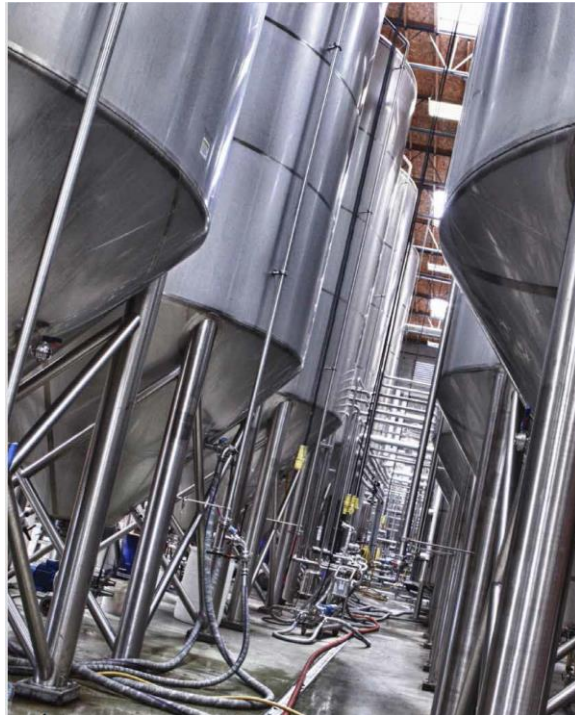




Stone Brewing Richmond, Virginia

# Stone's East Coast Location Strategy

- Build an East Coast Production, Distribution and
- Build a World Bistro and Gardens
- Invest \$74 million
- Produce 600,000 bbls of beer
- Stimulate Tourism
- Revitalize the community
- Activate the riverfront



## Original RFP



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### STONE BREWING CO.

