

# OFFICE OF ECONOMIC DEVELOPMENT: 2201 Arapahoe, LLC.

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Business, Workforce & Sustainability  
August 28, 2013



# OED Ordinance Request

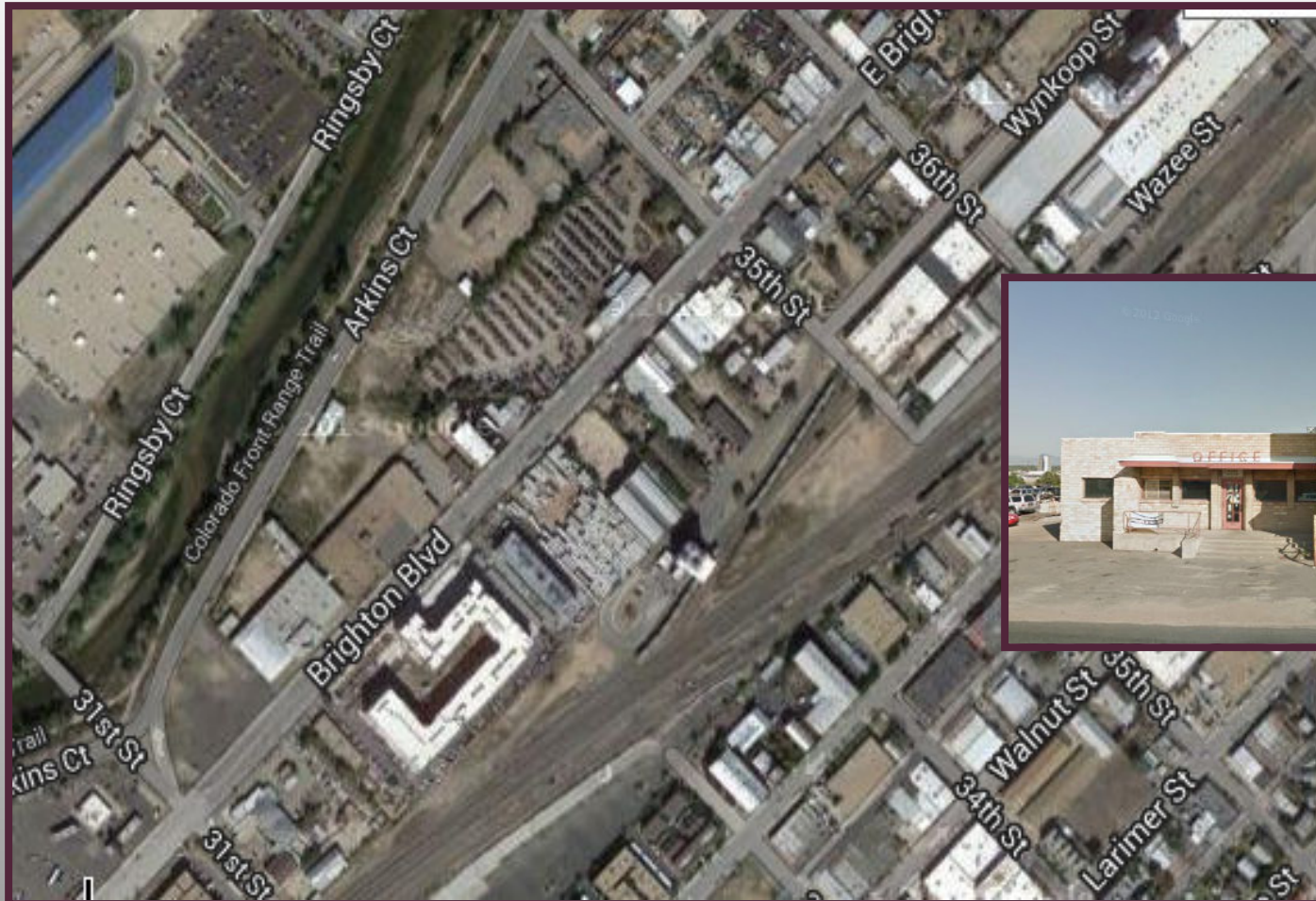
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- \$1 Million land acquisition loan to 2201 Arapahoe, LLC.
  - Expansion of the Great Divide Brewing Company
  - Developer: Brian Dunn
  - Council Approval Required

# Background

- Great Divide Brewing Company (GDBC)
  - Operating for 19 years
  - Established in Denver, 2201 Arapahoe St.
  - Consistent year over year growth (23.6% from 2011-2012)
  - Key property in the revitalization of Arapahoe Square Neighborhood
- International Recognition
  - 17 Great American Beer Festival Awards
  - 5 World Beer Cup Awards
  - Ranked 14<sup>th</sup> in Ratebeer.com's 2012 "Best Brewers in the World"
- OED Relationship
  - OED original investor
  - Invested approx. \$940,000 from 1996-2013 (outstanding balance of \$282,000)
  - Never delinquent, never required loan workout

# 3403 Brighton Boulevard



## Great Divide Brewing Expansion

- Approx. 5 acre property
- \$38M development
- Brewing and packaging facility
  - Allows GDBC to produce 100,000 barrels upon completion (32,000 bbl. in 2012)
  - Potential to reach 300,000 barrels in 15 years
- Tap rooms and tours
  - Beer sales limited from noon/2PM to 10PM
  - Estimated to attract 500-700 per week for tours and tastings
- Building designed to engage community
  - Materials: wood, steel, glass, stainless steel tanks
  - Beer garden with significant green space
  - Environmentally sustainable building, locally sourced materials
- Arapahoe Square location will continue to operate

# OED Loan Proposal

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## Loan Terms

- \$1M for land acquisition of 3403 Brighton Blvd.
- Maturity 10 years
- 4% interest rate
- \$5,278 P&I monthly payments (25 year amortization)
  - 6 month deferral

## Collateral

- Subordinate Deed of Trust
  - OED behind private bank for \$10.25M
- Personal guarantees
  - Brian Dunn (\$1M)
  - Great Divide Brewing Company (\$1M)

# Project Benefits

## Community benefits:

- Retain GDBC operations in Denver
  - Proven community anchor in the Arapahoe Square Neighborhood
  - Celebrated Denver brand with national sales and exposure
- Activates currently underutilized property
  - Destination location for residents and visitors
  - Light and clean manufacturing consistent with OED vision of corridor
- Catalytic mixed use development along Brighton Blvd.
  - Proximity to other OED investments: Industry, 3330 Brighton, The Source
  - Reinforces broader development and revitalization of corridor