotary and prepared by Epicurean Catering (Crab Cracker’s catering business). Full meals, however, will only be available in the free public areas. The site plan has been changed to better accommodate food activities. Additional food booths also provide a source of revenue for the event. Winemaker dinners will be offered in the future at lo-



cal restaurants on the same weekend and leading up to the event.

- **Music Experience:** The music in 2007 was not programmed sufficiently or appropriately for the event. It included ambient music in the wine garden during the day and live bands in the evening. This may have partially caused the uneven demand in the wine-garden based on live music playing or not. Outside the wine garden the Kirkland Teen Center (KTUB) provided live music for part of the event. The teen stage was not the best fit and location for the event.
- **Opportunity:** Additional live jazz music by Pony Boy Records will be available on the main stage in addition to string quartets sponsored by Classical King FM. Pony Boy Records is a streamlined independent jazz and swing label, featuring exciting artists with a Seattle connection. From background music to center-stage entertainment, sounds big and small, they've played for everybody – from Microsoft, Jaguar/Porsche, Boeing, SafeCo Field, art museums, and dance clubs – to the Paramount Theater and Jazz Alley, cruises and backyard parties. Appropriate other live music or ambient music will be playing between sets throughout each day. By having live music throughout the event on the main stage, the intense peaks and valleys of attendance in the wine garden should smooth out. The site plan has also been changed to better accommodate music activities. The Teen Center has agreed that the venue was not appropriate for their audience and will not be organizing live bands at the event in the future. The hope is to build upon the jazz component of the event and have it become as important as the wine and art components.
- **Kid's Area:** Although the kids had a terrific time building and racing potato cars the event was not designed overall to be a family/kid event.
- **Opportunity:** With demographic information from last year and a better understanding of the target markets, the event team can better focus on the primary mission of the event – as a tourism promotion vehicle for adults all around the region. There will not be a specific kids in the future.



For 2007, the event producers (Bold Hat) lost money, the City did not recoup their investment, and no seed money was captured for 2008 due to lack of profits. This is not necessarily unusual especially given all the circumstances listed above. What's important is that what happened is clearly understood and actions are being taken to prevent those circumstances from occurring again.

Threats include:

- **Weather:** the goal is to make enough money from sponsorships and pre-ticket sales so that all expenses, loans, and seed money for the following year are paid for without relying too heavily on day-of event ticket sales. The weekend choice for the event was largely determined based on its weather history – the Farmer's Almanac has this weekend in July listed as a typically hot and dry weekend.
- **Economy:** this is probably the biggest threat to the event's success. With the uncertainty of the U.S. economy and the upscale nature of the event some potential attendees may perceive the event as a luxury they can forego this year. It is our hope, that given the demographics of the target market from 2007, that this more mature/older target is fairly well-established and not so vulnerable to the swings and volatility of current market conditions.
- **Use of Public Park for Gated Event:** There was some criticism regarding this, however, a key element to the success of the event is its location. The Summerfest event contained a wine garden as part of their event without issue for many years. The lack of offerings outside the gated area may have underscored the feeling of an exclusive event. With the Best of the Northwest Art Show, the Kirkland Car Show, the Grow Boating Showcase, and the City Dog Cover Contest all taking place outside the gates the hope is that the event will feel more welcoming and not just something for wine-lovers. Looking at the strengths of having the event in Marina Park and all the public benefit that is gained, minor criticisms from a few individuals will hopefully be outweighed by the economic benefits that the event brings to downtown businesses including retail, restaurant, art galleries, and hotels.
- **Gated area reaching capacity during peak hours:** Although the goals for attendance in the gated area were far from being met, attendance was very high at peak times and very low during non-peak hours. With growth of the event, attendance management will be necessary through price structuring and timing of the offerings. Criticism for 2007 included lack of band music during off-peak hours. By having jazz or classical bands playing throughout the event this should no longer be a criticism and will hopefully even out demand in the gated area throughout the day. In 2008 the timing of the offerings (particularly the music) is being reformatted. If necessary, in future years a new pricing structure may also be necessary to smooth out demand (i.e. less expensive tickets into the wine garden during off-peak hours).



1 Event Leadership

- 1.1 Client Contracts
- 1.2 Client Relations
- 1.3 Event Checklists
- 1.4 Meetings
- 1.5 Neighborhood Relations
- 1.6 Timelines

2 Marketing

- 2.1 Media Sponsors
- 2.2 Graphics
- 2.3 Public Relations
- 2.4 Paid Advertising
 - 2.4.1 Radio
 - 2.4.2 Print
 - 2.4.3 T.V.
 - 2.4.5 Outdoor
- 2.5 Promotional Advertising
 - 2.5.1 Program
 - 2.5.2 Poster
 - 2.5.3 Flyer/Coaster
 - 2.5.4 Advance Tickets
- 2.6 Internet Marketing
 - 2.6.1 Website
 - 2.6.2 List Serv
 - 2.6.3 Blogs
- 2.7 On-site Marketing
 - 2.7.1 Tokens
 - 2.7.2 Glasses
 - 2.7.3 Merchandise
 - 2.7.4 Banners
- 2.8 Photographer

3 Sponsorship

- 3.1 Research Potential Sponsors
- 3.2 Areas of Sponsorship
- 3.3 Sponsorship Tangibles and Cost
- 3.4 Write Sponsor Letters
- 3.5 Create Sponsor Book
- 3.6 Sponsor Mailings, Calls, Meetings
- 3.7 Sponsor Contracts
- 3.8 Sponsor Invoices
- 3.9 Sponsor Activation
- 3.10 Sponsor Thank you's/evaluations
- 3.11 Sponsor Reinstatement



A truly great event smoothly incorporates a massive number of details, and the event team is experts at managing every single one of them -- from concept development and planning to sponsorship attraction and event execution. Kirkland Uncorked is broken into areas of concentration that correspond with each team member's specialty. The event team's approach is to work with all stakeholders through open communication, regular interaction, and thorough tracking of all project activities. The following information found in this section are tools used for the successful operation and management of Kirkland Uncorked.

4 Financial Operations

- 4.1 Budget
- 4.2 Accounting
- 4.3 On-site Money Operations

5 Permits

- 5.1 Insurance
- 5.2 City
- 5.3 Liquor License
- 5.4 Facility
- 5.5 Health
- 5.6 Vendor
- 5.7 Fire
- 5.8 Street closures
- 5.9 Parks

6 Event Elements

- 6.1 Admission Procedures
- 6.2 Beverage Garden
- 6.3 Beverage Sampling
- 6.4 Northwest Craft Alliance
- 6.5 Go Boating Showcase
- 6.6 City Dog Cover Dog Contest
- 6.7 Car Show
- 6.8 Grilling Contest
- 6.9 Grilling Demos
- 6.10 Entertainment
- 6.11 Event Merchandise
- 6.12 Food Sampling
- 6.13 Food Vendors

7 Human Resources

- 7.1 Event Staffing
- 7.2 Event Volunteers
- 7.3 Chain of Command
- 7.4 Hospitality

8 Production

- 8.1 Site Design
 - 8.1.1 Venue Selection
 - 8.1.2 Floor Plan
 - 8.1.3 Parking
 - 8.1.4 Load-in
- 8.2 Event Needs
 - 8.2.1 Equipment Rental
 - 8.2.2 Contract Services
 - 8.2.3 Supplies
 - 8.2.3.1 Event Computers
 - 8.2.4 Credentials
 - 8.2.5 Signs and Banners
- 8.3 Production Timeline
 - 8.3.1 Load-in
 - 8.3.2 Installation times
 - 8.3.3 Event maintenance
 - 8.3.4 Hours of operation
 - 8.3.5 Production Staffing
 - 8.3.6 Load-out times

9 Wrap-Up

- 9.1 Thank you cards/gifts
- 9.2 Event Evaluations
- 9.3 Event Changes
- 9.4 Photos
- 9.5 Hours of Work Analysis



Kirkland Uncorked, owned and managed by Bold Hat Productions Inc.

City of Kirkland

Event Director

Event Manger

Event Administration

Special Event Permitting

NW Arts and Crafts Alliance

Event Operations

Finance

Internal Communications

Seattle Homes and Lifestyle

Event Production

Human Resources

Hope Heart Institute – Event Non-profit

Music – Pony Boy Records

Marketing

Sales and Sponsorship



4. Event Operations and Management

4.3 Personnel Plan

The following table shows the estimated personnel needs for *Kirkland Uncorked*.

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Bold Hat Staff (1)	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
On-Site Staff (2)	\$18,000	\$20,700	\$23,805	\$27,376	\$31,482
Other (3)	\$5,400	\$6,210	\$7,141	\$8,212	\$9,444
Total Payroll	\$103,400	\$106,910	\$110,946	\$115,588	\$120,926
Total People (4)	19	22	25	29	33

(1) Bold Hat fee is \$80,000 for years 1-5 of event.

(2) On site staff required for three day event. Annual increase reflect labor costs and increases in staff to accommodate management of event growth

(3) Other/Contract Labor: security, greeters, maintenance, police

(4) Total number of people involved annually in Uncorked production from inception to execution.



5. Financial Plan

The following is the past and projected financial picture for Kirkland Uncorked over a five year period. Assumptions are noted and correspond to figures in the spreadsheet.

- (1) 2000 growth per year after 2000. An event grows in popularity as time with the demand for product placement at the event. Typically if marketing agencies hit their target audience at a particular event they will secure their commitment to the event on an event basis. As the marketing agencies have more the effect necessary to attract more and more marketing revenue decreases.
- (2) Good money in 2000 year for event start up. Revenue starting in for marketing. Possibility of \$25,000 in revenue starting in year 2000-2001. This revenue assumption is based on Uncorked receiving the attention the national brand would and brand within.
- (3) Average spending per person in 2000 was \$94.93. \$94.93 used in 2000 due to available capacity. \$26.31 average spending per person in 2000 with 20% increase in spending in each year thereafter: 2000 - \$94.93 and average 2001 - \$99.99 and so forth.
- (4) 2000 per year increase in registration fees as number of vendors and demand for space increases. Part of the Northwest expects to expand its venue in 2000 to accommodate the demand for event facilities at the event. An attendance above additional vendors will ensure more (i.e. additional food vendors, non-profit organizations).
- (5) Average 2000 Yearly Marketing Revenue of \$25,000 Average 2000-2001 Potential Revenue Revenue of \$25,000
- (6) Operational costs increase at 20% per year (includes 20% cost increase for tickets number etc.)
- (7) Net Profit fee increases based on individual ticket sales. 2000 Net Profit fee included in operational costs. For years 2000-2001 - \$1.00 for first 2000 attendees (\$1.00 for next 2000-4000 attendees \$1.25 for attendees after 4000. Average fee per attendee/venue. Credits incentive for non-profit to assist event in their organizations.
- (8) Tax on Administrative Charges submitted by the City of Kirkland at 2%. \$1204 tax on administrative submitted in 2000 and reflected in operational costs. Administrative tax in 2000 and 2001 to be credited toward \$25,000 deficit. Tax calculated based on reported attendance. In 2002 there is a potential to request that tax on administrative be refunded by City to a non-profit organization. Total administrative tax paid to city in years 2000-2001 is \$25,000.
- (9) City contract with Wolf Hat Productions is in effect for years 2000 and 2001 (Tax on Administrative and between 2002-2000 deducted from \$25,000 total revenue)
- (10) Year five (2004) is end of first business cycle. Good money allows for further placement of deposits, or buys, dedicated staff and a financial safety net in the event of etc. (trips shown, or related events).
- (11) Total essential payment to City in 2000 based on attendance at 4000 is \$26,000 (\$24,000 + \$2,000 = \$26,000). Wolf Hat Productions enters 2000 with deficit of \$25,000.

Kirkland Uncorked 5 Year Financial Outlook

	2000 Actual	2000	2001	2002	2003	2004
Revenue						
Marketing Revenue (1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
City Fund Revenue (2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Vendor Marketing Revenue (3)	\$116,000	\$120,000	\$124,000	\$128,000	\$132,000	\$136,000
Other (4)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Registration Fee (5)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenue	\$116,000	\$120,000	\$124,000	\$128,000	\$132,000	\$136,000
Expenses						
Administrative Revenue (6)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operational Costs (7)	\$125,000	\$150,000	\$180,000	\$216,000	\$259,200	\$311,040
Net Profit Contribution (8)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Administrative Tax (9)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses	\$125,000	\$150,000	\$180,000	\$216,000	\$259,200	\$311,040
Net Income	-\$9,000	-\$30,000	-\$56,000	-\$88,000	-\$127,200	-\$175,040
Reversion to City	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reversion of Public (10)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Deficit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Good money (11)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Tax on Administrative Paid 2000-2001 (12)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Public Law Tax on Administrative (13)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



Attachment A



SPECIAL MARKETING
OPPORTUNITY

INDULGE YOUR SENSES...

A three-day festival of style and taste dedicated to the experience of wine, food, art, lifestyle and music

Kirkland Uncorked presents a truly unique experience, dedicated to indulging the senses within a lifestyle environment. The focus of this regional weekend event is fine Washington wine and food, luxury art and home design. Kirkland Uncorked promises to please the palate of its primarily affluent audience ages 30 - 50.

WINE

More than 20 Washington wineries and winemakers spend the weekend at Kirkland Uncorked pouring the finest wine in the world. Scheduled wine seminars educate on the appreciation of wine and Washington wine trends. The **Kirkland Uncorked Wine Shop** allows guests to purchase any wines tasted.

