
TO: GENERAL COMMITTEE

SUBJECT: KEMPENFEST 2017

WARD: 2 AND 8

PREPARED BY AND KEY CONTACT: O. GROVES, MANAGER OF CULTURE, EXT 4794

GENERAL MANAGER APPROVAL: Z. LIFSHIZ, EXECUTIVE DIRECTOR INVEST BARRIE

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That staff be authorized to waive the Special Event Permit, Building Permit, ROWA and Parking lot closure fees by 50% in the amount of \$4876.50 to be charged to Kempenfest Barrie Inc. for the purpose of the Kempenfest Event to be held August 5-7, 2017 to address the impact of a reduction in their programming space in 2017.

PURPOSE & BACKGROUND

2. Kempenfest Barrie Inc. is a not-for-profit “umbrella” organization that has been producing a signature arts and crafts festival on Barrie’s waterfront on the Civic holiday weekend for over 45 years.
3. Every summer Kempenfest presents an extensive roster of exhibits, family activities, and musical performances for residents and visitors alike. In 2015 Kempenfest boasted over 350 arts and crafts exhibits and 40 antique dealers, as well as 3 entertainment stages that presented 35+ hours of live music performances by both local entertainers and performers with national and international profiles.
4. The Kempenfest event is a partnership between local not-for-profit arts organizations and service clubs, including the following – The Kiwanis Club of Barrie, the Barrie Art Club, the Rotary Club of Barrie, The YMCA of Simcoe Muskoka, the Optimist Club of Barrie, the Barrie Lions Club, the Barrie Chamber of Commerce and the Barrie Knights of Columbus.
5. Each of the 8 participating not-for-profit and service clubs plays a specific role in organizing the event. For example, the Rotary Club hosts the main stage entertainment stage and the beer gardens, the Kiwanis Club of Barrie and Barrie Art Club manage the arts and crafts vendors (Huron Festival of Arts & Crafts), and the Optimists Club is responsible for the antique show. These organizations collectively organize over 800 volunteers who give 10,000+ volunteer hours and raise over \$250,000 that is invested back into the community through their projects.
6. Funds raised by the member organizations are invested back into the community. For example the Rotary Club has previously used Kempenfest proceeds to plant hundreds of trees along the lakeshore and assisted with the development of Heritage Park as well as the water fountain at Centennial Beach. Rotary has also sponsored Georgian College students and supported not-for-profit organizations such as Hospice Simcoe, Habitat for Humanity, RVH and IOOF.

7. The tourism impact of Kempenfest has been measured at over 200,000 visitors over 4 days and an economic impact of over \$8 million dollars.
8. The benefits of having such a dynamic event of this scale in our community are significant. Kempenfest is the largest outdoor arts and crafts festival in North America. As such, this event brands Barrie as a waterfront community with a diversity of programming that is unmatched in other cities. The event profiles the City of Barrie as a leader in collaborations and community partnerships and an attractive destination for tourists resulting in positive economic impact.
9. The Kempenfest Barrie Inc. organization operates on a budget of \$400,000 per year, which includes \$300,000 in corporate sponsorship funds. Kempenfest Barrie Inc. raises approximately \$85,000 through the sale of concert tickets and another \$15,000 in membership fees. These funds are used to cover the cost of operating the event – such as permits, security, parking shuttles, first aid, washroom facilities, tent and stage rentals, waste management, marketing, entertainment, etc.
10. In 2015, Kempenfest experienced a loss of \$30,000 in revenue due to a severe wind and rain storm that impacted the waterfront, resulting in the cancellation of some of their musical programming. As Kempenfest Barrie Inc. operates on a breakeven budget, this loss was shared by the participating organizations out of their funds raised and resulted in a reduction of the money invested back into the community. In addition to direct costs of the Kempenfest Barrie Inc. organization, there was a loss of sales in the licensed area operated by the Rotary Club of Barrie, resulting in a loss of funds raised on what is typically one of the most successful evenings at the licensed area.
11. In 2016 Kempenfest was impacted by the construction taking place on the waterfront, specifically at Centennial Park. In order for the construction to occur, the space available for the Kempenfest festival was reduced. As a result, Kempenfest organizer Tom Aikins noted that event sponsors expressed concern and were hesitant to invest in Kempenfest 2016 due to the reduced size of the event, the possible impact on attendance, and the need to move sponsor displays from their traditional locations to new and untested locations. This translated into a reduction in Kempenfest Barrie Inc's sponsorship revenues by \$35,000.
12. The scaled-down space allocation also reduced the number of available parking spaces, directly impacting the number of potential buyers and customers. The end result of the 2016 event was a \$50,000 loss to Kempenfest Barrie Inc., which was shared among the member organizations/service clubs and resulted in a reduction of dollars invested into their community projects.
13. In addition to the overall losses at the Kempenfest Barrie Inc organization, the individual service club organizations also experienced losses in their respective operating areas. As an example, the scaled-down event led to a reduction of 53 vendors, and since the Huronia Festival of Arts and Crafts charges \$440 per vendor booth, so this was a direct loss of \$23,320. In addition, service clubs were forced to reduce the number of food vendors (by 3 vendors) and close their secondary beer garden and stage. These closures resulted in further financial losses to the member organizations.

