

A Mix of Two Different Industries



**An Interview with Michael Dorf,
Founder and Chief Executive Officer, City Winery**



*Michael Dorf among the wine barrels at a City Winery (left);
Barrell Room at City Winery NYC (above); wine on tap (below)*

EDITOR'S NOTE Michael Dorf got his start in the hospitality and entertainment industry in 1986 when, at the age of 23, he founded the Knitting Factory in New York City. This space served as a prominent venue for independent music. During his time at the Knitting Factory, he produced over 200 recordings with Knitting Factory Records, a television series, and eventually expanded and built the Knitting Factory in Los Angeles. Dorf stepped down as Chairman and CEO in 2002. In 2008, Dorf began to conceptualize a venue that combined his love for wine, food and music and created City Winery. Dorf graduated in 1984 from Washington University in St. Louis with a double major in psychology and business.

COMPANY BRIEF City Winery (citywinery.com) is a winery, restaurant, music venue and private event space with locations in New York City, Atlanta, Chicago, Nashville, Boston and Washington, D.C. The company employs over 700 people and each space features a 350-seat concert venue, a roughly 150-seat restaurant, private dining rooms and a winery. The complexes range in size from 20,000 square feet in New York City to 30,000 square feet in Nashville. Each location welcomes 400 to 600 guests on an average Saturday night and beverage sales account for 60 percent of City Winery's revenue.

Will you provide an overview of City Winery and how the business has evolved to where it is today?

City Winery is a live music venue combined with bars, a restaurant and a true urban winery as well. Based on this theme, we've tried to enhance the beauty of the design with wine barrels and stainless-steel tanks as the central decoration of the venue. It's a real mix of two different industries.

This concept has now proven itself to be successful in multiple markets. On the music presentation side, we have a niche of being able to produce luxury concert experiences. We back this up with a serious wine and culinary component far above those one would expect to enjoy at a live music performance.

The artists who are performing also love playing here because they know that they're presenting their work in a space where their fans get to experience them in a much more intimate way than any other location.

We have hit the sweet spot where we have created the perfect environment for the artist, and for their fans, and have built a full urban winery around that.

Is the quality and investment you have put into the wine side of the business well understood?

The authenticity of what we do really helps sell everything we're doing on the wine side. When people see the tanks and smell the fermenting fruit, especially in the Fall, they're intrigued. When they see real wine glasses on the tables, they're intrigued. When they walk in and see barrel heads behind the bar where people are pulling taps and the wine is flowing out of a barrel head, they're intrigued. Everyone who comes in gets a small sample of wine to enjoy as they take it all in.



We're pushing the wine very hard. We have 30-plus vineyards, mostly in California, Oregon and Washington State that have now been under contract for 10 years. This list keeps growing as well. We're buying about 400 tons of grapes in total between all of our locations, and we take our relationships with the vineyards very seriously.

We have the ability to pick our Pinot Noir from the best terroir in this country. We get it from three or four different vineyards from the Willamette Valley in Oregon, two in the Russian River and a couple on the Sonoma coast.

We get Cabernet from Napa Valley and from at least three of four different vineyards all the way up to the Walla Walla region in Washington State.

We get Riesling from the Finger Lakes in New York State. We have the luxury of going there often to enhance our relationships with farmers and wine growers.

We have a very serious head winemaker in New York and each location has its own winemakers who report in to the head winemaker.

We also have a full list of wines from around the globe that we don't produce. We give tremendous respect to the terroir in Burgundy or Barolo or the Rioja in Spain. Minimally, our lists are about 500 SKUs from wines all over the globe – the list of New York wine is over 120 alone. We're very proud to have such a fine wine list.

Because of our fanatical attention to being a wine promoter, wine is about 75 percent of all of our beverage sales in terms of a mix, which is very rare – certainly for any entertainment venue.

Is there consistency among the various City Winery locations?

We're in six cities now and adding our seventh next year. One might think there would be a different customer profile in Atlanta or Nashville. In reality, we see there is a sophisticated cosmopolitan customer who lives in these major urban locations and who shares an overlapping interest in the buzz around Rose or the intricacies of Pinot Noir.

There is some consistency to the environments we have created through our material choices and our design, such as how one walks past the barrels.

Has it been difficult to find the talent you need and are you offering career opportunities for your employees?

We are trying to build careers. There is no question that in the service industry, we traditionally have a lot of turnover, especially in New York. We often hear the old story of the starving artist who is waiting tables until their break - all of that is true.

We're obsessed with trying to develop a career path even though we acknowledge that most people are not going to be in this for their careers. We want to at least be able to give them the tools that would allow them to and, hopefully, they will stay with us longer. We want to have the longest retention possible.

When someone is hired, from day one, they're given a copy of Danny Meyer's book *Setting the Table* on enlightened hospitality. I'm up to around 2,000 copies that I've purchased. I believe his approach to hospitality is something we live by and aspire to, and it is very much a part of our corporate DNA.

We also feel like we have two legs up on a typical restaurant or hospitality venue in that there is a lot of overlap between the culinary world and those in the music world. ●