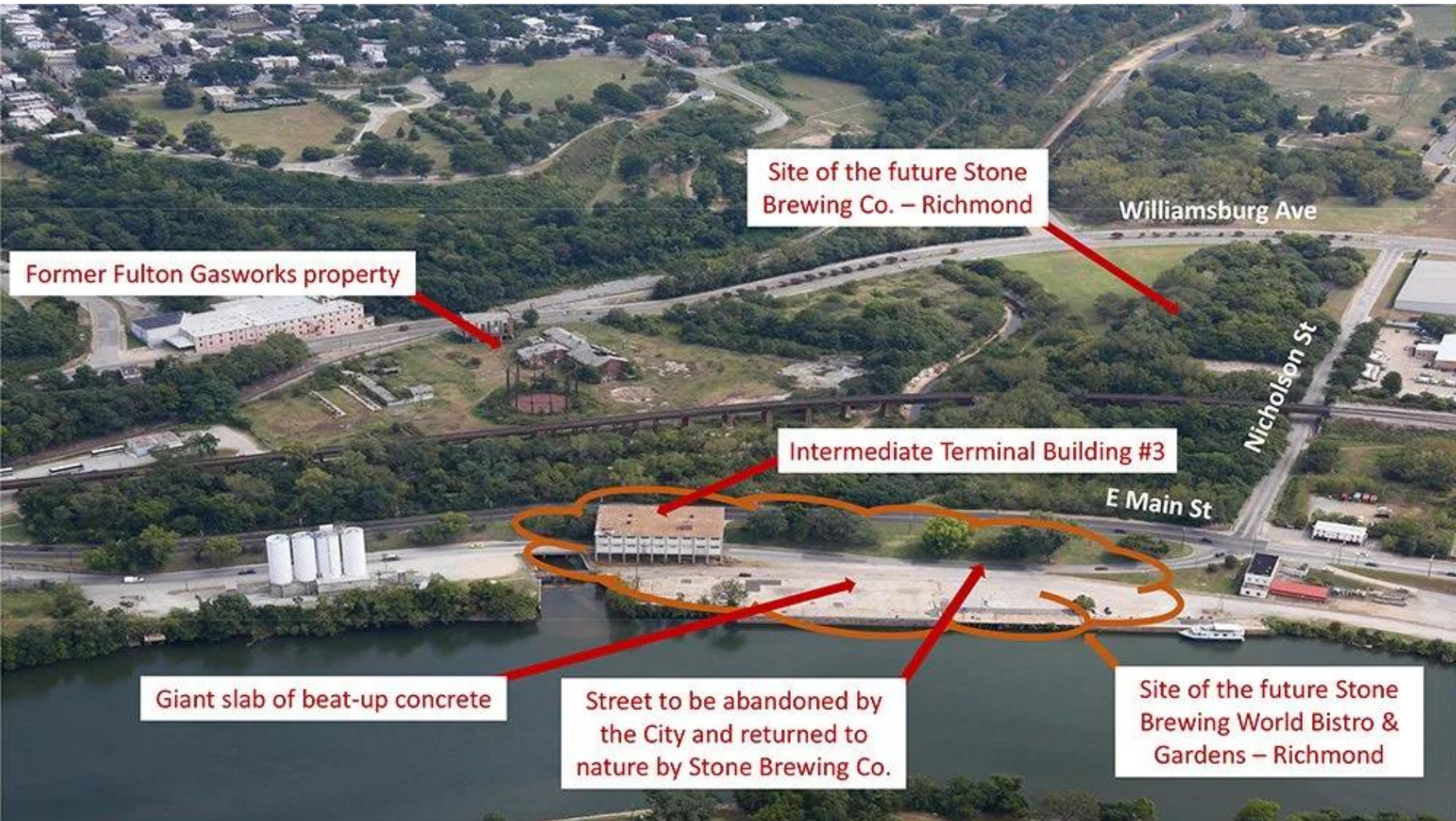
noun

1. A craft brewer known for making distinctive, big character beer.
2. The tenth-largest craft brewery in the United States: Stone Brewing Co. produced 213,000 barrels of beer in 2013.
3. A private company with core operations in brewing, packaging, and distribution, with additional operations in hospitality and retail: a trip to Stone Brewing Co. see also: Stone Company Store, Stone World Bistro & Gardens, Stone Distributing Co.

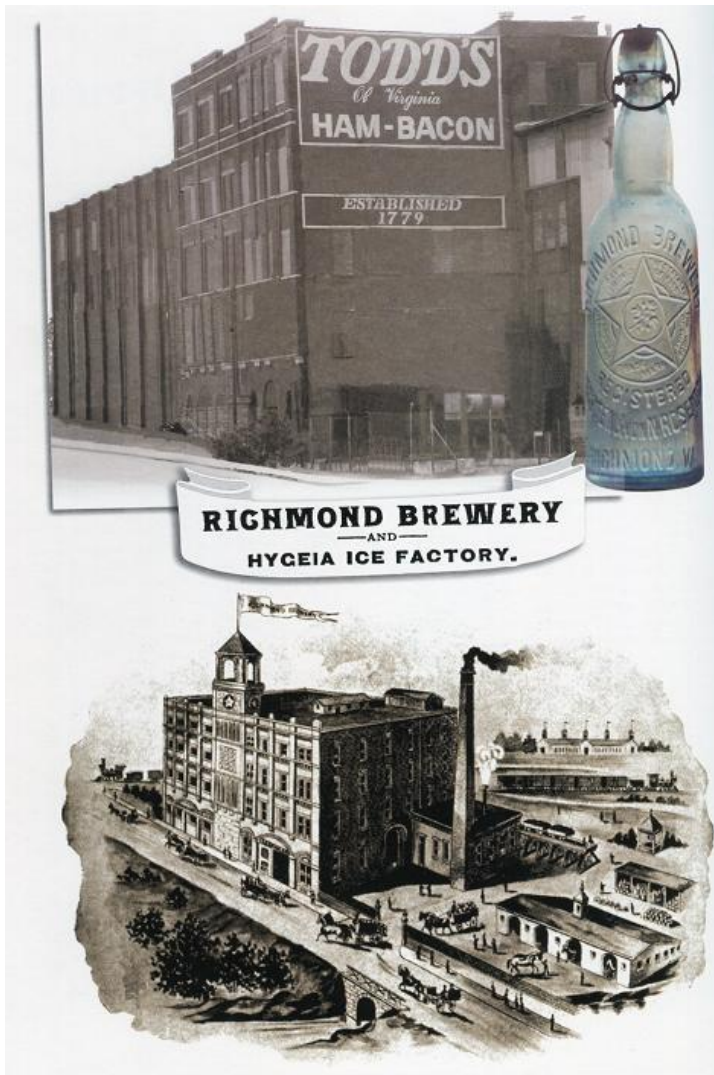
**ORIGIN** Late 20th century in Escondido, California (San Diego County)