ANALYSIS

14. In 2017 Centennial Park will still be under construction. As well as Centennial Park, the area around the Southshore Community Centre will be under construction for the Military Heritage Park. In the downtown core, Meridian Place will also be under construction, which will leave a very small defined area remaining on the waterfront for programming. As a result of the increased construction, B.E.A.T. (Barrie's Event Action Team) have decided not to add any new events to the waterfront for 2017 or until the construction is completed.

15. City staff and contractors have been working with Kempenfest. However this construction is expected to further impact the event with a reduction in space available for the main stage and licensed area.
16. As Kempenfest has been a strong community partner whose member organizations donate all of their revenues back to community projects, it is recommended that City of Barrie support the event's ongoing success during construction and until the waterfront parks are once again available to support regular event capacity.
17. The profile that Kempenfest has given to the City of Barrie is significant. Kempenfest is well known in North America as one of the largest arts and crafts festivals and it draws its audience from far and wide. Kempenfest has long been a signature event for Barrie's community and it brings large numbers of tourists to the region. Visitors not only purchase the arts and crafts, but come to hear the musical acts and enjoy the ambience of a large outdoor event on Barrie's beautiful waterfront.
18. Tourism Barrie recorded that over the Civic long weekend when Kempenfest is held, Barrie hotels occupancy rate averages 80%. More than 50% of local hotels have a 100% occupancy rate for the Saturday and Sunday of the Civic long weekend. Although it is not possible for Tourism Barrie to confirm that all hotel room bookings are for Kempenfest exclusively, they believe it has a significant impact on local business. Testimonials have kindly been provided by local hoteliers on the impact of the event as Appendix "A" attached.
19. A member of City staff, namely the Events Coordinator Arin Donnelly or previously Fred Andrews, sits on the Kempenfest board and coordinates the site services. Staff are present onsite for all four days of the event to manage the site services.
20. Events staff work closely with Operations and Facilities staff to prepare the site and ensure that there is access to washrooms, power, water, garbage and recycling receptacles, etc. In addition to volunteers and staff provided by Kempenfest, Operations staff are onsite intermittently throughout the event to ensure the parks and washrooms are cleaned and consequently returned to their normal state when the event concludes.
21. The current value of the City's involvement is over \$20,000 (in-kind).

ENVIRONMENTAL MATTERS

22. There are no environmental matters related to the recommendation.

ALTERNATIVES

23. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could maintain the status quo and not provide Kempenfest additional support.

This alternative is not recommended as the resulting construction negatively impacts an organization that has been supporting the Barrie community for over 40 years through direct investment in community projects, as well as the economic spin-off from visitors to our city. Staff do not believe this support would be setting a precedent with other event organizers, as Kempenfest is a unique event and cannot be compared to any other existing event in our community due to its scope, unique model, and value to the city through tourism and economic impact.

Alternative #2

General Committee could alter the proposed recommendation by funding the event for all of the following expenses:

- Special Event Permit Fees - \$3,039
- Building Permit Fees - \$1,000 (approximate)
- ROWA Permit Fees - \$150
- Parking Lot Closures - \$5,560

For a total of \$ 9,749

This is also a viable alternative and one that staff would support.

FINANCIAL

24. The costs associated with this recommendation have not been included in the 2017 Business Plan.

LINKAGE TO 2014-2018 STRATEGIC PLAN

25. The recommendations included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:

Vibrant Business Environment

Well Planned Transportation

26. Kempenfest is a unique business model as it is partnership between not-for-profits and service clubs, that raise the funds, not only to create a more vibrant and interesting community, but to support those that are less fortunate through their many community programs. The event is implemented by hundreds of volunteers that are serving our community. The Kempenfest model also engages local businesses as Corporate sponsors while creating a high profile for our community in the tourism industry.

27. Kempenfest provides shuttles throughout the city over the duration of the event, to transport customers and reduce traffic gridlocks. This is a positive model for future planning, as it encourages use of public transit, reducing costs and pollution.

Attachment: Appendix A – Hotel Testimonials

APPENDIX "A"

Hotel Industry Testimonials

"We fill every year over the Kempenfest weekend. Some of our business is from vendors and attendees. I would estimate 40% of our business is Kempenfest related. I believe Kempenfest is definitely a tourism draw to our area. Guests who are staying in the hotel that didn't know about it will go down if they have time in their day and then return the following year knowing about it".

Tracy Hann, General Manager, Hampton Inn & Suites, Barrie

"Most of our guests are vendors for Kempenfest and vendors for Wayhome / Boots & Hearts, which stay the week in the hotel for both festivals"

Mary Lewis, General Manager, Travelodge Barrie on Bayfield

"Kempenfest is a huge tourism draw for Barrie as many guests circle these dates on their calendars and make their way up to Barrie every year! We have many vendors as well as visitors using our accommodations during this time-period. Kempenfest has a great economic impact and helps to put Barrie on the map!"

Mick Ahluwalia, CHRM, General Manager, SUPER 8 BARRIE