



**CITY OF WAUKESHA  
DEPARTMENT OF COMMUNITY DEVELOPMENT**

City Hall, 201 Delafield Street, Room 200  
Waukesha, WI 53188  
Phone (262) 524-3750 Fax (262) 524-3751

**CONDITIONAL USE PERMIT APPLICATION**

This application must accompany a Plan Commission Application along with the required fee.

DATE: January 5, 2015

NEW APPLICATION

AMENDMENT TO EXISTING CONDITIONAL USE PERMIT

NAME OF PROJECT OR BUSINESS: Raised Grain Brewing Company, LLC

LOCATION OF USE: 2244 W. Bluemound Road, Unit E, Waukesha, WI 53186

TYPE OF USE: Beer Brewery and Tasting Room (Permissible under Wis. Statute 125.29 Brewers Permit)

Is this a NEW use or is this use being relocated from somewhere else? NEW

If you are relocating a use, where are you relocating it from? \_\_\_\_\_

Do you operate a use in other locations? ? (Circle one) YES  NO

If yes, please explain: \_\_\_\_\_

Will the use be occupying an existing building or will you be building a new building?  EXISTING  NEW

Hours and days of operation: Brewery - regular business hours; Tasting Room - see attached Business Plan

Number of Employees: 10 part time; 2 full time by end of Year 2

Number of on-site parking stalls available: 45 available parking spaces

Length of permit requested (6 month, 1 year, 2 year, permanent): Permanent

Current zoning: M-1 Light Manufacturing District

Is a License required to operate this use? (Circle one)  YES  NO If yes, please attach a copy.

Name of licensing authority: US Tax and Trade Bureau (TTB) and WI Dept. of Revenue (App in Progress)

Will any hazardous materials be used? No.

The following information must be attached to process the permit:

- A site map showing the location of the proposed site.
- A site plan showing the location of building(s), parking, landscaping, etc.
- A floor plan of the building showing how it will be used for the proposed use.
- If an existing building, a photo of the building.

N/A  If new, complete development plans must be submitted per the development guidelines.

N/A  If facade changes are proposed, plans must be submitted showing changes.