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# East Riverfront 2014....



# Richmond's History with Beer



**Richmond Dispatch of October 13, 1863:**

# EDA Commitment



- Property Acquisition
- Develop Production and Distribution facility (Phase I)
- Develop World Bistro and Gardens (Phase II)
- Lease Phase I and Phase II to Stone

# City's Commitment



## Incentive Grants

- Economic Development Grant: \$2.5 Million (paid over 5 yrs)
- Sustainability Grant: \$500,000 (paid over 5 years)
- Conditional Real Estate Tax Grant (in lieu of Leasehold Tax)

## Revenue Bond Financing: repaid over 25 year lease

- \$23 Million Brewery
- \$8 Million Bistro

## Infrastructure Improvements

- Main Street Improvements
- BRT
- Sugar Pad Improvements
- Virginia Capital Trail completion
- Demolition of Lehigh Silos

# GOF Performance Agreement (5 year Performance Period: 2021)

- Real Estate Investment (Brewery and Bistro)
- Machinery & Equipment Investment
- Personal Property (FF&E)
- Jobs



# Real Estate Investment to Date



- GOF Performance Agreement:
  - \$31 million (Brewery and Bistro)

- Brewery (only) Assessment:
  - \$26.4 million

- Projected Bistro Investment:
  - \$8 million





# Stone Brewing Company Performance Agreement

## Ordinance # 2014-218-200

### Commitments

- Capital investments at the facility of at least \$73,700,000 by June 1, 2019
- Create and maintain 90 new production jobs by June 1, 2019 with an average annual salary of \$57,024.
- Produce at the facility a minimum 120,000 barrels of beer by 2017

### Compliance as of Calendar 2017 Annual Report—Submitted March 29, 2018

- Capital investment of \$76,222,992
- Creation of 62 full-time jobs with an average annual salary of \$50,125. 70, as of April 2018
- Produced 177,380 packaged barrels of beer

# Sources of Revenues to the City from Stone

- Real Estate Taxes
- Machinery & Tools Taxes
- Personal Property Taxes
- Retail Sales Taxes
- BPOL
- Water Fees
- Wastewater Fees
- Meals Taxes
- Debt Service Repayment



# Dutton & Associates Report Scope of Work

- Conduct background research to gather existing cultural resource survey data and ascertain known historical associations regarding the two resources.
- Prepare a historic context that includes a history of the property, and focuses on the development, use, and evolution of it from the time the terminal was established.
- Survey and document the Terminal Building and Sugar Pad and all associated features to record such information as location, setting, physical description, alterations and additions, and notable features.
- Assess the resources and their associated features for retention of historic integrity according to the National Park Service (NPS) guidance.
- Evaluate the resources and associated features according to established NRHP criteria to determine if they are eligible for listing in the NRHP.
- Provide photographic documentation of the resources including primary and secondary facades, general setting, unique or character-defining architectural or structural features, and interior areas if accessible.
- Prepare a Phase II intensive level report and Virginia Cultural Resource Information System (VCRIS) site form according to VDHR standards.

