

3/25/2013

EXHIBIT

DATE

HB

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3/26/13
616

My name is Mark Richlen, I reside in Billings, MT., my business partner Douglas Stewart lives in Missoula. We own a 75 year old warehouse in Missoula, a portion of which is leased to Draught Works, LLC, a craft brewery. We are opposed to the passage of HB616. It is a very deliberate effort to destroy a new and exciting business model by adding unwarranted restrictions to an already very restricted business. Craft breweries are successful because they create/serve a quality product in a way that has obviously received the economic vote of the public. This is not just a Montana phenomena, this industry has been on a nation-wide growth trajectory for several years.

Many of these small businesses have "resurrected", re-purposed old, sometimes abandoned buildings for a new use. Recently two new brewers in Billings restored two abandoned, derelict buildings near the central business district for their new businesses. My understanding is this is not an uncommon occurrence. Think of urban renewal in a growler.

This is the case with our building. It was originally built in 1937 as a grocery warehouse. It is located in a mixed use area of warehousing, light manufacturing and residential housing. We began renting part of the structure in the mid 70's using it as a recycling center. We purchased the building in the early 80's, the parts not used as a recycling center were rented to others. We sold the recycling business in the mid 90's, it was moved elsewhere. The building was rented out as we could for storage, truck trans loading and light manufacturing. Frankly, the old building became a neighborhood eyesore. The owners of Draught Works, LLC approached us with a plan to use a part of the building as a brewery. The old building was in need of a proper sewer, handicapped access and elevator, new bathrooms, roof, parking lot, landscaping, facade improvements and much more. All of these improvements were accomplished. Old wood flooring was recycled into doors, bar, and table tops for the brewery. The City of Missoula used TIF money to improve their right of way with new sidewalks and the installation of a bicycle/pedestrian path on property we allowed an easement. Many hundreds of thousands of dollars later, the community had a building to be proud of. As a result of the improvements our property taxes went up by about 40%, a bit of a shock but understandable considering the investment of public funds and increased property value. As a testimony to the improvements and public's love for the brewery a "house for sale" ad in the local paper stated "within walking distance to the new brewery."

Craft breweries cater to a different clientele than the typical bar type establishment. After church on Saturday evening a group of us go to a local craft brewery for a beer, some popcorn, sometimes we order in a pizza. We are allowed to move some tables around so we can sit together and visit. The group is very eclectic from newly engaged to married for 40 years, young and older single people, and sometimes a pastor shows up. We would not go to a typical bar for this kind of gathering, nothing wrong with that really, it is just how people are when it comes to perception.

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