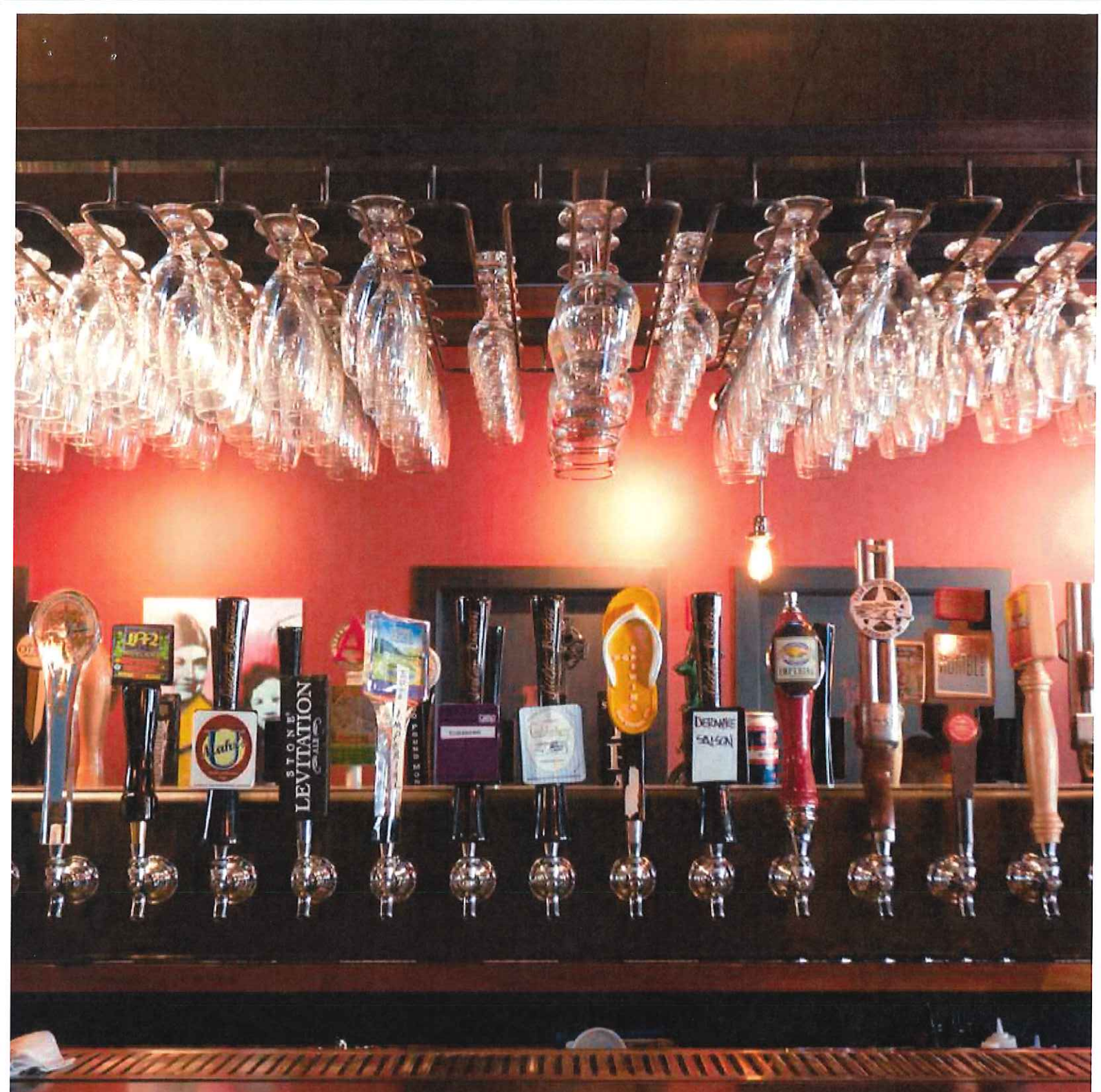
- A business plan if there is one, otherwise answer the questions on the back.

Please Note: If approved, this permit will be issued to the applicant only and will not be transferrable. This application will become null and void if required fees and materials are not submitted at time of application.

Please attach a copy of your Business Plan if you have one.

If you do not have written Business Plan or choose not to share it, please answer the following questions:

1. What business will you be in? Brewing high quality beer destined for distribution.  
\_\_\_\_\_
2. Explain your business' daily operations. Daily operations will consist of brewing beer (brewing, quality control, cleaning/sanitization, packaging, etc.) and operating a tasting room. See attached business plan for additional details.  
\_\_\_\_\_
3. How will business be managed on a daily basis? Brewing will be managed by our brewmaster. Distribution will be managed by our Sales and Marketing director. Business management will managed by one of our founding partners, a local entrepreneur. Tasting room will be managed by the tasting room manager, TBD. See attached business plan for additional details.  
\_\_\_\_\_
4. What are your products or services? Our primary business is brewing beer for distribution to restaurants, craft beer bars and grocery or liquor stores throughout the state. This will account for 95-98%+ of our business. We also will operate a tasting room as a small, but important, part of our business. See attached business plan for additional details.  
\_\_\_\_\_
5. Will your employees need additional parking? No, existing parking is sufficient (45 spots).  
\_\_\_\_\_
6. Are employees required to have any certification(s)? Tasting room employees will have bartenders lic.  
\_\_\_\_\_
7. Who is the owner of the building or premises where your business will be conducted?  
Jim Haim, Hilltop Real Estate, Inc., PO Box 265, Oconomowoc, WI, 53066  
\_\_\_\_\_
8. If you are not owner of the building or premises where your business will be conducted, do you have a lease agreement with the owner? Letter of Intent has been signed, lease is conditional upon approval of this Conditional Use Permit (by Tenant request). The lease term will be 5 years.  
\_\_\_\_\_
9. Are there any insurance requirements for your business? Yes, Brewer's Bond for assurance of State and Federal beer tax payment.  
\_\_\_\_\_
10. Will you have property insurance? Yes.  
\_\_\_\_\_
11. Are there any noise considerations/concerns with your business operations? No.  
\_\_\_\_\_  
\_\_\_\_\_