# Mitigation Measures



- documentation of the building
- design of the replacement building
- salvaging of materials from the historic building
- retaining a portion of the historic building
- interpretive display on the site or within the replacement structure



## Community & Economic Impact

Stone Brewing restaurants  
Design and Engineering work on the ITB  
Employment  
Economic Benefits

Continuing investment in the brewery  
Charitable Donations to community organizations  
Community Engagement  
Environmental Sustainability program





## Stone Brewing's other restaurant facilities



**Liberty Station, San Diego, 1920s**



**Stone Brewing Napa, 1870s**

**Stone Brewing World Bistro & Gardens, Berlin, Germany, 1900**



## Stone Brewing's other restaurant facilities



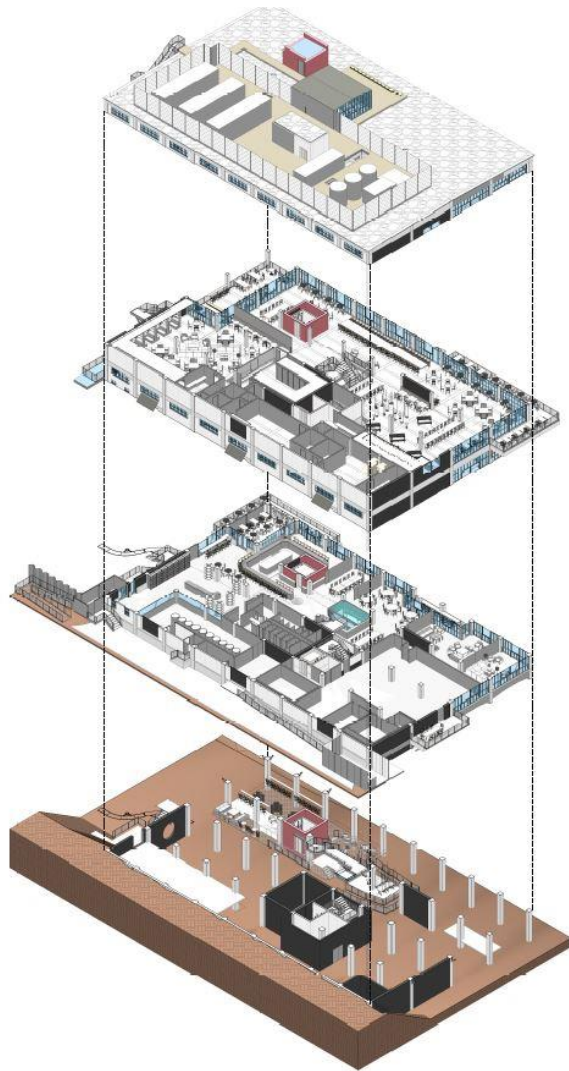
Stone Brewing World Bistro & Gardens, Escondido, California