FOOD

Pairing plates, restaurant sampling, cooking and grilling demonstrations, as well as the grilling competition are all highlighted events in the **Tasting and Lifestyle Garden**.

ART

"Best of the Northwest" comes to Kirkland to showcase more than 60 of the Northwest's finest artisans. Booths along Kirkland Avenue feature paintings, sculptures, ceramics, jewelry and more. Plus, Kirkland's reputation as a major supporter of art and artists is highlighted with more than 14 galleries in the downtown core.

LIFESTYLE

The **Tasting and Lifestyle Garden** encompasses an array of exhibits brought to you by *Seattle Homes & Lifestyles*. Complementing the wine tasting is the opportunity to browse and shop the latest trends in home décor.

MUSIC

The **Kirkland Uncorked Mainstage** features funk bands that make everyone want to dance, acclaimed jazz musicians and a classical string quartet. It's the ideal soundtrack for the Kirkland Uncorked experience.

BENEFICIARY

We are proud to announce **Hope Heart Institute** as a Kirkland Uncorked beneficiary. Hope Heart Institute conducts cardiovascular research and education. They are dedicated to treating heart disease and improving the quality of life for all at risk for or afflicted with cardiovascular disease.



COURTESY-GANGNA BLASCO

AGREEMENT FOR PROFESSIONAL SERVICES BY
BOLD HAT FESTIVALS AND EVENTS FOR
KIRKLAND UNCORKED 2007 AND 2008

This Agreement between Bold Hat Festivals & Events, LLC, (hereinafter referred to as "Bold Hat"), and the City of Kirkland, a municipal corporation of the state of Washington (hereinafter referred to as "City") sets forth the terms and conditions that will govern the provision of professional services to the City for the Kirkland Uncorked 2007 and 2008 Events.

SECTION 1
SERVICES BY BOLD HAT

1.1 Services

Bold Hat agrees to provide services relating to the organization, promotion and production of the Kirkland Uncorked Event in the City of Kirkland as more particularly described in the Scope of Services ("SOW") set forth and incorporated herein by reference at Exhibit A. Bold Hat shall diligently and completely perform the SOW and all services and duties incidental or necessary thereto in accordance with the generally prevailing standard of care, conduct and performance in the greater Seattle metropolitan area for professional event production companies.

SECTION 2
PAYMENTS

2.1 Total Compensation

The City shall pay Bold Hat \$40,000 for the provision of services set forth in the SOW for the 2007 and 2008 Kirkland Uncorked Events (the "Contract Amount").

2.1.1 Invoices

Bold Hat shall be paid monthly on the basis of invoices submitted.

2.1.2 Time of Payment

Any payment shall be considered timely if a warrant is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

SECTION 3
REVENUE SHARING

3.1 Revenue Sharing

3.1.1 2007 Event

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 nor is Bold Hat guaranteeing any revenue amount or payment of the City Revenue Share.

3.1.2 2008 Event

The City Revenue Share for the 2008 event will be calculated in the same manner as the 2007 City Revenue Share subject to setting of a 2008 break even point established by the parties in accordance with Section 3.2 below.

3.2 Establishment of "Break Even" Point

Bold Hat shall prepare and submit to the City a projected budget for the 2007 event. The City shall review and approve the budget. The approved budget will be attached to this Agreement as Exhibit B-1. The break even point for the 2007 Kirkland Uncorked Event shall be the dollar amount at which 100% of the costs of production, including without limitation the Contract Amount, are paid by gross receipts net of applicable taxes (the "Break Even Amount"). The 2007 Break Even Amount is established as shown on the schedule in Exhibit B. The 2008 Break Even Amount will be calculated in the same manner. Bold Hat will submit the proposed 2008 Budget to the City on or before October 1, 2007.

SECTION 4 GENERAL PROVISIONS

4.1 Indemnification

Bold Hat shall defend, indemnify, and hold harmless the City its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of the use of the City-owned property or resulting from the acts, errors or omissions of Bold Hat in performance of this Agreement, except to the extent such injury or damage arises from the sole negligence of the City or the criminal acts of third-parties.

The City shall indemnify, defend and hold harmless Bold Hat and its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of the sole negligence of the City or its officers, officials, employees and volunteers.

4.2 Insurance

Bold Hat shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Bold Hat, its agents, representatives, or employees.

4.2.1 *Minimum Scope of Insurance*

Bold Hat shall obtain insurance of the types described below:

- a. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under Bold Hat's Commercial General Liability insurance policy with respect to the work performed for the City.
- b. Liquor Liability insurance. The City shall be named as an additional insured on Bold Hat's Liquor Liability insurance.
- c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

4.2.2 *Minimum Amounts of Insurance*

Bold Hat shall maintain the following insurance limits:

- a. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
- b. Liquor Liability insurance shall be written with limits in the amount of \$2,000,000 for each occurrence.

4.3 License

Bold Hat hereby grants the City a limited non-transferable license to use the name "Kirkland Uncorked" in connection with the associated event starting in 2007 and located within the City. The City and Bold Hat shall collaborate with respect to the marketing of the event. Bold Hat shall be responsible for supervision, management and control of the event, provided that Bold Hat shall consult with and work with the City and other event sponsors with respect to event issues.

The parties specifically acknowledge and agree that Bold Hat owns and reserves all rights, title and interests in and to the name "Kirkland Uncorked" and the associated event, including without limitation any logos, trademarks, copyrights or other intellectual property relating to the "Kirkland Uncorked" event.

Except to the extent of this limited non-transferable license, this Agreement vests no rights, title or interest in the City in or to the name "Kirkland Uncorked", or the associated event, including, without limitation, any logos, trademarks, copyrights or other intellectual property; provided that nothing in this Agreement shall preclude the City from promoting or producing its own wine events that do not use the word "Uncork" or "Uncorked" or some other variation of that word.

This license shall automatically terminate upon the expiration or earlier termination of this Agreement.

4.4 Assignment

No party shall assign any of its rights or delegate any of its duties under this Agreement without the express written approval of the other party, except as otherwise provided herein.

4.5 Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The venue of any suit or arbitration arising under this Agreement shall be in King County, Washington.

4.6 Captions

The section and paragraph captions used in this Agreement are for convenience only and shall not control and affect the meaning or construction of any of the provisions of this Agreement.

4.7 Notices

Any notice, demand, document, or other communication that is required by this Agreement to be given shall be in writing and shall be deemed to have been given when delivered, if delivered in person, to the City or Bold Hat, as appropriate, or three days after mailing if sent by registered or certified mail, return receipt requested, addressed as follows:

If to the City:

Sheila Cloney
123 Fifth Avenue
Kirkland, WA 98033

If to Bold Hat:

Phil Megenhardt
3503 Phinney Avenue North
Seattle, WA 98103

4.8 Counterparts

This Agreement and any amendments shall be executed in three counterparts. Each such counterpart shall be deemed to be an original instrument. All such counterparts together will constitute one and the same Agreement.

4.9 Cumulation of Remedies

All remedies available at law or in equity to either party for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of anyone remedy shall not preclude the exercise of any other remedy.

4.10 Force Majeure

Neither party will be liable for delays or performance failures resulting from or caused by actions beyond the control of such party or its subcontractors without the fault or negligence of the non-performing party ("Force Majeure Events"). Such Force Majeure Events shall include, but shall not necessarily be limited to, acts of God, inclement weather, strikes, lockouts, riots, governmental regulations imposed after the date of this Agreement, epidemics, communication line failures, power failures, earthquakes, fire, floods, or other disasters or events. Either party claiming protection under this subparagraph shall give notice to the other promptly upon commencement of such Force Majeure Events. If Force Majeure Events should last for more than ten (10) days, either party may, at its option, elect to terminate this Agreement without further liability to the other party; each party shall be responsible for performing its obligations, including payment obligations, incurred to the date of the Force Majeure Events.

4.11 Audit

Bold Hat, or, upon dissolution of Bold Hat, its trustee, or agent, shall permit the City for three (3) years after the expiration or termination of this Agreement, to inspect and audit at reasonable times in King County, Washington, or at such other reasonable location as the parties may agree upon, all pertinent books and records of Bold Hat (and of any subcontractor or other person or entity that has performed work directly in connection with or directly related to this Agreement) relating to the performance of this Agreement and shall supply the City with, or permit the City to make, a copy of such books and records and any portion thereof, upon the City Finance and Administration Director's request. Bold Hat shall ensure that such inspection, audit, and copying right of Bold Hat is a condition of any subcontract, agreement, or other arrangement under which any other person or entity is permitted to perform work in connection with or related to the City's services under this Agreement. The City is subject to audit as a governmental entity.

4.12 Independent Status of Parties

4.12.1 Both Parties Independent

Both parties, in the performance of this Agreement, will be acting in their individual capacities and not as agents, employees, partners, joint venturers, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

4.12.2 Compliance with Business License

Bold Hat must obtain a City of Kirkland Business License or otherwise comply with Kirkland Municipal Code Chapter 7.02.

4.13 No Creation of Third-Party Rights

This Agreement is entered into by the parties to set forth the rights, obligations, and duties of each party and is not intended to create any rights in third parties.

4.14 Compliance with Laws

Bold Hat shall comply with all federal, state, and local laws, statutes, ordinances, and regulations in the performance of its obligations under this Agreement.

4.15 Termination for Default

In the event either party is in material breach at any time under this Agreement, and such party fails to cure such breach within five (5) days' written notice to cure from the other party, the party giving notice may terminate the defaulted agreement effective immediately upon written notice.

4.16 Entire Agreement

It is understood and agreed that this Agreement is solely between Bold Hat and the City. This Agreement contains the entire agreement and understanding of the City and the Bold Hat with respect to the subject matter hereof, and supersedes all prior or contemporaneous oral or written understandings, agreements, promises or other undertakings between the parties.

4.17 Amendment or Waiver

This Agreement may not be modified or amended except in writing. No course of dealing between the parties or any delay in exercising any rights hereunder shall operate as a waiver of any rights of any party. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach by the other whether express or implied, shall constitute a waiver of or consent to any

other breach. No amendment or supplement to this Agreement shall be effective unless approved in writing by the City.

IN WITNESS WHEREOF the parties hereto have executed this document as of the day and year first above written.

CITY OF KIRKLAND

BOLD HAT FESTIVALS & EVENTS



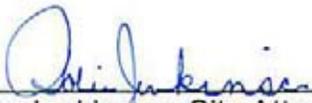
David Ramsay, City Manager



Phil Megenhardt
Director of Marketing Assets

Tax ID #: 91-215615

Approved as to Form:



Robin Jenkinson, City Attorney
Feb07KirklandUncorkedAgmt as of Mar 1 07

EXHIBIT A

Scope of Services to be Provided by Contractor
The Contractor shall furnish the following services:

Kirkland Uncorked 2007
Scope of Work
Prepared by Bold Hat Productions

SCOPE

Event Dates: July 13-15, 2007

The new event, with a working title of **Kirkland Uncorked**, will combine a wine tasting garden hosted by the Washington Wine Commission, musical entertainment, and top-notch artisans selected by the Kirkland Cultural Council and Kirkland Downtown Association to create a comprehensive community event.

The scope of work for 2007's **Kirkland Uncorked** includes the following elements:

Vision and Measurable Results:

We will develop a healthy working relationship with open communication, regular interaction and thorough tracking of all project activities with the organizing committee and all stakeholders. Our vision of a successful Kirkland Uncorked includes:

- Establishing clear goals, objectives and desired, measurable outcomes
- Identifying decision-makers and include all stakeholders in communications
- Developing a compelling media plan and powerful message
- Developing comprehensive design, sponsorship and marketing plans
- Developing a detailed strategic action plan and results timeline
- Maintaining a macroscopic perspective of the event throughout the project
- Ensuring that Kirkland Uncorked is a fun, meaningful and profitable experience for all involved parties

The following is a list of elements that will likely be included in the new event. At this stage in the planning, there is room to incorporate more or fewer elements as involved parties see fit.

Pre-Event Activities:

- **Kirkland Art Walk** – Thursday kickoff to the event.
- **Eastside Restaurant** – Month-long pre-event promotion in local and daily papers.

Event Elements:

Bold Hat Productions

1. Wine garden

- Produced by the Washington State Wine Commission.
- Guests receive five one-ounce tastes with admission and have the option of purchasing more tastes.
- High-end food sampling as well as larger portions available for purchase.
- Food demonstrations put on by local restaurants, markets or grocery stores.

2. Art Gallery (programmed by the Kirkland Cultural Council)

- Gallery-like atmosphere within the wine garden.
- Pieces will be available to guests for purchase.
- Art will be displayed in true gallery style, rather than artist booths, adding to the overall feel of an artistic showcase.

3. Artists in Action (programmed by the Kirkland Cultural Council and Downtown Association)

- Demonstrations will take place within the gated event and on Kirkland Avenue.
- Artists will contribute a piece of art to the Fresh Art Auction.

4. Music

- Bold Hat Productions with work with the Kirkland Parks Department to program two music venues.
- Both entertainment venues will have popular bands headlining each night of the event.

5. Partnerships with Downtown Restaurants

- Bold Hat Productions will work with the KDA and downtown restaurateurs to coordinate and promote “wine dinners” pairing a featured Washington wine and a chef’s special dinner menu on the Friday night of the event.
- Local restaurants will have the opportunity to be featured on the tasting menu at the event, with each restaurant featuring its appetizers over a manageable two-hour time frame within the overall event.