Business Plan  
Dec 31, 2015

**RAISED GRAIN**

brewing company

# Executive Summary

Raised Grain Brewing Company, LLC, is excited to add to the cultural fabric of Waukesha and the greater Metro Milwaukee area by becoming a brewing mainstay. Our beers will add complex and provocative diversity to the Wisconsin craft market. Our goal is to attain 'regional brewery' status within 10 years, defined as exceeding production of 15,000 barrels per year. To attain this status, we look to rapidly expand our distribution throughout Wisconsin and beyond our state's borders.

## What's my next beer?

Craft beer is growing leaps and bounds—17% in volume last year—with new beer enthusiasts finding excitement in exploring the wide array of options. Imports no longer command a monopoly over the premium section. In fact, the increasing craft shelf space is being awarded to domestic brewers—its where the sales are coming from. Millennials, that key demographic between 21-39 years old, are reaching for domestic craft beer. And older demographics are bridging the divide between what they know—Miller or Bud—and what they find exciting—craft brews. The swell continues to rise!

## Your next beer is gonna be ours!

Many new breweries are lacking in critical areas. Some have a respected brewer but lack personality. Some don't consider the importance of a strong connection with the community in which they operate. Others are starting up with no capital and can't expand. Our plan accounts for the critical downfalls we see in the competition, and our team is built to handle the myriad challenges. We have the team and the plan to build an exciting brand. Ultimately, we want to elevate Wisconsin to the level for beer that California is for wine.

## The team to make it happen

Led by a self-taught homebrewer (who happens to be a highly respected doctor on the side) and a marketing exec, we are backed by the support of a local entrepreneur with a track record of successful business developments.

## Big opportunity in Waukesha

Waukesha is a fantastic market for a new brewery, and it is completely unrepresented in the craft beer craze. Comparable markets are supporting one brewery for every 35,000 residents. The City of Waukesha, with a population of over 70,000, has room for a leader. There is no brewery for folks from Waukesha to call "their own"—it's this connection that gives local craft breweries a lift.

## Bigger opportunities in Metro Milwaukee

Metro Milwaukee has only one brewery for every 200,000 residents—a complacent follower wallowing in the shadow of 150 years as the US brewing capitol. Now, Milwaukee Metro is teeming with millennials (nearly 530,000) who are proud of the city's beer drinking heritage but not enthused by the Big Beer options. Milwaukee Metro has a total drinking age population of 1.21 million, and Wisconsin has a drinking age population of 3.4 million. The area including Milwaukee to Madison and north/south along Lake Michigan has the second highest density of bars per households in the US (8.5 per 10,000 households).

## And 800,000 opportunities in Wisconsin

Nationally, craft beer is growing at an average of 13% volume each year (five year average). Wisconsin's current annual output is roughly 400,000 barrels in 2013. At a 13% growth rate, the estimated barrel output by Wisconsin craft brewers will be over 800,000 barrels by 2019. This is conservative as the growth rate has been increasing, and was 18% in 2013. We are competing for share in a growing statewide market.

Contact:

Nick Reistad

[nick@raisedgrainbrewing.com](mailto:nick@raisedgrainbrewing.com), 608-444-2589

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## General Description

Raised Grain Brewing Company, LLC, is a craft brewery in Waukesha, WI, that will develop and produce exciting evolutions that are not constrained by traditional beer styles. Our beers will be sought out and found at local and statewide bars, restaurants and liquor or grocery stores. We will have a strong focus on expanding our distribution penetration and territory.

Our name is the embodiment of our passion for elevating grain into beer, it's most distinguished form. It is an homage to our roots in woodworking and an acknowledgement of the artisanal approach we take with creation of our beer. "Raised Grain" is more than a description of rough hewn timber, it symbolizes our entire approach towards a growing industry that is innovative and dynamic.

