



**Tillamook Urban Renewal Agency
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**TURA Special Meeting
Tuesday, November 20, 2012, 2012
5:30 P.M.**

Board Members Present:

Chairman Don Hurd
Carolyn Decker
Alene Allen
John Sandusky
Dave Schrom
Ruth LaFrance
Cheryl Davy

Staff Present:

City Manager Paul Wyntergreen

Guests/Public:

Mary Jones, Jeff Schons, Darron Welch, Ken Henson, Bob White - Tillamook PUD, Barbara Johnson – Tillamook PUD, Mayor Suzanne Weber

1. **Call to Order and Roll Call:** Chairman Hurd called the meeting to order at 5:00 P.M. P. Wyntergreen called the roll. C. Decker came into the meeting at 5:40 P.M.
2. **Business – Pelican Pub Brewery Presentation** Chairman Hurd introduced Mary Jones, an owner of the Pelican Pub and Brewery and asked her to begin her presentation to the board. M. Jones proceeded to introduce the other members of her group. She then spoke about the history of the business, Pelican Brewing Company, the other businesses affiliated with Pelican, and the future plans for a production brewery in Tillamook.

Darron Welch gave a report on the history of the brewery and production. He explained the reasons for looking to open a new production brewery and moving to a new level. He commented on the medals and awards received by Pelican. He also noted the company is very proud of what they have accomplished.

Ken Henson spoke about the restaurant and management of the Pelican facility in Pacific City. He commented on the success of the business and the awards received by the restaurant and chefs.

M. Jones commented on the other Pelican family companies and why they are approaching TURA for financial assistance. **Jeff Schons** gave a summary of the net profits of each of the companies affiliated with Pelican. He commented on the real estate ventures of the company and the down-turn of the economy which created losses on the real estate end but they did

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make profits on the restaurant and hotel end of the company.

M. Jones spoke about the employment opportunities offered by the entire company which is the second largest employer in Tillamook County. **J. Schons** explained why the cash reserves of the company is down at this time but they do not want to wait to begin the new production brewery.

D. Welch spoke about the timing and the expansion of the brewery. He commented on the strength of craft and art brewing. He noted the present brewery is at near capacity. They would like to get their product on to more shelves to meet the demand. **J. Schons** spoke about the growth plans discussed several years ago. He spoke about the profitability of the Pelican brand. They are looking at increasing quantity and producing more efficiently. Offering local contractors, sales staff, and other employment would be an economical improvement to the community.

J. Schons went over the plans for remodel to the building on Front Street. He explained they will have a small tasting room and have brewery tours for the public. **K. Henson** commented on tourism and local use of the new facility. They will also have a small deli available for the public in the tasting room. Beer production and processing was explained. Silos, tanks, bottling, packaging, and distribution was explained.

J. Schons noted they anticipate opening on June 1, 2013.

The board asked questions of the group regarding production. It was explained this new facility could increase production by more than 4 times what is being produced now.

Estimated construction costs were discussed. **M. Jones** commented they are asking TURA for a \$100,000 loan and a \$100,000 grant to implement this plan for a new facility in Tillamook. The estimates and construction was discussed. Ingredients and process was discussed. Future expansions were discussed. **M. Jones** noted the 5 year projections included in the business plan submitted. There was discussion about the possibility of a restaurant in the future and where it could be placed.

J. Sandusky had to leave the meeting early but noted he is in favor of adding this facility to the City of Tillamook.

There was discussion of employment and wages brought into the community. Benefit packages were discussed. Number of employees, hours of operation, and shifts were discussed. It was noted the main focus would be on production but there would be emphasis placed on the tasting room and tourism. Parking was discussed for employees and public.

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It was discussed that they will lease the building for 7 years with a requirement to purchase the building at the end of the lease. The landlord would keep part of the building for his personal use during the lease.

OLCC compliance was discussed and noted that Pelican is considered family friendly.

There was discussion of currently owned equipment that will be moved to this new location. There was discussion of seasonal/craft brewing and regular brewing. The plan is for the facility in Pacific City to be used for specialty products.

Distributing and transportation was discussed. Employment was discussed.

Chairman Hurd gave a brief history of what TURA has done for the past several years and commented on the financial status of TURA at this time. He noted the Proposal Committee will meet to develop a plan and come up with requirements. There was discussion about part of the grant being a forgivable loan if all requirements are met. Renovation costs were discussed.

Current encumbrances and equity was discussed. COLPAC, EDC, Oregon Coast Bank and State SRF funding were discussed. Budgeting was discussed. **J. Schons** noted he hopes to have firm quotes/bids in the next few weeks.

P. Wyntergreen spoke about TURA working on a reimbursement basis in past projects. **Chairman Hurd** commented on the type of things TURA is allowed to fund by state law. This was discussed.

There was discussion about how to proceed and a motion.

- **D. Schrom made a motion to conceptually approve the proposal from Pelican Brewing Company for a dollar amount of \$200,000 to be made up of a forgivable loan and potentially a grant based on the final proposal that is delivered to the agency at the next meeting. C. Davy seconded the motion. A. Allen asked about the funding of a loan and grant and it was discussed that these details would be worked out later and that this is a tentative approval for now to satisfy the other funding entities. With no further discussion Chairman Hurd called for the vote which was unanimous. The motion carried.**

The board thanked the group for the presentation. There were questions about the different types of beer produced by Pelican.

3. **Public Comment:** None

4. **Concerns of the Board/ Non-Agenda Items:** None

5. **Adjournment:** **Chairman Hurd** adjourned the meeting at 6:20 P.M.

Prepared by:
Debbi Reeves
Executive Assistant

~~ SIGNATURE ON FILE ~~

Don Hurd - TURA Chairman