**STONE**  
BREWING

## Design and Engineering of ITB to date





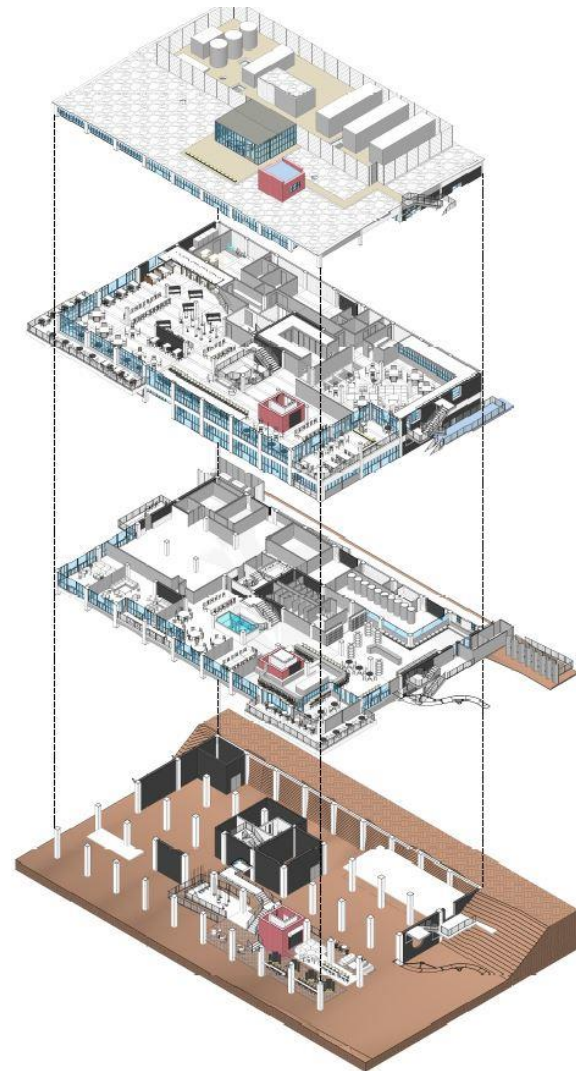


AXON - ROOF LEVEL

AXON - 2ND FLOOR

AXON - 1ST FLOOR

AXON - GARDEN LEVEL





## Employment



**62** full-time employees as of 12/31/18

(As of April 13, 2018, **70** full-time employees)

### **40.3% live in the city of Richmond**

- East End: 36%
- Southside: 36%
- Central: 12%
- Northside: 12%
- West End: 4%

### **Departments:**

- Brewing
- Packaging
- Maintenance
- Warehouse
- Quality Assurance
- Taproom
- Administrative support



## **Economic Impact to the City of Richmond**

**Lease payments to the EDA (as of 12/31/17): \$2,755,421**

2016 (July – December): \$1,015,155

2017 (full year): \$1,740,266

**Utilities paid to the City of Richmond (as of 12/31/17): \$742,562**

2016: \$221,147

2017: \$521,415

**Taxes paid to City of Richmond (inception through 2017):**

**\$1,302,021**

Meals Tax: \$62,539

Property Taxes: \$227,990

Personal Property Taxes: \$961,492



## Continuing Investments in Brewery

- Four additional 1000-bbl fermenters and bright tanks delivered in December 2017 (**\$1.7 million**)
- Can line and canning packaging equipment delivered in early 2018 (**\$4.3 million**)
- **Continuing expansion** expected
- **Second shift** commenced in early 2018





## Charitable Donations to Community Organizations

- Beer for **events, Auction/Raffle Packages, VIP Tour and Tasting** experiences
- Support **local non-profit organizations** throughout Richmond region with focus on the East End
- Approximately **\$75,000** raised each year in 2016 and 2017
- **Tour program** donates funds to a local East End non-profit organization each quarter



# Community Engagement

**STONE**  
BREWING



- **Space for community meetings** and charitable events
- Contract with **local businesses** for construction and operations

- Adopted **Gillies Creek Park** for regular cleanups and involvement in improvement efforts (Green Infrastructure Plan)
- **Stone's Throw Down in RVA** concert on Brown's Island attracted 9,000 people and raised money for local non-profit organizations
- **Collaborations with local breweries**
  - Ardent Craft Ales, Triple Crossing Beer, Hardywood Park Craft Brewery, Three Notch'd Collab House, Midnight Brewery, Champion Brewery, Buskey Cider, Trapezium Brewery, Vasen Brewery, Studio Brew, Virginia Beer Company
- Collaborated with VSU and Beautiful RVA/Lewis Ginter Botanical Gardens Urban Gardener program to plant **community fruit and nut orchard** on property



## Environmental Sustainability

- Brewery earned **LEED Silver** designation in 2016
- Adopted **conservation landscaping** policy; staff is Chesapeake Bay Landscape Professional (certified)
- Collaboration with **RVA Goats** for maintenance of grasslands at riparian edge of Gillies Creek
- Work with **local, minority-owned landscape contractor** for maintenance
- **98% landfill-free**; collaborate with local SWaM recycling contractor