### Beer mission statement

Our Beer Mission Statement, the guiding force behind all of our beers is contained in the phrase Boldly Brewed Beers. This simple credo drives us to push the envelope of beer designing, sourcing only the highest quality ingredients to create nuanced and evocatively flavored brews. With a slight twist of our brewer's hand, an IPA becomes a veritable tastebud trip through hop farms east to west. A simple stout, so bland and devoid of light, becomes a flavor explosion as national boundaries are crossed and malts from one region are combined with those of another. Our beers express the passion we put into brewing them, and the result is beer that elevates Wisconsin to the level of other craft beer epicenters.

### Industry growth trends

The craft beer industry is seeing double-digit growth, with enthusiasm spreading beyond traditional beer drinkers into the general population. On- and off-premise retailers are adding more craft beer space due to its increasingly strong demand and higher margins. Metro Milwaukee and Wisconsin fall behind the rest of the nation in number of craft breweries per capita.

In 2013, craft brewers reached a record high of 7.8 percent volume of the total U.S. beer market, up from 6.5 percent the previous year. Additionally, craft dollar share of the total U.S. beer market reached 20.2 percent; retail dollar value from craft brewers was estimated at \$14.3 billion in 2013, up from \$11.9 billion in 2012. This growth is sustainable—the craft market has seen an average of 13.0 percent growth in volume over the past five years.



# Production & Distribution

## Off-site production and packaging

To produce over 90% of our expected Year 1 output, we will be leveraging allocated brewing capacity at a newly founded brewery located in Waunakee, WI. Minimum batches with this brewing partner are sizable—100 barrels per brew—and will allow us to scale rapidly while managing our up-front investment requirements. Output from this facility will be bottled or kegged and destined for distribution to beer stores, grocery stores, restaurants and bars throughout the state.

## On-site production and packaging

Our initial buildout at our Waukesha brewery will be modest in size—2,480 sq. ft.—capable of supplying our need for one-off brews and “push-the-envelope” beers for craft beer bars and restaurants, festivals and special off-site events.

We will continue to reinvest in and grow our business, with the intent of bringing all capacity to Waukesha, creating additional brewing, packaging, cellaring and distribution jobs in the process. This may result in a buildout of a larger space dedicated to our production needs, but our home will remain in Waukesha due to the equity we will have built with the community.

Beer production destined for distribution accounts for 95% of Year 1 output, increasing to upwards of 98% by Year 3 (combined on- and off-site production).

See *Appendix A* for site map of the existing building, located at 2244 W. Bluemound Road, Unit E.

## Tasting room

A tasting room is a small, but important, component of a successful brewery. Ours will act as ground zero for brand building and will help create an intense connection with our local constituents. It will be a friendly, low-key environment to introduce the public to the many varied bold beers produced by Raised Grain. It also serves as a point for our community outreach, supporting local events and charities as a way to give back. What is good for our community is good for our business.

Brewery tours will be another customer touch-point that will help beer novices and aficionados alike appreciate and understand the nuances of our beer. Tours will give the public a chance to learn about the beer they are drinking, smell the hops and malts that are used to build up a beer, and gain insight from our brew staff. We are exploring serving pre-prepared foods, such as cheese plates, that will enhance the educational experience and will help customers learn about pairing craft beer with food.

The tasting room will be approximately 1,520 sq. ft. See *Appendix B* for tasting room and brewery layout.

Beer production reserved for our tasting room will account for 5% of Year 1 output, and less than 2% over future years (volume for tasting room will remain largely consistent while distribution will increase).

Local and state sales taxes will be paid on all beer sales through the tasting room. In addition, state and federal beer taxes will be paid on all beer produced on- and off-site.

See *Appendix C* for comparable success stories.