6. Fresh Art Auction

- Premier artisans working in a variety of media—from oils and watercolor paints to clay and fabrics—will create art inspired by their experience at the park.
- Guests can watch the artists as they work, establishing a unique connection between the artists and their work.
- Pieces will be auctioned off Sunday afternoon, providing guests the opportunity to take a “piece of the weekend” home with them.

7. Kids Area

- Free-to-enter family area with children’s activities.
- Zucchini and Summer Squash Art Car decorating and racing.
- Why should the grownups have all the fun? Sparkling cider and grape juice tasting for the kids!

8. Waterfront home tours

- Seattle Home and Life Style magazine will coordinate this ticketed tour of Kirkland’s fine waterfront homes.

PROPOSAL DETAIL

This proposal is based on a proposed relationship between Bold Hat Productions (BHP) and the City of Kirkland to produce the 2007 Kirkland Uncorked. In 2007, BHP will organize all details of the Kirkland Uncorked Event, such as site planning, developing relationships with potential media partners, securing major sponsors, management of community volunteer committee, as well as coordinating event details for the event such as production planning, on-site management of wine garden, all financial operations, community awareness campaign, vendor/entertainer hiring, food vendor management, sponsorship fulfillment and volunteer recruitment

Timeline

BHP event management fee is based on the attached draft timeline.

2007 Fee Structure

BHP does not assess hourly or daily rates to ensure that our clients are able to work with us on an unlimited basis. Instead, we charge a flat rate, enabling any committee representative to contact us without having to consider the budget. Once all involved parties have agreed to the terms and conditions of the contract, we consider ourselves invested in the success and completion of each project, and as such are willing and able to aid you in any way you need. BHP and all other parties involved in Kirkland Uncorked share a focus on community involvement, our work together will be a compelling and rewarding experience for everyone involved.

All services are included in this proposed fee. All non-service items will be handled as separate line items in the event budget, including, but not limited to, all rental items, on-site crew, entertainment, printing, and administrative expenses. BHP will provide monthly progress reports to update the City of Kirkland on the progress of the project.

Compensation and Method of Payment for 2007. BHP's event production fee for Kirkland Uncorked 2007 is \$80,000.00, half of which will be paid prior to the event by the City of Kirkland, and half of which will be supplied from sponsorship and attendee dollars. The total amount to be paid by the City of Kirkland shall not exceed \$40,000.00, to be paid as follows: \$10,000 upon signing of the contract and 6 monthly payments of \$5,000.00 to be paid on the first of each month. The final \$40,000 of BHP's fee will be paid as part of event expenses once the event is completed.

Kirkland Uncorked 2007 Scope of Work

DEVELOPMENT

- Conceptual development
- Budget development
- Timeline development

Marketing strategy development

PUBLIC RELATIONS AND PROMOTIONS

Press releases and media relations
Artwork creation, collateral material production and distribution
Community relations

ADMINISTRATIVE AND PROJECT MANAGEMENT

Supply purchase and management
Infrastructure management
Timeline management
Budget management and invoice issuance

CLIENT RELATIONS

Progress reports
Meetings

ENTERTAINMENT

Music/entertainer hiring
Vendor recruitment and management

PRODUCTION

Planning & logistics
 Site plan
 Logistics
 City interface—Police, Fire, Health Departments
Equipment rental coordination
Staffing
 Staff hiring
 Volunteer recruitment
Signage production and coordination
Day of event production

Kirkland Uncorked 2007 Staffing Proposal

The following are a list of staff functions that BHP includes in its fee:

- ✓ Event Director ~ Main client contact and quality control
- ✓ Stage Manager ~ Booking & management of bands and acts for each of the two venues
- ✓ Production Manager ~ Handling and implementation of all production plans
- ✓ Volunteer Manager ~ Recruitment & management
- ✓ Art Gallery Manager ~ Promotion, logistics & operations
- ✓ Concessions Manager ~ Contracting, financial tracking, placement & management

- ✓ Sponsor Hospitality Coordinator ~ Provision of pre- and during-event assistance to sponsor contacts
- ✓ Wine Garden Manager ~ Handling of all winery representatives, guests, security, set-up, and all other logistics and operations involved
- ✓ Kids' Area Manager ~ Handling of all logistics and operations involved in the kids' area

EXHIBIT B

BUDGET DOCUMENT SUBJECT TO CHANGE

Break Even Calculation

The "Break Even Point" is defined as the difference between actual direct expenses plus production fee and the net event proceeds. Net event proceeds is defined as the total proceeds less admissions tax remitted to the City as required in KMC 5.12. The template below describes the calculation to take place following the event for both 2007 and 2008. Documentation of expenses may be required by the City for any category other than production fees which are defined in Exhibit A of the contract.

	2007		2008	
	Budget	Actual	Budget	Actual
Revenue				
Sales Before Event				
Balance Forward from Prior Year			6,659.00	(20,000.00)
Art Exhibitor Registration	500.00		-	-
Winery Entry Fee	12,000.00		-	-
Food vendors registration	1,500.00		-	-
Advanced Resturant Promotion	10,000.00		-	-
Other sponsors	-		-	-
Sponsor (City of Kirkland)	40,000.00		-	-
KDA booth percentage	1,250.00		-	-
Advance Tickets 150@20	12,000.00		-	-
(A) Subtotal Sales Before Event	77,250.00	-	6,659.00	(20,000.00)
Sales Day of Event				
Wine Garden General/Admission	8,000.00		-	-
Wine Garden Taste Package (glass and 5 tastes)	135,000.00		-	-
Wine Garden Additional Tastes	20,000.00		-	-
By the Glass sales	12,000.00		-	-
Wine Shop Sales	15,000.00		-	-
Wine Class Fee	-		-	-
Gallery Event	-		-	-
Happy Hour Wine Cruise	-		-	-
Wine Brunch Tasting	-		-	-
Auction	-		-	-
Water sales	800.00		-	-
(B) Subtotal Sales Day of Event	190,800.00	-	-	-
(C) Subtotal Revenue (A + B)	268,050.00	-	6,659.00	(20,000.00)
Expenses				
Advertising	29,675.00		-	-
Bank Charges	500.00		-	-
Wine Garden Supplies	57,750.00		-	-
Credentials	175.00		-	-
Miscellaneous Equipment	1,500.00		-	-
Rental Equipment	13,613.00		-	-
Food Supplies	100.00		-	-
Art	1,500.00		-	-
Kids Area Supplies	600.00		-	-
Music	6,000.00		-	-
Auction	1,500.00		-	-
Office Supplies	600.00		-	-
Postage	350.00		-	-
Signage	375.00		-	-
Contract Services	3,600.00		-	-
BHP Staff				
Pre-Event Staff Support	80,000.00		-	-
Pre-Event Bookkeeping/Accounting	4,000.00		-	-
Other Staff	4,830.00		-	-
Travel Expense	250.00		-	-
Web Site Expense	1,600.00		-	-
Miscellaneous Expense	20,000.00		-	-
Miscellaneous Equipment and Supplies	-		-	-
NPO Fee	-		-	-
Permits and Licenses	5,873.00		-	-
Admissions Tax	7,000.00		-	-
(D) Total Expense	241,391.00	-	-	-
(E) Net Income (C - D)	26,659.00	-	6,659.00	(20,000.00)
(F) Credit for Admlssions Tax Paid	7,000.00	-	-	-
(G) Net Available for Revenue Sharing	19,659.00	-	6,659.00	(20,000.00)
(H) Maximum Payment to City (\$20,000 - F)	13,000.00	20,000.00	20,000.00	20,000.00
(I) Net to Kirkland Uncorked Event Account (G-H)	6,659.00	(20,000.00)	N/A	N/A

Kirkland Lodging Tax Advisory Committee (LTAC)

August 27, 2008

Minutes

8:00-9:00 a.m.

Kirkland City Hall, Council Chamber

Call to Order

Chair Tom Hodgson called the August 27, 2008 meeting to order at 8:00 a.m. The following members were in attendance: Nancy Demond, Marc Nowak, Luanne Erickson, Julie Metteer. New LTAC members, Les Utlely General Manager of the Heathman Hotel and Ryan Noel, General Manager of the Marriott Hotel were also present.

Economic Development Manager, Ellen Miller-Wolfe was also present at the meeting.

Reports

Staff informed the committee that its recommendation to Council regarding Tourism Funding Requests are due Friday, August 29, 2008.

Old Business

The committee continued its August 12, 2008 discussion regarding the 2009-2010 tourism budget. The committee did not make a final recommendation citing that it needed more detail about budget items.

The committee continued its August 12, 2008 discussion regarding 2009 Tourism Outside Agency Funding Requests. The committee formulated the following recommendation which will be forwarded to the Kirkland City Council as part of the 2009-2010 budget process:

Event/Project	2009 Funding Request	2009 LTAC Recommendation	2008 Funding Level for Reference
Gallery Association Brochure	\$ 21,000	\$ 8000	-
Concours - Marketing/Advertising	\$ 8,000	\$ 8000	6,000
Celebrate Kirkland - Marketing	\$ 6,000	\$ 3000	4,000
Uncorked	\$ 15,000	On hold pending receipt of final uncorked report (Placeholder)	30,000
Kirkland Performance Center	\$ 12,000	\$ 8,000	8,000
Kirkland Artist Studio Tour Marketing	\$ 4,000	\$ 2000	2,000
KDA - General Promotion	\$ 8000	\$ 8000	8,000
Total	\$ 74,000		\$ 58,000

The committee recommended increasing the 2009 Tourism Outside Agency funding amount (for a total of \$40,000+/-) to fund remaining items such as Uncorked.

New Business

None.

Announcements

Councilmember Hodgson talked about the recent criterion event held in early July in Downtown Kirkland.

Adjourn

The meeting adjourned at 9:10 a.m.

Dated this ____ Day of _____, 2008

Councilmember Hodgson

Kirkland Lodging Tax Advisory Committee (LTAC)

August 12, 2008 - Part I

8:00 a.m. - 9:00 a.m.

Kirkland City Hall, Council Chamber

Agenda

1. Approval of Minutes
 - a. May 15, 2008
2. Reports
 - a. NEW! Dashboard Report
 - i. Revenue Report
 - ii. Web Statistics Report
 - b. Kirkland Cultural Council - consultant
 - c. Jim Pearman - Eastside Visitors Bureau Proposal
3. Old Business
 - a. Kirkland Uncorked
 - i. Feedback
 - ii. Report to Council - September 16, 2008, 7:30 p.m.
 - b. 2008-2009 Tourism Retreat-Marketing-Branding Project
4. New Business
 - a. 2009-2010 Proposed Budget
 - b. 2009 Tourism-Outside Agency Funding Requests
5. Announcements
 - a. August 27, 2008 - Meeting Part II
6. Adjourn

Kirkland Lodging Tax Advisory Committee (LTAC)

August 12, 2008

Minutes

8:00-9:00 a.m.

Kirkland City Hall, Council Chamber

Call to Order

Chair Tom Hodgson called the August 12, 2008 meeting to order at 8:00 a.m. The following members were in attendance: Luanne Erickson, Dick Beazell on behalf of Julie Metteer.

Approval of Minutes

The minutes of May 15, 2008 were approved.

Reports

The committee reviewed the new Dashboard report that is a monthly summary of visitor related activity generated by the City of Kirkland Tourism program.

Staff reported to the committee on a recent meeting with a consultant working for the Cultural Council.

Staff reported on a proposal from Jim Pearman regarding a new Eastside Visitors Bureau proposal.

Old Business

The committee provided feedback on the 2008 Kirkland Uncorked event which will be passed on to Bold Hat Productions as part of their overall stakeholder survey. A formal presentation to Council will be made on September 16, 2008.

The committee discussed the upcoming tourism retreat and marketing/branding project.

New Business

The committee reviewed and discussed the 2009-2010 budget and 2009 Tourism Funding Requests. This was the first of two meetings to review these items.

Announcements

The next scheduled LTAC meeting is August 27, 2008 to continue the discussion regarding the 2009-2010 budget and 2009 Tourism Funding Requests.

Adjourn

The LTAC meeting adjourned at 9:00 a.m.

Councilmember Hodgson

Dated this ___ Day of _____, 2008

Kirkland Lodging Tax Advisory Committee (LTAC)

August 27, 2008 - Part II

8:00 a.m. - 9:00 a.m.

Kirkland City Hall, Council Chamber

Agenda

1. Approval of Minutes
 - a. August 12, 2008
2. Reports
3. Old Business
4. New Business
 - a. 2009-2010 Final Budget Recommendation to Kirkland City Council
 - b. 2009 Final Tourism-Outside Agency Funding Recommendation to Kirkland City Council
5. Announcements
6. Adjourn

Kirkland Lodging Tax Advisory Committee (LTAC)

August 27, 2008

Minutes

8:00-9:00 a.m.

Kirkland City Hall, Council Chamber

Call to Order

Chair Tom Hodgson called the August 27, 2008 meeting to order at 8:00 a.m. The following members were in attendance: Nancy Demond, Marc Nowak, Luanne Erickson, Julie Metteer. New LTAC members, Les Utley General Manager of the Heathman Hotel and Ryan Noel, General Manager of the Marriott Hotel were also present.

Economic Development Manager, Ellen Miller-Wolfe was also present at the meeting.

Reports

Staff informed the committee that its recommendation to Council regarding Tourism Funding Requests are due Friday, August 29, 2008.