**STONE**  
BREWING





# Intermediate Terminal Building

**Design Process Discoveries**

April 13, 2018



## **Intermediate Terminal Building**

April 15, 2018

- 1. Flood Plain Discoveries**
- 2. Structural Discoveries**
- 3. Energy Discoveries**
- 4. Life Safety + Accessibility Discoveries**

## Intermediate Terminal Building

April 15, 2018

### Flood Plain Discoveries

- Barriers or walls need to be 2'8" above 1st floor level for occupancy
- Current first floor level is located 1'8" below the flood plain established by FEMA. Current code requires an additional 1' designed tolerance to account for wave action
- mechanical and electrical equipment must be located out of the flood plain and on the roof
- Special elevator required, with flood-resistant cables/tracks/electrical lines at the first level



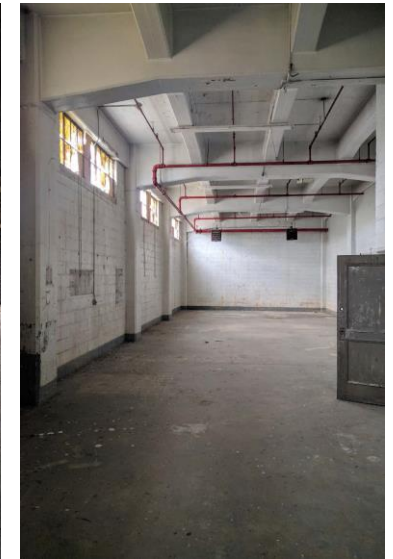
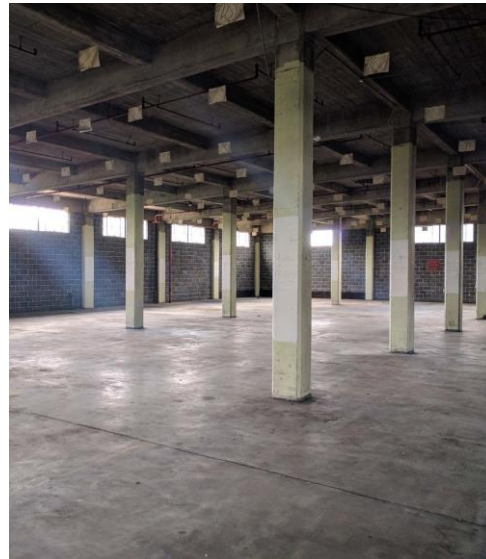
*Codes: ASCE/SEI 24-05 Flood Resistant Design and Construction // Code of The City of Richmond, Chapter 14, Article II, Floodplain Management*

## Intermediate Terminal Building

April 15, 2018

### Structural Discoveries

- Soil reports and structural analysis indicate existing and new foundations will need underpinning to bring the building up to current code
- No reinforcing in the existing footings
- Deep pile foundations needed to go down to the rock below
- To bring the building up to code, large shear wall additions are needed for stability in floods/earthquakes/high winds
- Very thin existing concrete roof slab does not support mechanical equipment or occupied roof



Codes: Virginia Rehabilitation Code 2012 // Virginia Construction Code 2012, Level 3 Alteration and Change in Occupancy

## Intermediate Terminal Building

April 15, 2018

### Energy System Discoveries

- Changing the building's program from an unconditioned warehouse to a restaurant requires the addition of more extensive mechanical, electrical, and plumbing systems—exacerbating the structural challenges
- Does not meet energy code; currently no insulation at the existing walls
- To meet current energy code, concrete floor with exposed underside requires insulation



*Codes: Virginia Energy Conservation Code 2012 // Virginia Mechanical Code 2012*

## Intermediate Terminal Building

April 15, 2018

### Life Safety + Accessibility Discoveries

- The existing vertical circulation does not comply with current code
- To meet current code, need to add all new egress
- To meet current code, need to replace the existing sprinkler system



Codes: Virginia Construction Code 2012, Level 3 Alteration and Change in Occupancy // 2010 ADA Standards for Accessible Design - Department of Justice