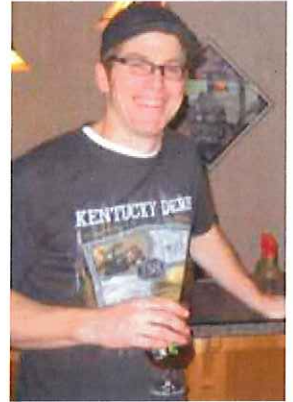
# Management Team

## Scott Kelley MD Partner, Brewmaster

Scott graduated Phi Beta Kappa from the University of Wisconsin-Madison and subsequently received his medical degree from the Medical College of Wisconsin. He is a pathologist with subspecialty in dermatopathology and is the managing director of Ameripath Milwaukee and part of Dermpath Diagnostics; both are subsidiaries of Quest Diagnostics. He is an Assistant Professor in the Department of Dermatology at the Medical College of Wisconsin.

Scott grew up in and around the brewing industry—his father was CFO for G. Heileman Brewing Company out of La Crosse. Combining his scientific background with his passion for good beer, Scott has been actively creating and perfecting beer recipes for over three years. He has perfected his craft in a commercial-style home brewing system that he designed and built in his basement. His knowledge of the brewing industry and his experience as a home brewer has led to the creation of exciting beers that push the boundaries of craft brewing, eliciting flavor profiles that are truly unique.

“I love the craft of brewing as it amalgamates the creativity of recipe development with the science of the brewing process.”

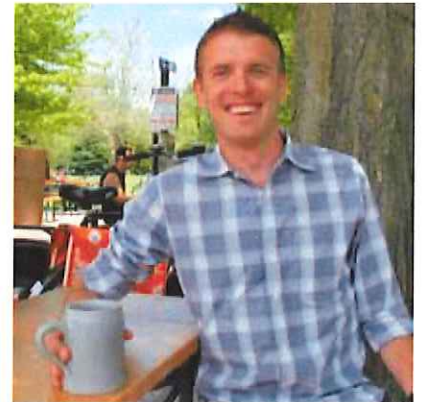


## Nick Reistad Partner, Sales & Marketing

Nick is a graduate of the University of Wisconsin School of Business and currently works as an Account Supervisor for an advertising agency. Nick's experience includes directing multi-million dollar B2C and B2B accounts, strategically aligning tactics and media to achieve clients' business goals. He is responsible for coordinating efforts by creative, media, PR and interactive development teams to successfully deliver results.

Nick has earned a reputation as a creative problem solver and a collaborative leader who allows his team to leverage their strengths for the greater success of the project. He is well-liked by his peers for his ability to inspire and lead by example.

Nick will be responsible for the execution of the marketing and distribution. He will also be responsible for overall growth and strategic direction of the brewery with a focus on expanding popularity and distribution.



## Kevin Brandenburg Partner

Kevin brings a wealth of business experience to Raised Grain. Having started and built two successful companies, Kevin is a natural leader with a keen sense for marketplace needs. “Building the best mousetrap” has always been Kevin's most successful strategy, so he will settle for nothing less than the highest quality beer. His engineering and financial background—honed over years of leading successful multi-million dollar companies in Waukesha County—will facilitate and guide the expansion as outlined in our plan.

Kevin's previous companies include Bravell Claims Management, a pharmacy benefit management company, and Power Sports Network, the largest provider of power sports and marine dealer web sites in the country. Bravell employed over 50 people and PSN employed over 75, both contributing a significant economic impact to Waukesha County.



# Sales Projections

## Sales projections

(in barrels)	Distribution Sales	Tasting Room Sales	Total Sales
2015 (partial)	715	38	753
2016	1,935	70	2,005
2017	3,870	70	3,940

## Tasting room hours, capacity and staffing

Our initial tasting room hours will be modest, but we may look to expand hours to satisfy demand.

- Monday:** Closed
- Tuesday:** Closed
- Wednesday:** Closed
- Thursday:** 4-10pm
- Friday:** 4-10:30pm
- Saturday:** 12-10:30pm
- Sunday:** 12-5pm

Our tasting room will have seating capacity for 50 people and will have two bathrooms (men and women).

Our tasting room will be staffed by “beertenders,” or licensed bartenders that are very knowledgeable about the different beers available. Weekdays will have one beertender on staff and Saturday will have two or more present to help conduct brewery tours and continue to maintain the bar. Additional brewing staff will be present during open hours to assist as needed.