Old Business

The committee continued its August 12, 2008 discussion regarding the 2009-2010 tourism budget. The committee did not make a final recommendation citing that it needed more detail about budget items.

The committee continued its August 12, 2008 discussion regarding 2009 Tourism Outside Agency Funding Requests. The committee formulated the following recommendation which will be forwarded to the Kirkland City Council as part of the 2009-2010 budget process:

Event/Project	2009 Funding Request	2009 LTAC Recommendation	2008 Funding Level for Reference
Gallery Association Brochure	\$ 21,000	\$ 8000	-
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Uncorked	\$ 15,000	On hold pending receipt of final uncorked report (Placeholder)	30,000
Kirkland Performance Center	\$ 12,000	\$ 8,000	8,000
Kirkland Artist Studio Tour Marketing	\$ 4,000	\$ 2000	2,000
KDA - General Promotion	\$ 8000	\$ 8000	8,000
Total	\$ 74,000		\$ 58,000

The committee recommended increasing the 2009 Tourism Outside Agency funding amount (for a total of \$40,000+/-) to fund remaining items such as Uncorked.

New Business

None.

Announcements

Councilmember Hodgson talked about the recent criterion event held in early July in Downtown Kirkland.

Adjourn

The meeting adjourned at 9:10 a.m.

Dated this ____ Day of _____, 2008

Councilmember Hodgson

Kirkland Lodging Tax Advisory Committee (LTAC)

September 16, 2008

5:00 p.m. – 5:30 p.m.

Kirkland City Hall, Rose Hill Room

Agenda

1. Call to Order
2. Continuation of 2009-2010 Budget Discussion (15 Minutes)
3. Tourism Program Models (Marc Nowak, 5 minutes)
4. Tourism Staff Update (5 minutes)
5. General Discussion (5 minutes)
6. Adjourn

Kirkland Lodging Tax Advisory Committee (LTAC)

September 16, 2008

Minutes

5:00 – 5:30 p.m.

Kirkland City Hall, Rose Hill Room

Call to Order

Chair Tom Hodgson called the September 16, 2008 meeting to order at 5:00 p.m. The following members were in attendance: Marc Nowak, Shirley Day, Ryan Noel, Luanne Erickson, Julie Metteer and Les Utley.

Reports

None.

Old Business

The committee continued its August 27, 2008 discussion regarding the 2009-2010 tourism budget.

The committee has an interest in exploring alternative options for staffing and management of the tourism program. Staff will prepare information in response to this request.

The committee recommended not submitting the 2009-2010 budget as presented by staff to Council.

New Business

None.

Announcements

None.

Adjourn

The meeting adjourned at 5:35 p.m.

Dated this ____ Day of _____, 2008

Councilmember Hodgson



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Erin J. Leonhart, Intergovernmental Relations Manager
Marilynne Beard, Assistant City Manager

Date: September 25, 2008

Subject: 2009 OUTSIDE AGENCY FUNDING RECOMMENDATION

As part of the 2007-2008 Budget, the City Council revised the outside agency funding process. Beginning in 2007, funds were awarded according to these categories:

- Partner Agencies – Organizations that operate an ongoing program or facility owned by the City or provide services on behalf of the City. This designation was given to the Kirkland Performance Center, Friends of Youth for the Kirkland Teen Union Building, and the Kirkland Downtown Association.
- Special Events – Events that have significant public appeal and are substantially funded and staffed by the City. The Fourth of July fireworks display has been funded under this category.
- Community Agency Funding – Activities and projects that would be funded on a one-time basis through a competitive process. Total funding to be dispersed is determined on an annual basis.
- Tourism Grants – Tourism projects and activities that are eligible for funding from Lodging Tax funds. The Lodging Tax Advisory Committee develops recommendations for Lodging Tax requests.

Under this system “Partner Agencies” (Kirkland Performance Center, Friends of Youth and the Kirkland Downtown Association) and the Fourth of July Fireworks received funding for 2007 and 2008. “Community Agency” requests and “Tourism Grants” remained on an annual cycle and were funded by a one-time General Fund allocation and a portion of annual Lodging Tax funds.

For 2009, the City received a total of \$243,325 in requests for Partner and Community Agency funding and \$72,000 in Lodging Tax funding requests. The Preliminary Budget reduces on-going funding levels for Partner Agencies by \$2,500 and reduces Community Agency funding from \$34,000 to \$17,000. In 2009, the recommended budget for Community Agencies is approximately 50% of 2008 levels due to limited one-time funds. Recommendations for limited Community Agency funds were allocated proportionately based on funding approved in 2008. The Lodging Tax Advisory Committee (LTAC) has recommended funding requests at a level of \$47,000 from the Lodging Tax Fund. The following table provides a summary of the funding requests and recommended funding levels by type of funding. Attachment 1 provides a detailed summary of funding recommendations for agency and funding source. Attachment 2 is a summary of the Lodging Tax Advisory Committee’s recommendation.

2009 FUNDING REQUESTS AND RECOMMENDATIONS

By Funding Source	2008 Approved	2009 Requested	2009 Recommended
GENERAL FUND			
Partner Agency -- Ongoing	70,000	78,500	67,500
Partner Agency -- One-Time	92,000	82,500	71,000
Special Events -- One-Time	30,000	30,000	15,000
Community Grants -- One-Time	<u>36,375</u>	<u>52,325</u>	<u>17,000</u>
Subtotal General Fund ----->	228,375	243,325	173,000
LODGING TAX FUND -- Tourism Grants	<u>58,000</u>	<u>74,000</u>	<u>47,000</u>
TOTAL ALL FUNDING SOURCES	286,375	317,325	217,500

The following narratives summarize agency requests and historical and recommended funding levels.

PARTNER AGENCIES

FRIENDS OF YOUTH

Friends of Youth operates the Teen Center (KTUB), a recreation, resource and arts center striving to meet the social recreational and cultural needs of young people between the ages of 13 and 19 years old.

Friends of Youth provides staffing for the KTUB an average of 35 hours and five days per week throughout the year, with longer hours during the summer months. Friends of Youth works with an Advisory Board comprised of youth and adults to assist in development and direction of a diverse array of programs and activities to meet the needs and interests, as well as increasing developmental assets, of Kirkland teens.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
KTUB Operations	\$60,000	\$60,000	\$60,000	Ongoing General Fund

KIRKLAND PERFORMANCE CENTER

The Kirkland Performance Center (KPC) provides a theater facility in which arts, entertainment and community gatherings are presented. Approximately 70,000 people attend events at KPC annually. Primary objectives in 2009 are to present 35-40 internationally-renowned performing artists/art troupes; partner with 12 local arts organizations to present their work; provide high-quality arts education programs for locals students; and continue to serve as a gathering place for Kirkland residents.

The Kirkland Performance Center is requesting an additional \$12,000 in Lodging Tax funds to fund marketing brochures.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
KPC Operations	\$50,000	\$50,000	\$50,000	One-Time General Fund
Marketing Brochures	\$8,000	\$12,000	\$8,000	Lodging Tax Fund

KIRKLAND DOWNTOWN ASSOCIATION

The Kirkland Downtown Association (KDA) focuses on creating a more vibrant downtown for the Kirkland community. KDA on-going partner funding is reduced from \$10,000 per year to \$7,500 per year. This reduction of \$5,000 for the biennium is recommended as one of the City Manager's Office service level reductions. KDA develops and manages programs to support businesses in the downtown core. Two programs were designed to help support business choosing to keep their doors open until 8:00pm on Thursday and Friday evenings: "T.G.I.Th., The Weekend Starts on Thursdays," which runs from Memorial Day through Labor Day, and "Kirkland Nights of Shopping," which runs from mid-November through the Christmas holiday. In 2008, KDA added a new program called "Second Thursdays Jazz Nights" to help support the art walk as well as increase traffic in the downtown. Also, KDA sends an email notice every Friday to subscribers about local events. Subscribers increased by 30% in 2008.

In addition to business support programs, KDA uses grant funding for projects such as the downtown flowerpot program, promotions for holiday events, power-washing sidewalks, and updating the KDA website. In 2009, KDA requested funding to continue all of the aforementioned programs and projects.

KDA also supports other activities such as the Kirkland Classic Car Show and the Wednesday Market that have requests listed in the Community Agency section.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
KDA Operations	\$52,000	\$51,000	\$28,500	\$7,500 Ongoing General Fund; \$21,000 One-Time General Fund
KDA Promotions	\$8,000	\$8,000	\$8,000	Lodging Tax Fund

SPECIAL EVENTS

FOURTH OF JULY FIREWORKS

Celebrate Kirkland produces a Fourth of July event that fosters community spirit and celebrates the diverse elements of our community. A parade, picnic, and annual fireworks show provide an opportunity for everyone to recognize and celebrate Independence Day. A multitude of volunteers, community groups and businesses make this event possible. City funding for the fireworks display is supplemented by fundraising conducted by Celebrate Kirkland.

Celebrate Kirkland is also requesting funding for the Fourth of July picnic, parade and marketing which are all considered below under the community agency requests.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Fourth of July Fireworks	\$30,000	\$30,000	\$15,000	One-Time General Fund

COMMUNITY AGENCY AND LODGING TAX REQUESTS

BOLD HAT PRODUCTIONS – KIRKLAND UNCORKED

Bold Hat Productions has produced the Kirkland Uncorked event for the past two years. The event, which takes place in downtown Kirkland, combines art, food, wine and lifestyle venues over three days in July. Bold Hat requested \$15,000 for marketing the event for 2009. The Lodging Tax Advisory Committee recommends approval of the request contingent upon receipt of a final report on the event that will include an economic impact statement prepared for the event.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Kirkland Uncorked	\$30,000	\$15,000	\$15,000	Lodging Tax Fund

BRIDLE TRAILS PARK FOUNDATION

The Bridle Trails Park Foundation has applied for a third year of funding to cover the cost of hanging banners to advertise the annual Party in the Park. The goal for the Party in the Park is to bring families into the park to enjoy family oriented activities and raise money to preserve, maintain and enhance Bridle Trails State Park.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Banner for picnic	\$325	\$500	\$150	One-Time General Fund

CELEBRATE KIRKLAND

Celebrate Kirkland produces a Fourth of July event that fosters community spirit and celebrates the diverse elements of our community. A parade, picnic, and fireworks show provide an opportunity for everyone to recognize and celebrate Independence Day. A multitude of volunteers, community groups and businesses make this event possible. The City of Kirkland provides funding for the fireworks display (see above). This funding is supplemented by fundraising conducted by Celebrate Kirkland.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
July 4 th Picnic	\$4,500	\$4,500	\$2,100	One-Time General Fund
July 4 th Parade	\$4,500	\$6,000	\$2,100	One-Time General Fund
July 4 th Marketing	\$4,000	\$6,000	\$3,000	Lodging Tax Fund
TOTAL	\$13,000	\$16,500	\$7,200	

CONCOURS d'ELEGANCE

Concours d'Elegance is an annual display of elegant cars similar to the annual show at Pebble Beach, which draws local, regional and national car enthusiasts as well as local residents. The Kirkland Concours d'Elegance has two overarching goals: to generate funds to serve seriously ill children and to educate the public about antique, vintage and classic automobiles. In the first five years, Concours contributed over \$800,000 to Evergreen Hospital Medical Center, in Kirkland, and Children's Hospital and Regional Medical Center, the beneficiaries of the event. Community event funding is requested for police support at the event as well as printing and hanging of banners. Lodging Tax funds will be used for event marketing.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Event Support & Banners	\$2,500	\$4,525	\$1,170	One-Time General Fund
Event Marketing	\$6,000	\$8,000	\$8,000	Lodging Tax Funds

EASTSIDE HERITAGE CENTER

The Eastside Heritage Center has approximately 30,000 artifacts in a growing collection. Since 2007 and at the request of the City, they have provided historical displays at City Hall. They are requesting funding to produce five exhibits for Kirkland City Hall to celebrate the rich and diverse history of Kirkland and the Eastside.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
City Hall Displays	\$1,250	\$4,500	\$585	One-Time General Fund

INTERLAKEN TRAILBLAZERS

The Interlaken Trailblazers host four to five Volkswalks per year in various eastside cities. Funding is requested to conduct a 10 kilometer (6.2 mile) Volkswalk in Kirkland hosting 300-400 people, which will encourage involvement in the exercise of walking as well as bring people to and through Kirkland.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Event Support	\$300	\$300	\$140	One-Time General Fund

JUNIOR SOFTBALL WORLD SERIES

The Junior Softball World Series is a week-long softball tournament involving regional Little League all-star champions from five US regions, Canada, Europe, Latin America, Asia and a host team. The event introduces people from around the world to Kirkland. It is also a major Little League sporting event with a nationally-televised championship game. Funding is requested for team and visiting umpire housing and a banquet at Lake Washington Technical College.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Event Support	\$5,000	\$10,000	\$2,340	One Time General Fund

KIRKLAND ARTISTS STUDIO TOURS

The Kirkland Artist Studio Tour (KAST) grows in popularity every year. The event supports the growing art community in Kirkland and allows guests to visit the studios of artists that work out of their homes. The event attracts many visitors including families looking for a different way to spend Mother's Day.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Event Marketing	\$2,000	\$4,000	\$2,000	Lodging Tax Fund

