Reasons to repeal the one-pint rule

Brad Veltman Aspen, CO Colorado March 24, 2008

As one of the owners of the Aspen Brewing Co., I have spoken to locals and tourists alike regarding the brewery and how we plan to operate our business. Tonight, March 24, the Aspen City Council will address amendments to the municipal code regarding Service/ Commercial/Industrial zoning and hopefully reconsider the one-pint limitation that the Community Development Department has imposed. I would like to clear up a few misconceptions that affect the way people perceive our business. There are four frequently asked questions:

1) If I can walk in to the brewery, sit down and drink beer, why is the brewery not a bar?

The brewery has a tasting room, exactly like a cellar at a vineyard. Our tasting room is tiny. At 500 square feet, it is a far cry from a bar. We will be offering six to eight varieties of ale and root beer, all produced on-site. There is no other brand of beer sold, no spirits and no wine. We aren't shipping in alcohol from across the country to sell to the public; our beer is brewed a feet from where the public can sit and enjoy. This truly is a unique experience not offered in Aspen since the days of Flying Dog [Brew Pub].

We close at 9 p.m. and at 6 p.m. Sundays — before peak hours at area bars. We will not be having "Super Bowl parties" or "half-priced wings" (in fact, we don't serve food at all). We do not have pool tables, music, dancing or any other entertainment. The sole attraction is the locally crafted beer we make. We offer public tours and are eager to teach the public about the brewing process. Without the knowledge to choose a premium craft beer, the public has no reason to choose our product over the competition.

2) If most of the production is being sold in kegs to vendors, bars and restaurants, why is the brewery worried about being able to sell more than one pint to the public?

There are two main reasons why being able to serve the public more than one pint is vital to our success. First, there is a key distinction between volume of ounces and percentage of revenue derived from tasting room sales. While less than 10 percent of our overall production will be sold in our tasting room, the revenue generated from selling directly to the public is tremendous. Selling kegs wholesale to our accounts is a fairly sustainable way to pay the rent, but to make any profits and to expand our operation beyond the Roaring Fork Valley, we must rely on tasting room sales. We are not a mass-producing brewery that distributes to a metropolitan area and uses cheap products like corn, rice and adjuncts. Our beer is made using expensive materials that are only raising in price. The worldwide hop shortage has caused the price of hops to triple in the last year. Corn fields are replacing barley and hops because of the need for ethanol and their ease of growing. We use expensive products to create our beers, and it's very hard for craft breweries to survive only selling kegs and to-go growlers. As all readers know, Aspen is an expensive place to run a business — and even more so to begin one from scratch. While our rent is lower in the SCI zone than the commercial core, it is by no means cheap.

Second is the ability of the public to attain a level of familiarity with our brand. By being able to come into the tasting room, customers are much more likely to purchase our beer when they see it offered elsewhere. When potential customers come into our tasting room, they will be able to speak directly with the person responsible for brewing, selling, delivering and eventually pouring the beer we

produce. It is this relationship that has the ability to separate us from mass beer producers. It's very similar to the Sunday farmers' market that Aspen offers each summer and fall. Isn't it refreshing to be able to purchase your fruits and vegetables directly from the grower? It demystifies issues of who actually grows it, the level of care given to the product, its quality and its local character. We want customers to have that same peace of mind when drinking our beer — whether in our tasting room, in their home or at their favorite bars and restaurants.

3) Why no liquor license?

As we do not sell spirits, wine or any brands of beer other than our own craft beer produced on-site, a liquor license is not necessary to operate a brewery with adjoining tasting room. Both the Federal Alcohol and Tobacco Tax and Trade Bureau as well as the Colorado Division of Liquor and Tobacco Enforcement have approved our manufacturer's and wholesaler's licenses. This grants us the ability to sell our product directly to the public and retailers without any limitations whatsoever. These governmental bodies understand that brewery tasting rooms are not bars and therefore do no regulate them as such.

4) Will Aspen Brewing be a brewpub?

No. We are a microbrewery — we only serve our product and no food. The Brewer's Association defines a brewpub as: "A restaurant-brewery that sells 25 percent or more of its beer on-site. The beer is brewed primarily for sale in the restaurant and bar. The beer is often dispensed directly from the brewery's storage tanks. Where allowed by law, brewpubs often sell beer "to go" and/or distribute to off-site accounts. Note: The Brewers Association re-categorizes a company as a microbrewery if its off-site (distributed) beer sales exceed 75 percent." We do not have food for sale and will sell well more than 75 percent of our production to off-site accounts. We do not fall under the category of a brewpub. The Brewer's Association defines a microbrewery as, "A brewery that produces less than 15,000 barrels of beer per year. Microbreweries sell to the public by one or more of the following methods: the traditional three-tier system (brewer to wholesaler to retailer to consumer); the two-tier system (brewer acting as wholesaler to retailer to consumer); and, directly to the consumer through carry-outs and/or on-site tap room sales." Aspen Brewing anticipates producing less than 1,000 barrels per year — testament to the small-batch operation we are running and our proper classification as a microbrewery and not a brewpub.

I hope these answers help people understand the motives behind our code interpretation appeal and our interest in having the SCI zoning code provisions amended to permit the brewery to function and sustain itself in Aspen. We aim to operate our small business in the SCI zone and be good neighbors. We also hope that our customers will frequent other SCI businesses in the vicinity. There are 90 other breweries and brewpubs across Colorado, and they all operate in the manner we are proposing and without governmentally imposed one-pint consumption limitations. We encourage all supporters of the brewery to attend the public hearing at the City Council meeting tonight. We are extremely excited about being in Aspen, and we hope everyone reading this is as well.

Brad Veltman is co-owner of the Aspen Brewing Company.