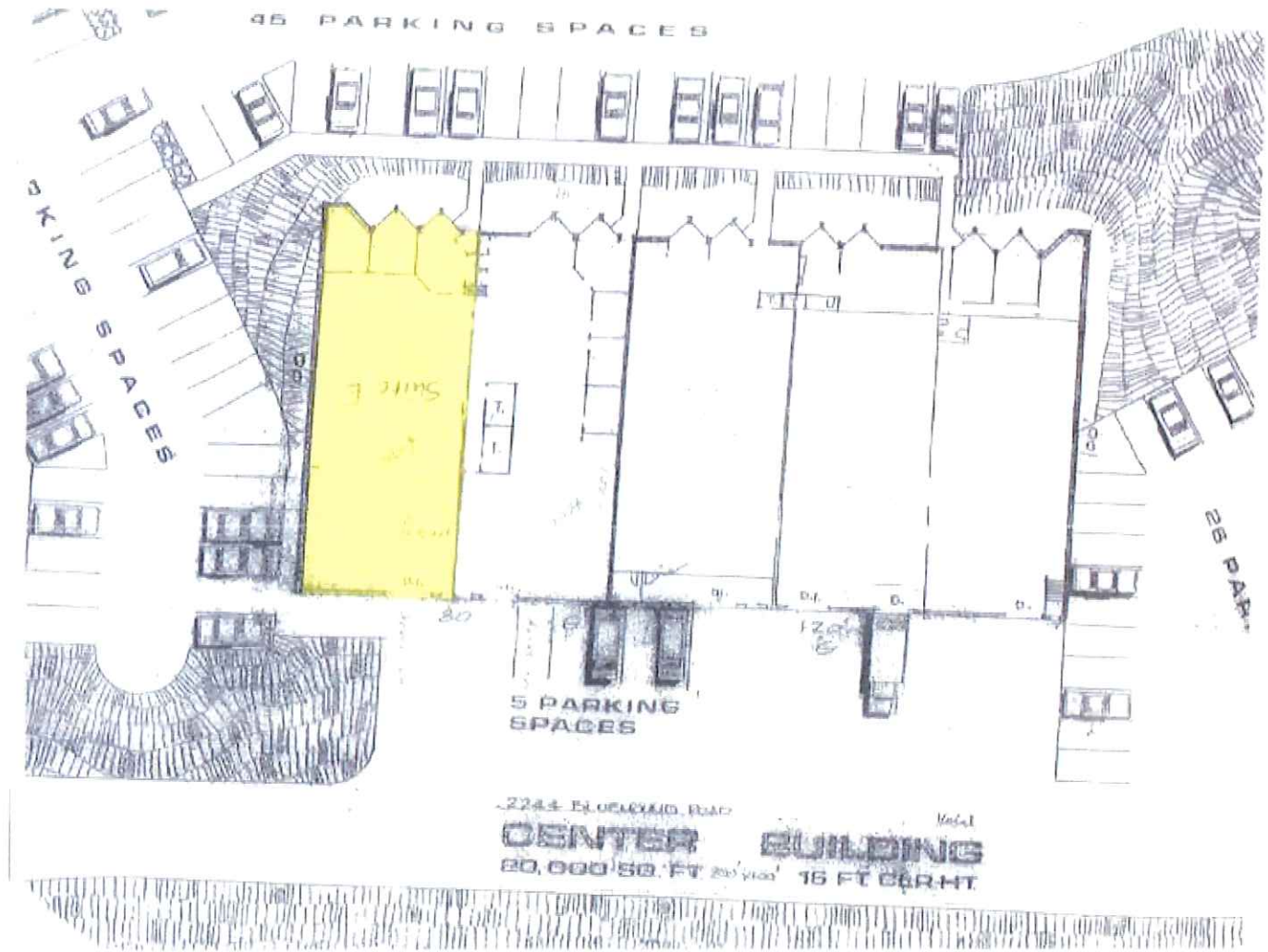
## Tasting room projections (full year)