KIRKLAND ARTS CENTER

The Kirkland Art Center (KAC) makes art accessible to the community through core education and gallery programs as well as a series of free outreach events and exhibits. Proposed 2009 activities include a partnership with Hopelink, hands-on art activities at community events, lectures and satellite exhibits. KAC provides Eastside residents with access to quality arts education and critically-acclaimed contemporary art exhibitions.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Free/subsidized classes	\$4,000	\$4,000	\$1,870	One Time General Fund

KIRKLAND DOWNTOWN ASSOCIATION – CLASSIC CAR SHOW

The Kirkland Downtown Association (KDA) sponsors the Kirkland Classic Car Show in partnership with the Legends Car Club, now in its seventh year. The Classic Car Show brings an estimated 15,000-20,000 people from the region to downtown Kirkland for the day.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Event Support	\$3,500	\$4,500	\$1,640	One-Time General Fund

KIRKLAND DOWNTOWN ASSOCIATION – KIRKLAND WEDNESDAY MARKET

The Kirkland Downtown Association is the parent organization to the Kirkland Wednesday Market (KWM), which is requesting funding to attend a national conference on direct farm marketing to be held in Savannah, Georgia. The goal is to glean new ideas and information to integrate into the local farmers' market program. The KWM has a geographical and destination based audience.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Conference Attendance	\$0	\$3,000	\$0	N/A

KIRKLAND GALLERY ASSOCIATION

The Kirkland Gallery Association produces a brochure every other year that provides a guide to galleries and public art in Kirkland. The Gallery Association has requested \$21,000 for printing and distribution of the brochures. The LTAC is recommending \$3,000 with an additional \$5,000 to be provided within the Tourism Budget for distributing brochures through a vendor that distributes Kirkland's tourism-related materials throughout the greater Puget Sound, eastern Washington and Vancouver, British Columbia.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Marketing Brochure	\$0	\$21,000	\$3,000	Lodging Tax Fund

KIRKLAND HERITAGE SOCIETY

The Kirkland Heritage Society (KHS) has a collection of nearly 12,000 historical photographs, documents and other printed materials. In 2006, KHS purchased a database developed specifically for cataloguing these types of materials. The funding will continue the project to enter items into the database so they will be readily available to the citizens of Kirkland and others for research.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Cataloging	\$2,000	\$2,000	\$935	One-Time General Fund

SEVEN HILLS OF KIRKLAND – KITH

The Seven Hills of Kirkland bike ride raises funds for on-going programs of Kirkland Interfaith Transitions in Housing. The ride brings approximately 1400 cyclists to Marina Park, through and around Kirkland for an event that has been widely recognized by the biking community. Seven Hills also offers an opportunity for KITH to explain its programs and projects to a wide variety of community members.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Event Support	\$7,000	\$7,000	\$3,270	One-Time General Fund

TRANSPORTATION CHOICES COALITION

Transportation Choices Coalition provides education and support for expanding transportation options for Kirkland residents in an effort to improve mobility and preserve the environment. In 2009, Transportation Choices would like to host at least one Transportation 101 workshop to provide transportation information, with a particular emphasis on East King County's and Washington's transportation system and about the effects of transportation investments on health, environment, mobility and quality of life.

Project	2008 Approved	2009 Requested	2009 Recommended	Source
Program Support	\$1,500	\$1,500	\$700	One-Time General Fund

Attachments:

- 1 – Funding Recommendations – Detailed Summary
- 2 – Lodging Tax Advisory Committee's Funding Recommendation

By Funding Source		2008 Approved	2009 Requested	2009 Recommended
GENERAL FUND				
Partner Agency -- Ongoing				
Friends of Youth	KTUB Teen Center Operations	60,000	60,000	60,000
Kirkland Downtown Association	Operating Support	10,000	18,500	7,500
Subtotal Partners -- Ongoing		70,000	78,500	67,500
Partner Agency -- One-time				
Kirkland Downtown Association	Operating Support	42,000	32,500	21,000
Kirkland Performance Center	Operating Support	50,000	50,000	50,000
Subtotal Partners -- One-Time		92,000	82,500	71,000
Other Base Budget Allocation - One-Time				
Celebrate Kirkland	July 4th Fireworks	30,000	30,000	15,000
Subtotal Other -- One-Time		30,000	30,000	15,000
Community Grants				
Bridle Trails Park Foundation	Banner for picnic	325	500	150
Celebrate Kirkland	July 4th Parade	4,500	6,000	2,100
Celebrate Kirkland	July 4th Picnic	4,500	4,500	2,100
Concours d' Elegance	Police Support & Street Banners	2,500	4,525	1,170
Eastside Heritage Center	City Hall Displays	1,250	4,500	585
Interlaken Trailblazers	Volkssporting 2009	300	300	140
Junior Softball World Series	Event Support	5,000	10,000	2,340
Kirkland Arts Center	Free/subsidized classes	4,000	4,000	1,870
Kirkland Downtown Association	Classic Car Show	3,500	4,500	1,640
Kirkland Heritage Society	Cataloging	2,000	2,000	935
Kirkland Interfaith Transitions in Housing	Seven Hills of Kirkland	7,000	7,000	3,270
Kirkland Wednesday Market	Conference Attendance	-	3,000	-
Transportation Choices Coalition	Dues	1,500	1,500	700
Subtotal Community Grants		36,375	52,325	17,000
Subtotal General Fund		228,375	243,325	170,500
LODGING TAX FUND -- Tourism Grants				
Bold Hat Productions	Kirkland Uncorked Marketing	30,000	15,000	15,000
Celebrate Kirkland	July 4th Marketing	4,000	6,000	3,000
Concours d' Elegance	Event Marketing	6,000	8,000	8,000
Kirkland Artists Studio Tours	Event Marketing	2,000	4,000	2,000
Kirkland Downtown Association	General Promotion	8,000	8,000	8,000
Kirkland Gallery Association	Marketing Brochure	-	21,000	3,000
Kirkland Performance Center	Marketing Brochure	8,000	12,000	8,000
Subtotal Lodging Tax		58,000	74,000	47,000
TOTAL ALL FUNDING SOURCES		286,375	317,325	217,500
By Agency and Event		2008 Approved	2009 Requested	2009 Recommended
Bridle Trails Park	Picnic	325	500	150
Celebrate Kirkland	July 4th Fireworks	30,000	30,000	15,000
	July 4th Parade	4,500	6,000	2,100
	July 4th Picnic	4,500	4,500	2,100
	Marketing (LTAC)	4,000	6,000	3,000
Subtotal Celebrate Kirkland		43,000	46,500	22,200
Concours d' Elegance	Event Support	2,500	4,525	1,170
	Marketing (LTAC)	6,000	8,000	8,000
Subtotal Concours		8,500	12,525	9,170
Eastside Heritage Center	City Hall Displays	1,250	4,500	585
Friends of Youth	KTUB Operations	60,000	60,000	60,000
Interlaken Trailblazers	Volkssporting 2009	300	300	140
Junior Softball World Series	Event Support	5,000	10,000	2,340
Kirkland Arts Center	Free/Subsidized Classes	4,000	4,000	1,870
Kirkland Artists Study Tour	Marketing (LTAC)	2,000	4,000	2,000
Kirkland Downtown Association	Operational Funding	52,000	51,000	28,500
	Kirkland Wednesday Market	-	3,000	-
	Classic Car Show	3,500	4,500	1,640
	Marketing (LTAC)	8,000	8,000	8,000
Subtotal Kirkland Downtown Association		63,500	66,500	38,140
Kirkland Gallery Association	Brochures	-	21,000	3,000
Kirkland Heritage Society	Operating Support	2,000	2,000	935
Kirkland Interfaith Transitions in Housing	Seven Hills of Kirkland	7,000	7,000	3,270
Kirkland Performance Center	Operating Support	50,000	50,000	50,000
	Brochures (LTAC)	8,000	12,000	8,000
Subtotal Kirkland Performance Center		58,000	62,000	58,000
Kirkland Uncorked	Marketing (LTAC)	30,000	15,000	15,000
Transportation Choices	Operating Support	1,500	1,500	700
TOTAL ALL AGENCIES/EVENTS		286,375	317,325	217,500



CITY OF KIRKLAND
City Manager's Office
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 www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager
 Tracey Dunlap, Finance Director

From: Sheila Cloney

Date: September 24, 2008

Subject: 2009 Tourism Outside Agency Requests – LTAC Recommendation

The Lodging Tax Advisory Committee (LTAC) reviewed requests for tourism grants totaling \$74,000. The LTAC recommends increasing the total 2009 Tourism Outside Agency funding amount from \$30,000 to \$47,000. Their recommendation is based on maintenance of 2008 funding levels and the degree to which the request supports tourism activities. The following table summarizes the LTAC's recommendation for 2009.

Agency/Project	2008 Funding	2009 Requested	2009 Recommended	Notes
Kirkland Gallery Association Brochure Printing and Distribution	–	\$21,000	\$3,000	Additional \$5,000 for distribution will be allocated through Tourism Budget
Concours d'Elegance Marketing	\$6,000	\$8,000	\$8,000	Provides national-level advertising
Celebrate Kirkland Marketing	\$4,000	\$6,000	\$3,000	
Kirkland Uncorked	\$30,000	\$15,000	\$15,000	Final approval pending receipt of economic impact statement in October 2008
Kirkland Performance Center Brochure	\$8,000	\$12,000	\$8,000	
Kirkland Artist Studio Tour Marketing	\$2,000	\$4,000	\$2,000	
Kirkland Downtown Association Marketing	\$8,000	\$8,000	\$8,000	
Total	\$58,000	\$74,000	\$47,000	

The base Lodging Tax budget has historically allocated \$30,000 for tourism grants. The LTAC recommends that additional funds in the amount of \$17,000 be allocated from the available fund balance in the Lodging Tax Fund (estimated available fund balance is \$176,000 at the end of 2008).

Kirkland Lodging Tax Advisory Committee (LTAC)

Tuesday, December 2, 2008

8:30 – 10:00 a.m.

Kirkland City Hall, Rose Hill Room

Agenda

1. Call to Order
2. Approval of Minutes: August 27, 2008 and September 16, 2008
3. Kirkland Uncorked – 2008 Report
 - a. Presentation and Q & A Regarding Economic Impact Statement by Scott Nagel,
Birchill Enterprises
 - b. Final Recommendation on 2009 Uncorked
4. Conversion of Outside Agency Funding to Tourism Funding
5. Status Update – Listening Tour
6. Status Update – Tourism Marketing RFP
7. Committee Rules and Procedures Project
8. Adjourn

Kirkland Lodging Tax Advisory Committee (LTAC)

December 2, 2008

Minutes

8:30 – 10:00 a.m.

Kirkland City Hall, Norkirk Room

Call to Order

Chair Tom Hodgson called the December 2, 2008 Lodging Tax Advisory Committee meeting to order at 8:30 a.m.. The following members were in attendance: Shirley Day, hotel representative Ryan Noel, Julie Metteer. Hotel representative Les Utley, and Luanne Erickson were absent.

Approval of Minutes

Shirley Day moved for the approval of the minutes of the August 27, 2009 and September 16, 2009 meetings. Ryan Noel seconded the motion which carried.

Reports

Kirkland Uncorked 2008 Report

Councilmember Hodgson introduced the topic and Scott Nagel of Birchill Enterprises made a presentation to the committee regarding the economic impact statement prepared for Kirkland Uncorked. Following the presentation and a question and answer session the committee discussed whether the event is an appropriate event for tourism funding.

The committee moved not to support the event in its current form on a three to one vote with Councilmember Hodgson, Shirley Day and Julie Metteer voting no. Ryan Noel voted yes. The committee indicated that all new event activities associated with the event should generate an economic impact; expressed receptivity to continued the use of the Uncorked brand and public relations efforts; and agreed to meet in January to consider a revised event format.

Bold Hat Productions president, Phil Megenhardt expressed an interest in coming back in January 2009 to present the marketing aspect of the event with the committee.

Old Business

2009 Outside Agency Tourism Funding

Following a discussion, Shirley Day moved to grant tourism funds to Kirkland Classic Car Show (\$1,640), Seven Hills of Kirkland (\$3,270); and Junior Softball World Series (\$2,340) in the total amount of \$7,250.

Listening Tour – Status Update

Economic Development Manager Ellen Miller-Wolfe commented on the status of the listening tour being conducted in an effort to evaluate the current organizational structure of the tourism program.

Tourism Marketing RFP

Staff updated the committee on progress made regarding requests for proposals for marketing/branding services.

New Business

Committee Rules and Procedures Project

The committee discussed the need for committee rules and procedures for the Lodging Tax Advisory Committee to ensure program consistency and compliance with State law.

Announcements

None.

Adjourn

The meeting adjourned at 10:35 a.m.

Dated this ___ Day of _____, 2008

Councilmember Hodgson



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Sheila Cloney, Special Project Coordinator

Date: December 4, 2008

Subject: Outside Agency Funding requests – Tourism Funding

RECOMMENDATION:

Council accept a recommendation from the Lodging Tax Advisory Committee (LTAC) to fund the Kirkland Classic Car Show (\$1,640); KITH Seven Hills of Kirkland (\$3,270); and the Little League Baseball Jr. Softball World Series (\$2,340) from the lodging tax fund in the total amount of \$7,250.

BACKGROUND DISCUSSION:

At the November 18, 2008 Kirkland City Council meeting, Council determined that three requests for outside agency funding could potentially be funded or supplemented by lodging tax funds, and requested that the LTAC consider funding for these programs.

