

Local Brewery 101



Background:

- Client is a home brewer looking to start a brewery
- Client has purchased the land to build on for \$40,000 in a RR District
- Client wants to install a photovoltaic system to help offset energy costs
- Client is Native American
- Business will employ 10-12 Employees
- Equipment needs are \$150,000
- Building Cost Estimate \$700,000

Total Project is projected at \$850,000

Client total Assets= \$107,000



CASE STUDY:

Client has great credit so the project is bankable.

Banker/Client did not want to utilize the 504 SBA Program

Bank made the initial loan to begin construction however with overruns and added costs the dollar needed for the project would exceed its legal lending limit

Project total is now at \$1.2 M

Owner was not able to meet the 20%-25% required equity

How do we make this project happen?



How we made the project happen:

Client successfully applied for the Indian Equity Fund and received grant money to help with preliminary items.

Client applied for a REAP Grant from USDA and combined those funds with \$\$\$ from North Western Energy to offset the costs for the Photovoltaic Solar System.

The community had money in the Tax Increment District program and was able to assist with a grant to help with the infrastructure and parking area.

Headwaters RC&D was able to provide financing EDA/RLF and IRP to help with the gap loan amount

The local bank was able to utilize the SBA 7A Loan Guarantee and partnered with HW to fund the entire project.

Business is thriving

Area where it is built is seeing more investment

Has become a community hub for social groups and a variety of trainings and meetings

Currently employs 6 full time and 8 part time

Is looking at distribution this year