	People	Pints	Growlers
		avg. 2 per person	avg. 0.2 per person
Monday	closed	-	-
Tuesday	closed	-	-
Wednesday	closed	-	-
Thursday	20	40	4
Friday	30	60	12
Saturday	40	80	16
Sunday	30	60	12
Total Weekly	120 people	240 pints	24 growlers
Weekly Barrel Consumption	1.35	Yearly Tasting Room Barrel Consumption	70.5





# Appendix A - Existing Site Map



Front Façade as of 12/30/14

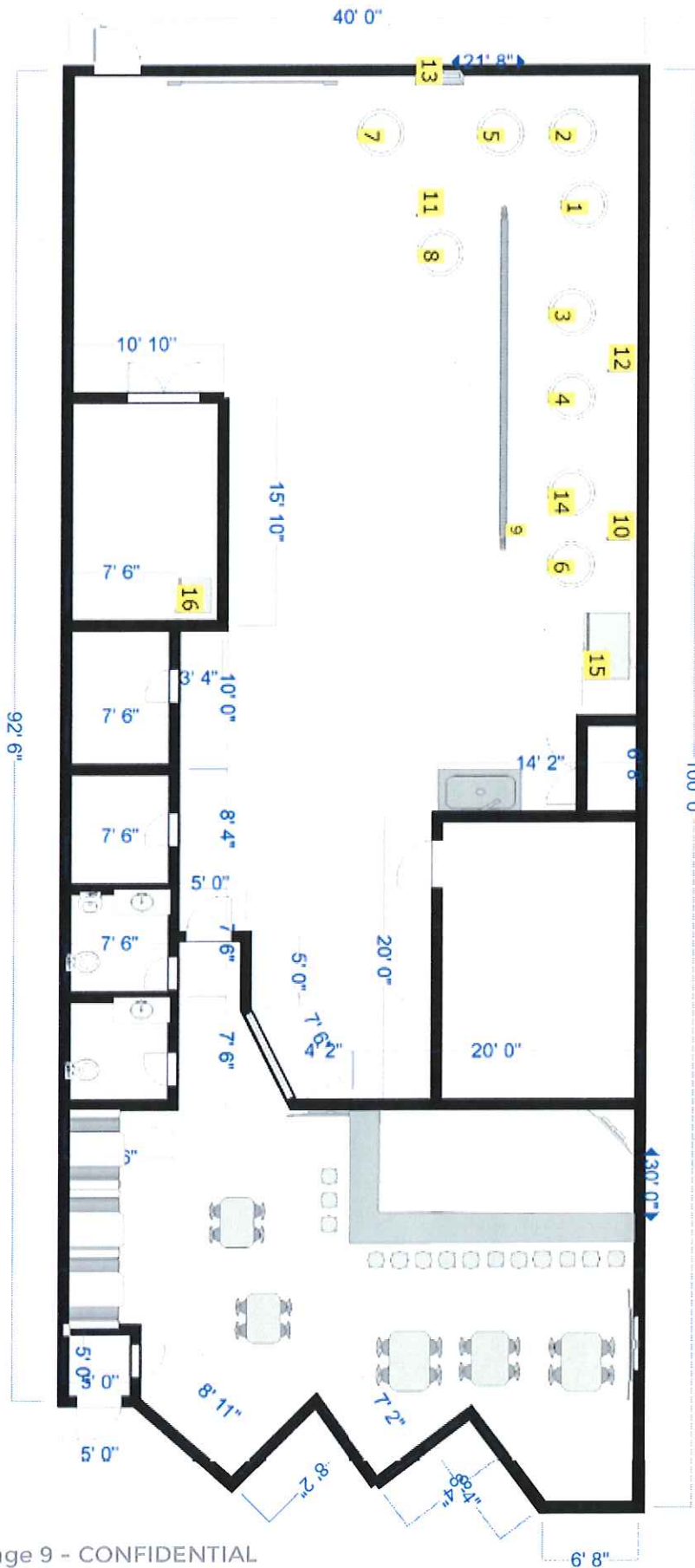


**RAISED GRAIN**

brewing company

# Appendix B - Floor Plan

## Floor Plan Layout



## Descriptions

- 1 Boil Kettle
- 2 Mash Tun
- 3 Fermenter
- 4 Fermenter
- 5 Hot Liquor Tank (water)
- 6 Fermenter
- 7 Reverse Osmosis Water Tank
- 8 Brite Tank
- 9 Floor Drain
- 10 Fermenter Chiller
- 11 Brite Tank Chiller
- 12 Fermenter Chiller
- 13 Control Panel
- 14 Fermenter
- 15 Keg Washer
- 16 Malt Mill