At its December 2, 2009 meeting, the LTAC reviewed requests from the Kirkland Classic Car Show, Seven Hills of Kirkland and the Junior Softball World Series in the total amount of \$7,250. The LTAC was asked to make a recommendation regarding the use of lodging tax funds for the marketing/tourism elements associated with event activities. The LTAC was advised by staff that there were adequate reserve funds to cover these activities and that they need not redistribute funds that had already been recommended for other projects.

The LTAC recommended the use of lodging tax funds for the three events as follows:

Kirkland Classic Car Show	\$1,640
KITH Seven Hills of Kirkland	\$3,270
Little League Baseball Jr. Softball World Series	\$2,340
Total	\$7,250

The table below summarizes overall funding of the three events.

Project	City Manager Recommendation	Source(s)
Kirkland Downtown Association - Kirkland Classic Car Show	\$1,640	Lodging Tax Fund \$1,640
KITH – Seven Hills of Kirkland	\$3,270	One-Time General Fund \$3,270; Lodging Tax Fund \$3,270
Little League Baseball - Junior Softball World Series	\$2,340	Lodging Tax Fund \$2,340



CITY OF KIRKLAND
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MEMORANDUM

To: David Ramsay, City Manager

From: Sheila Cloney, Special Project Coordinator

Date: December 4, 2008

Subject: Lodging Tax Advisory Committee Recommendation regarding Kirkland Uncorked Funding

RECOMMENDATION:

Council earmark funding in the amount of \$15,000 in the Tourism budget for the 2009 Kirkland Uncorked event. The Lodging Tax Advisory Committee (LTAC) will reconsider the proposal in January, 2009, and will forward a final recommendation to the Council thereafter. Council can then determine whether LTAC funds should be allocated for this event.

BACKGROUND DISCUSSION:

On December 2, 2009 the LTAC received a report from staff regarding the 2008 Kirkland Uncorked event. In consideration of a 2009 request for Tourism outside agency funding for marketing of the event by Bold Hat Productions, the committee was provided with three options:

1. Approve the Tourism outside agency funding request in the amount of \$15,000;
2. Decline the request for \$15,000 in Tourism outside agency funding or approve Tourism outside agency funding in a lesser or greater amount than \$15,000; or
3. Make no decision on the request for Tourism outside agency funding.

Following discussion, it was determined on a three to one vote that the event not be funded in 2009 with the caveat that LTAC could reconsider its decision following a follow-up presentation by the applicant in January 2009.

The draft minutes from the December 2, 2009 LTAC meeting are attached to this memorandum.

Kirkland Lodging Tax Advisory Committee (LTAC)

December 2, 2008

Minutes

8:30 – 10:00 a.m.

Kirkland City Hall, Norkirk Room

Call to Order

Chair Tom Hodgson called the December 2, 2008 Lodging Tax Advisory Committee meeting to order at 8:30 a.m.. The following members were in attendance: Shirley Day, hotel representative Ryan Noel, Julie Metteer. Hotel representative Les Utley, and Luanne Erickson were absent.

Approval of Minutes

Shirley Day moved for the approval of the minutes of the August 27, 2009 and September 16, 2009 meetings. Ryan Noel seconded the motion which carried.

Reports

Kirkland Uncorked 2008 Report

Councilmember Hodgson introduced the topic and Scott Nagel of Birchill Enterprises made a presentation to the committee regarding the economic impact statement prepared for Kirkland Uncorked. Following the presentation and a question and answer session the committee discussed whether the event is an appropriate event for tourism funding.

The committee moved not to support the event in its current form on a three to one vote with Councilmember Hodgson, Shirley Day and Julie Metteer voting no. Ryan Noel voted yes. Committee members expressed interest in a broader scope/geography for the event and enhanced offerings; indicated that all new activities associated with the event should generate increased revenue; expressed receptivity to the continued use of the Uncorked brand and public relations efforts; and agreed to meet in January to consider a revised event format.

Bold Hat Productions president, Phil Megenhardt expressed an interest in coming back in January 2009 to present the marketing aspects of the event with the committee.

Old Business

2009 Outside Agency Tourism Funding

Following a discussion, Shirley Day moved to grant tourism funds to Kirkland Classic Car Show (\$1,640), Seven Hills of Kirkland (\$3,270); and Junior Softball World Series (\$2,340) in the total amount of \$7,250.

Listening Tour – Status Update

Economic Development Manager Ellen Miller-Wolfe commented on the status of the listening tour being conducted in an effort to evaluate the current organizational structure of the tourism program.

Tourism Marketing RFP

Staff updated the committee on progress made regarding requests for proposals for marketing/branding services.

New Business

Committee Rules and Procedures Project

The committee discussed the need for committee rules and procedures for the Lodging Tax Advisory Committee to ensure program consistency and compliance with State law.

Announcements

None.

Adjourn

The meeting adjourned at 10:35 a.m.

Dated this ____ Day of _____, 2008

Councilmember Hodgson

Kirkland Lodging Tax Advisory Committee (LTAC)

Thursday, January 8, 2009

8:30 – 9:30 a.m.

Kirkland City Hall, Rose Hill Room

Agenda

1. Call to Order
2. Approval of Minutes: December 2, 2008
3. Kirkland Uncorked Outside Agency Funding Request
 - a. Presentation by Phil Megenhardt, Bold Hat Productions (15 minutes)
 - b. Discussion Regarding 2009 Uncorked (15 minutes)
4. Tourism Program Update (20 minutes)
5. Adjourn

Kirkland Lodging Tax Advisory Committee (LTAC)

January 8, 2009

Minutes

8:30 – 9:30 a.m.

Kirkland City Hall, Council Chamber

Call to Order

Chair Tom Hodgson called the January 8, 2009 Lodging Tax Advisory Committee meeting to order at 8:30 a.m.. The following members were in attendance: Hotel representative Ryan Noel, Julie Metteer, Hotel representative Les Utley, and Luanne Erickson were present. Shirley Day was absent.

Approval of Minutes

The minutes of the December 2, 2008 meeting passed unanimously.

Reports

Kirkland Uncorked 2009

Councilmember Hodgson introduced the topic and Bold Hat Productions president, Phil Megenhardt made a presentation on the 2009 event. The committee discussed structural changes to the 2009 event. The committee identified the following areas of concern: Possible need for a name/brand change to include more of an art focus; a more limited focus on wine; the need for extended event hours; a greater food component to the event; and the need to work with local art organizations to extend art elements of the event.

Councilmember Hodgson called the question regarding the request for \$15,000 in tourism outside agency funding by Bold Hat Productions for Kirkland Uncorked 2009. Les Utley encouraged Bold Hat Productions to make an effort to pursue and market the varied aspects of the event and in the future move toward more of an arts brand.

Ryan Noel moved to approve the 2009 Uncorked tourism outside agency funding request at \$15,000 with a recommendation to address committee concerns which include: A possible need for a name/brand change to include more of an art focus; a more limited focus on wine; the need for extended event hours; a greater food component to the event; and the need to work with local art organizations to extend art elements of the event. Les Utley seconded the motion which carried unanimously.

Old Business

Listening Tour – Status Update

The committee received a report in response to questions raised by members of the Lodging Tax Advisory Committee (LTAC) about the breakdown of dollars for administrative and programmatic work, staff duties versus contracted duties, and a desire for a more robust tourism marketing and public relations effort. The report was presented to the LTAC by Economic Development Manager Ellen Miller-Wolfe. Following a discussion it was determined that while the committee supports the current staffing configuration for 2009 it would like to reexamine the amount of coordination time dedicated to the program in 2010 this coming June. It was further determined that the Request for Proposal process currently underway for a marketing and branding study would continue.

New Business

None.

Announcements

The committee requested a review of overall tourism revenues at the meeting scheduled for February 10, 2009.

Adjourn

The meeting adjourned at 10:30 a.m.

Dated this ____ Day of _____, 2009

Councilmember Hodgson



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

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MEMORANDUM

To: David Ramsay, City Manager

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

Date: January 23, 2009

Subject: Tourism Update – January 2009

Kirkland Uncorked (Attachment A)

On December 2, 2009 the Lodging Tax Advisory Committee (LTAC) received a report from staff regarding the 2008 Kirkland Uncorked event (attached). In consideration of a 2009 request for tourism outside agency funding for marketing of the event by Bold Hat Productions, the committee was provided with three options:

1. Approve the tourism outside agency funding request in the amount of \$15,000;
2. Decline the request for \$15,000 in tourism outside agency funding or approve tourism outside agency funding in a lesser or greater amount than \$15,000; or
3. Make no decision on the request for tourism outside agency funding.

Following discussion, it was determined on a three to one vote that the event not be funded in 2009 with the caveat that the LTAC could reconsider its decision following a follow-up presentation by the applicant in January 2009.

At the December 16, 2008 council meeting, tourism funding in the amount of \$15,000 was earmarked for the 2009 Kirkland Uncorked event pending final consideration by the LTAC in January 2009. The LTAC met on January 8, 2009 to reconsider the event proposal. On a unanimous vote the LTAC funded the 2009 event in the amount of \$15,000 with a recommendation to address committee concerns which included the possible need for a name/brand change to include more art; less of a wine focus; extended hours; a greater food component; and working with local art organizations to extend the art element of the event (i.e. jazz, visual, performing, fine art etc).

Attachments to the memo are available for review in the council study.

Listening Tour – Lodging Tax Advisory Committee Status Update (Attachment B)

The attached report responds to questions raised by members of the Lodging Tax Advisory Committee (LTAC) about the breakdown of dollars for administrative and programmatic work, staff duties versus contracted duties, and a desire for a more robust tourism marketing and public relations effort.

The report was presented to the LTAC by Economic Development Manager Ellen Miller-Wolfe at the January 9, 2009 LTAC meeting. While the committee supports the current staffing configuration for 2009 it would like to reexamine the amount of coordination time dedicated to the program in 2010 this coming June.

Lodging Tax Advisory Committee Member Vacancy

With the departure of Marc Nowak from the Woodmark Hotel there is a hotelier vacancy on the LTAC. A call for applications has been sent to Kirkland lodging establishments with the application period closing at 4:00 p.m., January 30th. A second call for applications to serve on the LTAC will be forthcoming as several committee member terms will expire this coming June.

Tourism Networking Meeting

On Friday January 16 the first Tourism Networking Meeting of 2009 was held at City Hall. In years past the meetings have occurred quarterly however, as the list of tourism stakeholders and partners has grown so too does the desire for more targeted opportunities to network around tourism related events and activities.

Networking meetings rotate throughout the city in an effort to give guests the opportunity to visit venues they might not otherwise encounter. Meetings tend to move quickly and begin with an opportunity for guests to introduce themselves and practice their 30 second elevator speeches. Standing agenda items include:

- Upcoming featured events, activities and projects
- Kirkland in the News
- Tourism Leads and Coverage
- Ad Buys
- Regional Notes
- How to Stay Connected

Twenty-eight people attended the meeting, including Annique Bennett, City of Bothell Tourism, Bob Derrick, City of Bellevue Economic Development, and Janene Varden, Willows Lodge and Barking Frog. Meeting notes and handouts from the January meeting are available in the council study for your review.



CITY OF KIRKLAND
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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.

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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:

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- Kirkland Downtown Association
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- 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:

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- Classical King FM
- Hope Heart Institute
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- NuCulinary
- Pony Boy Records
- Seattle Homes & Lifestyles
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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
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- 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:

- 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
- 4th 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:

- 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:

	08 Budget	08 Actual	08 Variance
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)

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

Kirkland Lodging Tax Advisory Committee (LTAC)

Tuesday, February 10, 2009

8:00 a.m. - 9:00 a.m.

Kirkland City Hall, Council Chamber

Agenda

- 1. Call to Order**
- 2. Approval of Minutes**
 - a. January 8, 2009
- 3. New Business**
 - a. Revenue Overview
 - i. Future Technology Expenditures – Rob Mullin, Information Technology
 - b. Visitor Information Center
 - i. City Manager David Ramsay (8:15-8:30 a.m.)
 - ii. Framework for Next Steps (8:30 – 8:35 a.m.)
- 4. Reports**
 - a. 2008 Revenue Report
 - b. Dashboard
- 5. Old Business**
 - a. Tourism Marketing and Branding Project Update – Les Utley
 - b. Hotelier Vacancy on LTAC – Status Update
- 6. Announcements**
- 7. Adjourn**

Kirkland Lodging Tax Advisory Committee (LTAC)
February 10, 2009
Minutes
8:00 – 9:00 a.m.
Kirkland City Hall, Council Chamber

Call to Order

Chair Tom Hodgson called the February 10, 2009 Lodging Tax Advisory Committee meeting to order at 8:00 a.m.. The following members were in attendance: Brian Flaherty, Shirley Day, Julie Metteer, Les Utley, Ryan Noel, and Luanne Erickson were present. Shirley Day was absent.

City Manager David Ramsay and Economic Development Manager Ellen Miller-Wolfe were also present.

Approval of Minutes

The minutes of the January 8, 2009 meeting passed.

New Business

Visitor Information Center

City Manager David Ramsay spoke to the Lodging Tax Advisory Committee regarding the opportunity to pursue a visitor information center in Kirkland and suggested that representatives from the Lodging Tax Advisory Committee, Greater Kirkland Chamber of Commerce and Kirkland Downtown Association meet to discuss the matter further. Staff was directed to research and report on the minimum specifications and features of a visitor information center including possible turnkey solutions.

Revenue Overview

The committee received a year-to-date revenue report through November 2008. Rob Mullin, Information Technology staff spoke to the Lodging Tax Advisory Committee regarding future technology expenditures.

