

Washington Beer Commission  
Commissioner's Meeting Minutes  
09/11/2018 1:00pm

Location: Diamond Knot Craft Brewing, Mountlake Terrace

In Attendance: Eric Radovich, Allen Rhoades, Dave Leonard, Ken Nabors, Julie Johnson, Meghann Quinn, Heather Brandt, Matt Lincecum, Matt Russell, Tyler Allott, Madi Coulter

1. Chairman Report
  - a. Approve of minutes from July 10, 2018
    - i. Approved
2. Treasurers Report
  - a. WBC Balance Sheets
    - i. Rainy day fund fully funded at \$120,000
    - ii. Accounts receivable
      1. Assessments almost fully paid
        - a. Down to less than \$350 owed
3. Executive Director Report
  - a. Heather Brandt and Dave Leonard are up for review
    - i. Quartzite Brewing and Four Horseman Brewing have a nomination for those two positions
4. Strategic Planning Session
  - a. Mission, Vision, Policies review
  - b. Review of 2018 Financials to date
    - i. Belgianfest
      1. Since event has moved to Fisher Pavilion, the event has continued to make around \$44,000
      2. Event tends to sell out with walkup ticket sales
    - ii. Tri-Cities Craft Beer Festival
      1. Moved this event from Everett Craft Beer Festival in 2017
      2. Expanding the event to an indoor/outdoor event and adding a DJ increased the attendance
      3. Made \$9,600 in the 2<sup>nd</sup> year compared to \$800 the first year of the festival
    - iii. Washington Brewers Festival
      1. Under budget on Net Income
        - a. King County Parks upped the expenses by \$20,000 after our budget was set
      2. Paid attendance continue to rise, but so do expenses
        - a. Hit a record of 20,375 paid attendees in 2018
        - b. Expenses were at \$185,000 when the event moved to Marymoor Park in 2010
        - c. Expenses were \$380,000 in 2018
          - i. Not many other options or vendors that are cheaper
      3. Merchandise sales down in 2018
        - a. Merchandise and Token sales were in two separate tents in 2018

- b. Less brewer merchandise for sale this year
- 4. LCB – Action Plan
  - a. WBC created an action plan to limit over consumption to allow children to attend the event
    - i. Limited token sales, decreased festival hours, reduced glass size, changed security companies and added more security personnel
  - b. No citations issued in 2018
    - i. Three issues they saw while onsite
      - 1. Brewer drinking away from booth the going back to pour beer
      - 2. Food vendor had their underage kid working their food truck on Friday when no minors are allowed
      - 3. A beer liaison was working on Friday and was a minor
    - ii. Looking forward to 2019, WBC will push back on LCB to lessen the restrictions
- 5. Event Entry Lottery
  - a. All board members and committee members automatically get approved
  - b. Top 25% token recipients from previous year get approved
  - c. 140 breweries registered for Washington Brewers Festival for the 100 brewery spaces available
    - i. Had 40 open spots for lottery this year
    - ii. The 80 breweries were entered into a random
  - d. Looking forward, is this lottery system the best option for deciding which breweries get into each festival?
    - i. There are 400+ breweries in the state, how do we make it fair for every brewery to have the chance to be pouring at our events?
- iv. Bremerton Summer Brewfest
  - 1. Since moving the festival to the water in 2014, this event started making money
  - 2. Like to add more music aspect to attract more people
- v. Washington Beer BBQ
  - 1. First year event that was supposed to take place on the water at Lake Union Park
    - a. City of Seattle Parks let WBC know on July 1<sup>st</sup> that the venue was not available due to grass not growing
    - b. Moved the event to SLU Discovery Center where Collaboration Festival was in years past
  - 2. 840 attendees at the event
    - a. 1200 attendees was the break even amount
    - b. Net loss of \$12,000 for the event
- vi. Inland NW Craft Beer Festival
  - 1. Moved the event to Avista Stadium in 2014 and started to make money off the event

2. Made \$9,900 in 2017 – highest net profit for the event
  3. 2018 is tracking to make \$15,000
  4. Larger Craft Beer scene in Spokane is contributing to the growth of this event
- vii. South Sound Craft Beer Festival
    1. Struggling event, but there is growth
    2. Changed the date to November and the theme to Winter
    3. First year the festival has a theme
  - viii. Net Profit from All WBC Festival
    1. Projecting to have a Net Profit of \$252,500 in 2018
    2. All festivals are serving the purpose of getting people educated about Washington Beer, even though a festival itself might not make money
  - ix. Washington Beer Open House
    1. 136 breweries participated in 2018
    2. Eastside of the state is having trouble participating due to weather, staffing and not a having a huge WABL presence
    3. 2018 was on the same date as Hops & Props
      - a. Try to get off the same date so it's not competing
      - b. Festival Committee – figure out whether to move this earlier/later in February or move it to early March
    4. Best practices for expanding this event and creating more involvement with Eastern Washington breweries
- c. Festival Trends, LCB, and Ops
- d. Festival Committee – Calendar 2019
- i. Belgianfest – February 2
  - ii. WA Beer Open House – February 23
  - iii. *Cask Festival – March 23 (Guild Event)*
  - iv. Tri Cities – April 27
  - v. Washington Brewers Festival – June 14-16
  - vi. Bremerton Summer Brewfest – July 19-20
  - vii. Washington Beer BBQ – August 17
  - viii. Inland NW Craft Beer Festival – September 20-21
  - ix. South Sound Winter Beer Festival – November 9
  - x. *Winter Beer Festival – December 6-7 (Guild Event)*
- e. Public Questions/Comments
- i. Fresh Hop Festival Yakima
    1. Eric is meeting with the Fresh Hop Festival Board of Directors on 9/13
    2. Looking to get rid of August event and help produce Fresh Hop Festival in 2019
      - a. Move event to Yakima County Stadium
      - b. Expand the event to a 2 day festival
    3. If it's a tough sell on having the WBC taking over the Fresh Hop Festival in Yakima, create our own Fresh Hop Festival
    4. Expand the contract for Radovich Communications for staffing to be able to take on up to 12 festivals a year
    5. Fresh Hop schedule – Late September to Early October
  - ii. Washington Beer BBQ
    1. Venue makes the festival