## Appendix C - Comparables

### Ale Asylum - Madison, WI

Originally located in a nondescript industrial strip on the outskirts of Madison, along Hwy 51, Ale Asylum was able to grow its production annually. The tasting room served as a growth catalyst, with the excitement of tasting fresh beer in a brewery environment.

Ale Asylum's beers have proven to be popular—aided in no small part by the strong following developed through their tasting room—and they outgrew the 10,000 sq. ft. industrial space in roughly six years. Working with the City of Madison and economic development organizations, Ale Asylum was able to move to a new 45,000 sq. ft. location half a mile away from their original spot. Their new space has room to expand production tenfold, allowing for statewide and Illinois distribution. The tasting room is still a critical component of their newly opened brewery, featuring a full restaurant.

**Article:** *Ale Asylum Brewery Expansion:* <http://tinyurl.com/qx274jc>

### Karben4 - Madison, WI

Located in the same building that Ale Asylum vacated, Karben4 is equally as successful in this industrial, off-the-beaten-path space. After one and a half years of operation, Karben4 has doubled their production volume and are successfully distributing in the Madison and Milwaukee areas.

Similar to Ale Asylum, Karben4 leverages their tasting room to build a strong brand connection.

**Article:** *Karben4 moves into former Ale Asylum building:* <http://tinyurl.com/odxa2yk>

### Door County Brewing Company - Door County, WI

DCBC has a model similar to ours, with a small brewery on-site and a contract brewery producing its beer for distribution. This model has proven successful due to the fact that the brewery is able to invest in building its brand, because all the capital isn't tied up in a large production facility.

DCBC leverages its tasting room, but does so in a manner consistent with the tourist destination that is Door County.

**Article:** *Door County Brewing Grows Up Fast:* <http://tinyurl.com/pu89mv9>



# U.S. BEER SALES 2013

**OVERALL BEER**  
**-1.9%**  
 196,241,321 bbls

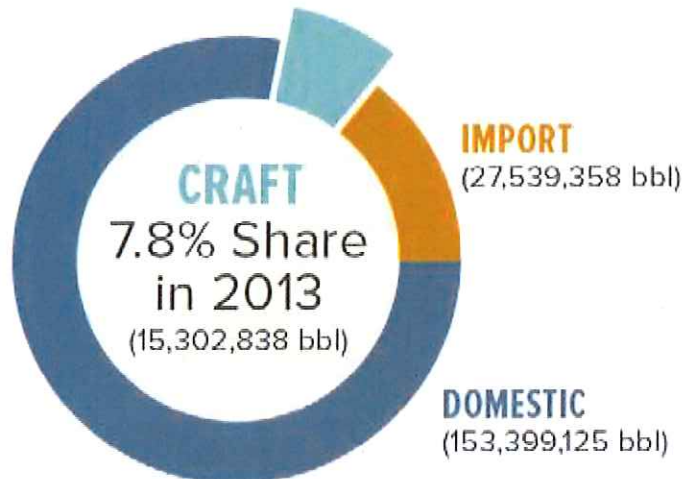
**17.2%**  
**CRAFT**  
 15,302,838 bbls

**IMPORT BEER**  
**-0.6%**  
 27,539,358 bbls

**49%**  
**EXPORT CRAFT BEER**  
 282,526 bbls

**OVERALL BEER MARKET**  
**\$100 BILLION**

**CRAFT BEER MARKET**  
**\$14.3 BILLION**  
 20% DOLLAR SALES GROWTH



Source: Brewers Association, Boulder, CO

**RAISED GRAIN**  
 brewing company