Reports

2008 Revenue Report

The committee received a 2008 Hotel Tax Revenue Tracking report updated as of February 6, 2009.

Old Business

Tourism Marketing and Branding Project Update

Councilmember Hodgson and Les Utley reported to the committee on the status of the marketing and branding study Request for Proposal process.

Announcements

Julie Metteer announced that this would be her last Lodging Tax Advisory Committee meeting.

Adjourn

The meeting adjourned at 8:57 a.m.

Dated this ____ Day of _____, 2009

Councilmember Hodgson



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

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:

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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.

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

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- Kayak, boat rentals, waterskiing and parasailing
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- Kirkland Wednesday Market
- Friday Night Market at Juanita Beach
- Kirkland Art Walk and Jazz nights
- Art Galleries
- 4th of July
- Summer Performing Arts Concert Series
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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.

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- 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
- 4th 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:

- 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:

	08 Budget	08 Actual	08 Variance
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)

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 18th - 20th, 2008
Kirkland, Washington**

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Kirkland Uncorked

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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 18th through 20th 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
Impact	\$1,226,985

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
Impact	\$3,089,887

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
Retained	\$1,504,778

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
Total	\$869,324	\$18.44	\$113,281	\$23.38	\$982,605

5. Itemized Regional Spending

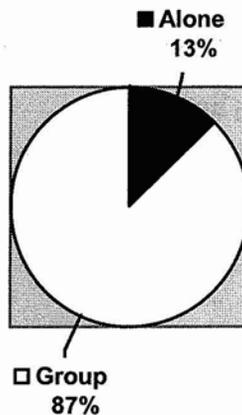
This table reports the total itemized money spent within the region of the event due to, but not within the festival as three spending categories, including: 1) Locals, 2) Visitors, and 3) a total of both categories. Additional columns were included for per-person, per-day spending. This table factors 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	
Total	\$192,845	\$4.08	\$716,828	\$49.15	\$909,673

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

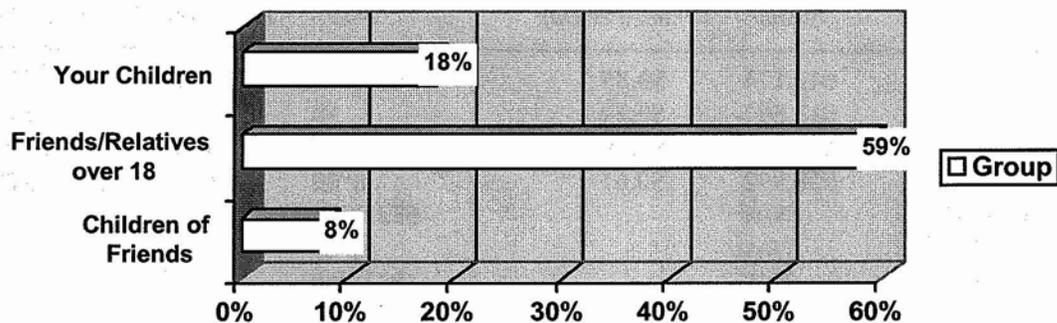
Demographics

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

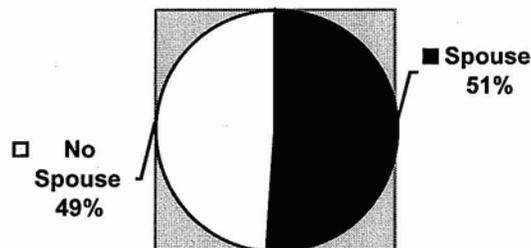


2. Group Composition, N=469

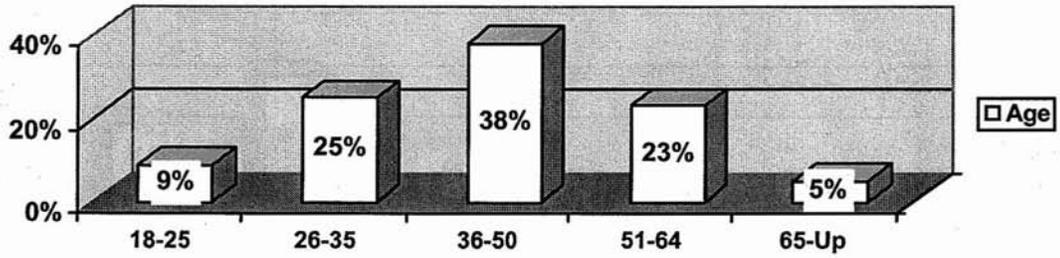
For those who came in a group, the following graph reports group composition for festival-goers.



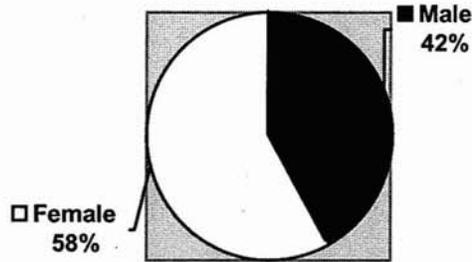
3. Percentage of Individuals Who Came to the Festival with a Spouse, N=469



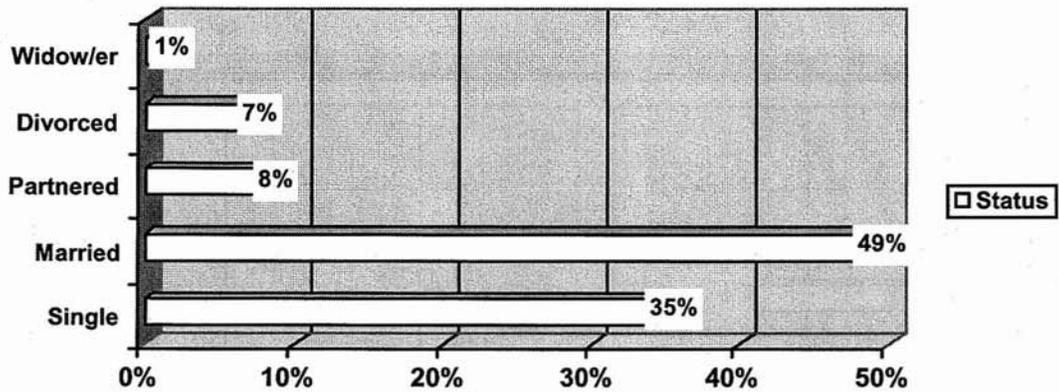
4. Age of Festival-Goers, N=543



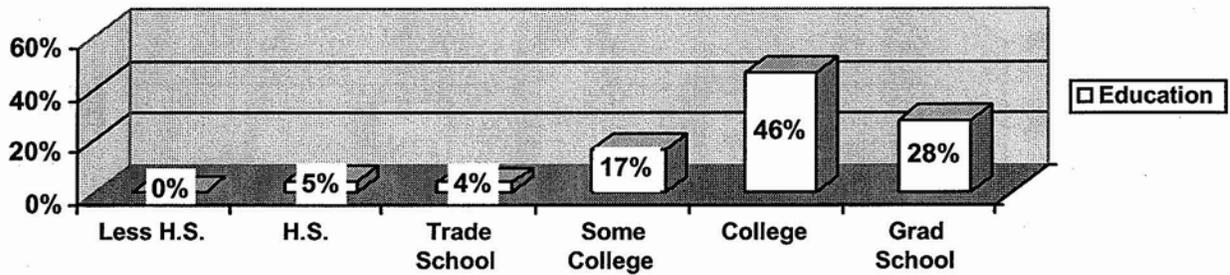
5. Gender of Festival-Goers, N=544



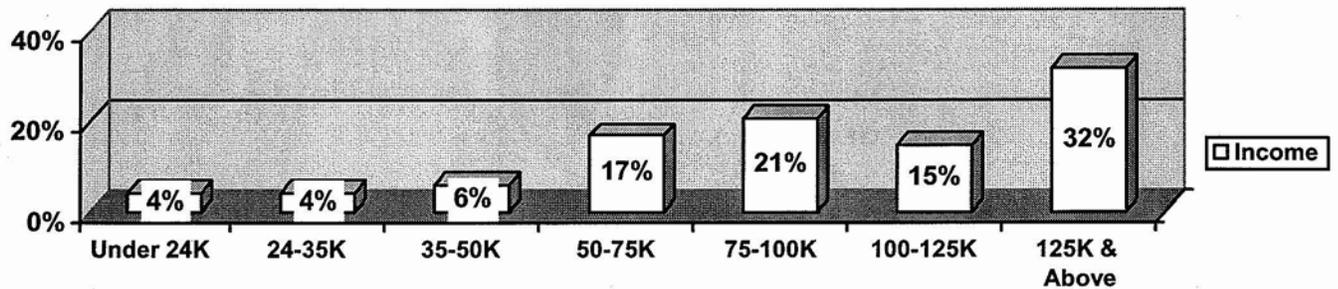
6. Marital Status of Festival-Goers, N=541



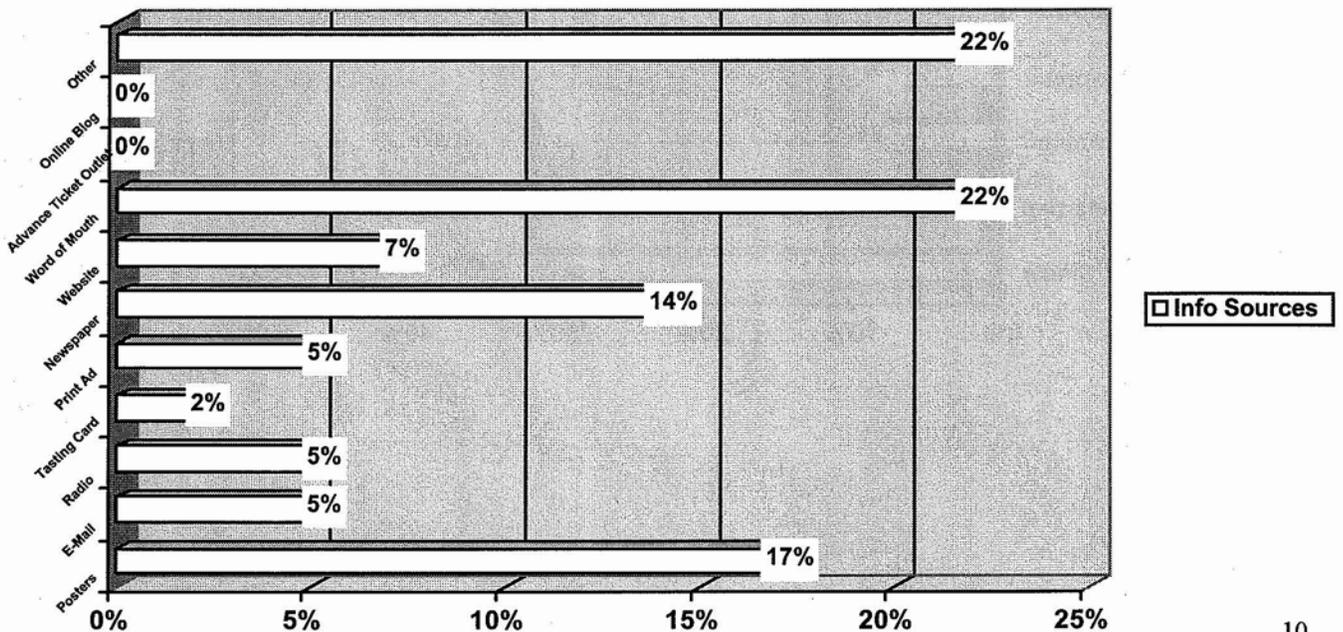
7. Level of Education of Festival-Goers, N=522



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

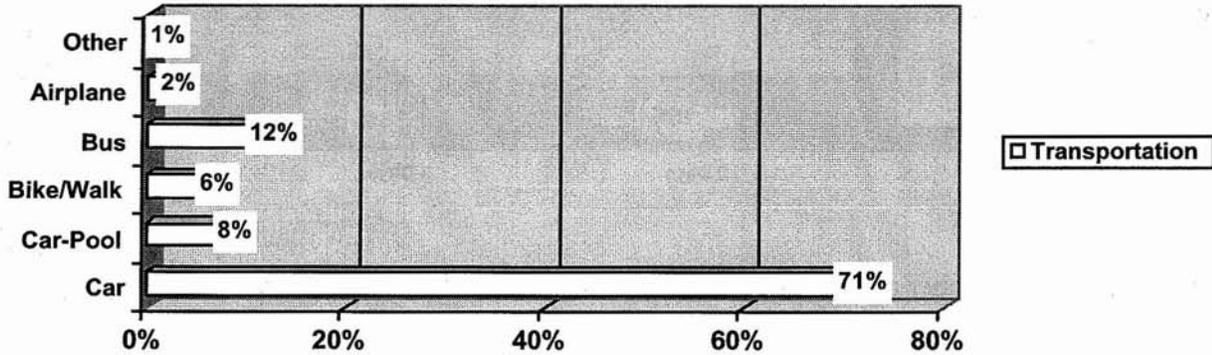


9. Information Sources of Festival-Goers, N=524



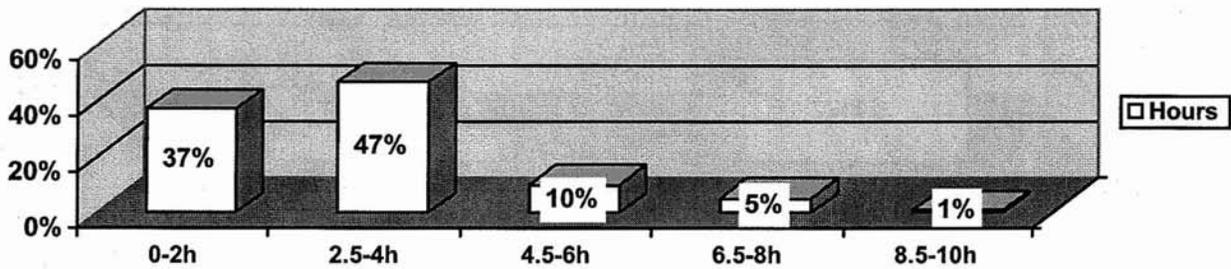
General Information

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.