2. Look for a place on the water like Gas Works Park to host an event in August in Seattle
3. Look into having a festival with children at the event
- iii. Public Comments
  1. Festival Structure
    - a. Smaller breweries with higher operating costs could charge multiple tokens per beer
      - i. Would incentivize smaller breweries to come to more events and serve more unique beers
    - b. Festival Committee to review the token structure
      - i. Possible rare beer festival marketed at a higher entry fee to showcase these beers
- f. Budget Assumptions for 2019
  - i. Belgianfest – \$43,000
  - ii. Tri Cities – \$10,000
  - iii. Washington Brewers Festival – \$172,000
  - iv. Bremerton Summer Brewfest – \$20,000
  - v. Washington Beer BBQ – \$0
  - vi. Inland NW Craft Beer Festival – \$20,000
  - vii. South Sound Winter Beer Festival – \$5,000
- g. WABL and the Mobile App
  - i. 2017 was an all-time high with 4000 members
  - ii. 2018 is currently at 3,850 members
  - iii. WABL Stamps
    1. 37,500 collected in 2017 and 40,300 collect currently in 2018
  - iv. How to get more WABL members/involvement in the app?
    1. Create contests across the state
    2. Reach out to breweries to come up with deals for each month to display through the app for members
    3. Have a popup in the app to educate the people who downloaded the app about WABL
- h. Washingtonbeer.com and Social Media
  - i. Marketing committee to talk about how to enhance the current WashingtonBeer.com
  - ii. Instagram – People like visuals
    1. Fastest growing social media outlet
    2. Posting stories with links for tickets to our festivals and breweries with events going on that day/week
  - iii. Twitter – Posting beer releases
    1. Most stagnant of the social media outlets
  - iv. Facebook – Larger Posts and Event Pages
  - v. Brewers to send photos in of new beers, events and their breweries to include in WBC social media
  - vi. Social media Comparisons
    1. 3<sup>rd</sup> in Facebook
    2. 3<sup>rd</sup> in Twitter
    3. 2<sup>nd</sup> in Instagram
- i. Economic Impact Study RFP Finalists

- i. Camoin Associates - Saratoga Springs, NY
  - 1. 20 years of experience
  - 2. Economic Impact Study of Craft Beverage Industry in NY state (2017)
  - 3. Rachel Selsky has worked with private, public, and non-profits to demonstrate economic impact on local economy and public finances
- ii. Berk Strategy/Analysis - Seattle, WA
  - 1. Past 24 months has held more than a dozen state analysis contracts
  - 2. King County Marymoor Park - Economic Impact and alternative Uses Analysis. Washington State Ferries - Tariff Review (2017)
  - 3. Andrew Bjorn, Ph.D., Specialist in economic impact studies
- iii. CAI Community Attributes Inc. - Seattle, WA
  - 1. Produced the Washington State Wine Commission Economic Impact Study (2015)
  - 2. Highly recommended by Steve Warner, ED, Washington Wine
  - 3. Spencer Cohen, Ph.D., Sea-Tac Airport Economic Impact Study
- iv. Phone interviews to be conducted in next 10 days with 3 finalists with Washington Brewers Guild
  - 1. Economic Impact Study to help Washington Brewers Guild get the answers they need to approach legislature with changes
- v. Consumer information is more valuable in this study than hop information
- vi. Brewer participation is the most important part of this study – if you don't participate, we won't get the information back
- vii. Motion to give Executive Director of the Washington Beer Commission and the Washington Brewers Guild to select a company to produce the Economic Impact Study.
  - 1. Motion Approved
- j. Marketing Initiatives for 2019
  - i. Washington Beer Podcast
  - ii. Washington Beer Neon/LED Sign
- k. Washington Beer Commission/Washington Brewers Guild Partnership
  - i. Commission – Promote and Market Washington Beer
  - ii. Guild – Protect interests of Washington Brewers
  - iii. Both – Build a vibrant community of brewers
  - iv. Possible Washington Beer Summit in 2019
    - 1. Many other guilds have a summit
      - a. WA Brewers Guild visited the San Diego Beer Summit and were blown away by the value of the event
    - 2. Provide education, advocacy and networking
- l. Public Questions/Comments/Discussions
  - i. Streamline the process of breweries updating their information on the app and website for more involvement

- ii. WABL Paper Passports
  - 1. Got rid of the paper passports for multiple reasons
  - 2. Look to see if we can find a way to get more involvement with brewers and collecting stamps
    - a. Give brewers a code for WABL members to have to enter to receive a stamp
- 5. Adjourn 5:14pm - Next meeting Tuesday, November 13<sup>th</sup>, 2018 at 1pm at Fremont Brewing Production Facility