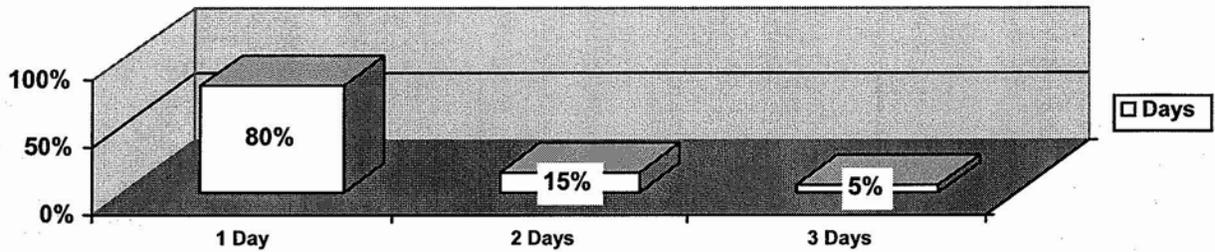


3. Average Number of Hours, N=538

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

4. Days at the Festival, N=540

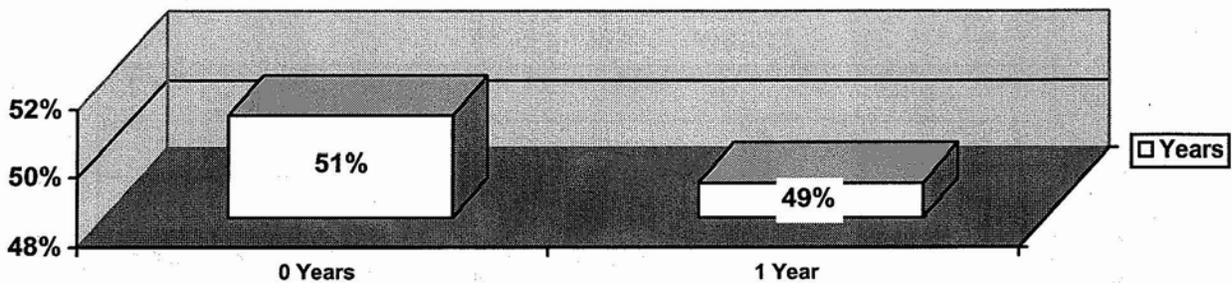
The following graph reports the number of days attendees spent at the festival.



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

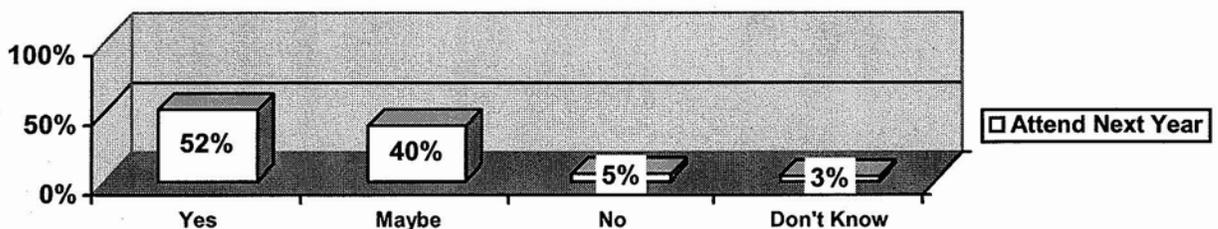
5. Years at the Festival, N=472

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



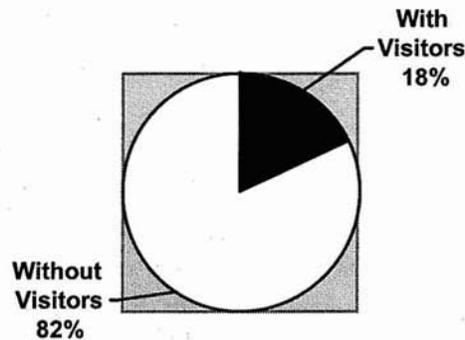
5a. The percentage of first time festival-goers was 51%

6. Will Attend Next Year, N=542



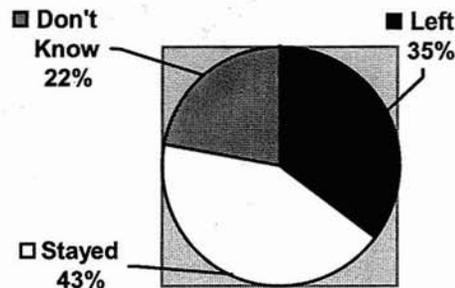
Profile of Locals - 91% of the Overall Sample

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

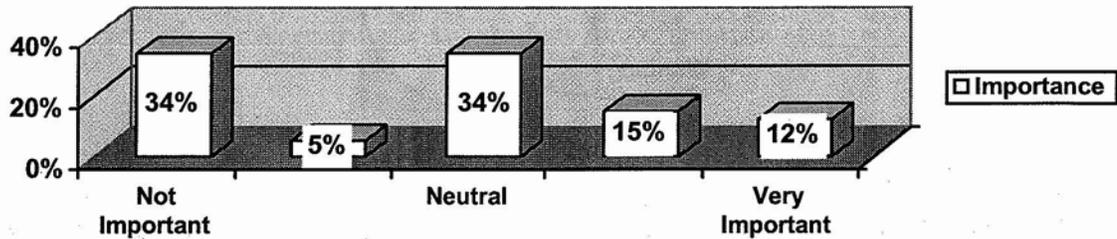
Average number of days=1.43

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.

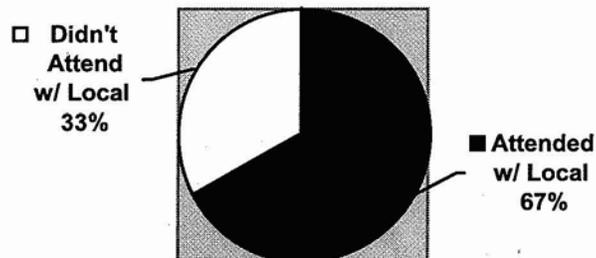
Profile of Visitors- 9% of the Overall Sample

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.

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 18th-20th, 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? _____⁽¹⁾

1A. YOUR GROUP INCLUDES: CHECK ALL THAT APPLY

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

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

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

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⁽⁸⁾

B. IF YOU LEFT FOR OTHER ENTERTAINMENT, HOW LONG WOULD YOU HAVE BEEN GONE? _____ DAYS.⁽⁹⁾

FARTHER THAN 50 MILES FROM THE FESTIVAL⁽⁷⁾



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

- NOT IMPORTANT
- NEUTRAL
- VERY IMPORTANT⁽¹⁰⁾

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

_____ INDICATE "0" IF NOT STAYING OVERNIGHT⁽¹¹⁾

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

5. HOW MANY HOURS DO YOU PLAN ON SPENDING AT THE FESTIVAL TODAY? _____⁽¹³⁾

6. HOW MANY TOTAL DAYS DO YOU PLAN TO ATTEND THE FESTIVAL THIS YEAR? _____⁽¹⁴⁾

7. HOW MANY YEARS HAVE YOU ATTENDED THE FESTIVAL? _____⁽¹⁵⁾ PLEASE INDICATE "0" IF YOU'VE NEVER ATTENDED.

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

9. WHERE DO YOU RESIDE? ZIP/POSTAL CODE _____⁽¹⁷⁾

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

11. YOUR GENDER? MALE FEMALE⁽¹⁹⁾

12. YOUR MARITAL STATUS? ONE SINGLE MARRIED PARTNERED DIVORCED WIDOWER⁽²⁰⁾

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⁽²¹⁾
\$ _____ PUBLIC TRANSPORTATION INCLUDING BUS, CAB, RENTAL CAR, ETC.⁽²²⁾
\$ _____ GASOLINE, REPAIRS, ETC. INCLUDING DRIVE TO FESTIVAL⁽²³⁾
\$ _____ CHILD CARE⁽²⁴⁾

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

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⁽³⁶⁾
\$ _____ ARTS AND CRAFTS? GROUP SPENDING, & IF "\$0", PLEASE INDICATE⁽³⁷⁾
\$ _____ SOUVENIRS/OTHER GROUP SPENDING, & IF "\$0", PLEASE INDICATE⁽³⁸⁾

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

- LESS THAN HIGH SCHOOL GRADUATE⁽¹⁾ TRADE/VOCATIONAL SCHOOL⁽²⁾ COLLEGE GRADUATE⁽³⁾
 HIGH SCHOOL GRADUATE⁽²⁾ SOME COLLEGE⁽⁴⁾ GRADUATE SCHOOL⁽⁵⁾⁽³⁾⁽³⁾

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

- POSTERS⁽⁷⁾ NEWSPAPER⁽⁸⁾ OTHER _____⁽¹¹⁾
 EMAIL⁽²⁾ WEBSITE⁽⁷⁾
 RADIO⁽³⁾ WORD OF MOUTH⁽⁹⁾
 TASTING CARD⁽⁴⁾ ADVANCE TICKET OUTLET⁽⁵⁾
 PRINT AD⁽⁵⁾ ONLINE BLOG⁽¹⁰⁾

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

- UNDER \$24,000⁽¹⁾ \$50,001-\$75,000⁽⁴⁾ \$100,001-\$125,000⁽⁵⁾
 \$24,001-\$35,000⁽²⁾ \$75,001-\$100,000⁽³⁾ \$125,001 AND ABOVE⁽⁷⁾⁽⁴⁾
 \$35,001-\$50,000⁽³⁾

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

Kirkland Lodging Tax Advisory Committee (LTAC)

Thursday, April 9, 2009

8:00 – 9:00 a.m.

Kirkland City Hall, Norkirk Room

Agenda

1. Call to Order
2. Kirkland Uncorked Proposal
3. Adjourn

Kirkland Lodging Tax Advisory Committee (LTAC)

April 9, 2009

Minutes

8:00 – 9:00 a.m.

Kirkland City Hall, Norkirk Room

Call to Order

Chair Tom Hodgson called the April 9, 2009 Lodging Tax Advisory Committee meeting to order at 8:07 a.m.. The following members were in attendance: Les Utle, Brian Flaherty, and Luanne Erickson were present. Ryan Noel and Shirley Day were absent.

Kirkland Uncorked Proposal

Councilmember Hodgson provided background information on the Kirkland Uncorked funding request. Councilmember Hodgson requested a review of the minutes, the criteria for approving the proposal and the possibility of funding another event and referring the item back to Council. The committee discussed the decision made on January 8, 2009 regarding funding for Kirkland Uncorked.

Les Utle moved for reconsideration that Uncorked is a critical event for summer and that an effort should be made to bring Phil Megehard back to the table within the next seven days and get event funded. Failing to receive a second the motion failed.

Les Utle moved to move forward with the program and attempt to get the event going.

Councilmember Hodgson amended Les Utle's motion to approve the proposed event with suggested changes as listed in the minutes of January 8, 2009 which include: a suggestion for a brand change in 2010; suggestion for greater focus on an art element in 2009; consider limited focus on wine; to consider the need for extended hours; and to consider the need for a greater food element. The motion was seconded by Brian Flaherty. The motion carried three to one with Councilmember Hodgson voting no.

Staff was directed to proceed with finalizing the contract.

Classic Car Show

Councilmember Hodgson presented a letter from Dick Bezell requesting additional funds for the Classic Car Show. Staff described the process for that would be required for the Lodging Tax Advisory Committee awarding funds to the Classic Car Show.

Meeting Follow-up

Staff was directed to attach the original application for outside agency funding that was submitted by Bold Hat Productions, the minutes of January 8, 2009, and minutes of April 9, 2009 to the boilerplate outside agency funding contract.

Councilmember Hodgson will copy the committee on a memo to Council regarding the outcomes of the meeting.

The committee requested that staff contact Dick Bezell and describe the process for requesting tourism outside agency funding. Staff will copy the committee on the email and if Dick Bezell chooses to apply for additional funding his application will trigger another meeting of the Lodging Tax Advisory Committee.

Councilmember Hodgson asked if committee members had met outside the scheduled Lodging Tax Advisory Committee meeting and cautioned such meetings could be a violation.

Adjourn

The meeting adjourned at 9:11 a.m.

Dated this ____ Day of _____, 2009

Councilmember Hodgson

City of Kirkland Tourism Tier System

Tier 1 Activities

Activities and marketing that are related to attracting overnight visitors to Kirkland.

Tier 2 Activities

Activities that target day trippers.

Tier 3 and 4 Activities

Activities that are related to program management and include coordination of program elements, development and maintenance of partnerships with tourism stakeholders, and development of program infrastructure such as website maintenance, LTAC support, contract management and all administrative functions.