



We Must Strengthen  
**Maryland Brewing Industry's**  
Economic Potential

Brewers Association of Maryland  
October 25, 2017

# We're at a Precipice - Time to Fly or Fall

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- How VA is Courting Our Brewers
- The Case Against Uncertainty
- Next steps



# Virginia On The Offense

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- Brewers have reported receiving calls from top Virginia officials—including from Gov. McAuliffe and Commerce Sec. Haymore—stating why they should (re)locate in Virginia.
- **Their pitch includes the fact that Virginia offers:**  
No limits on production • No limits on off-premise sales • No limits on on-premise sales • No limits on number of events • Public hours through 12am • No cap on self-distribution • Better franchise terms • Online reporting/payment of taxes...  
*not to mention the incentives, including no-interest loans, offering months of rent, etc.*

**VIRGINIA  
IS FOR  
CRAFT BEER  
LOVERS®**

# The Case Against Uncertainty

- Entrepreneurs often do not fare well when the rules and regs are fluid.
- Uncertainty leads to alternative plans.
- Those plans may not include business development or expansion in Maryland.

## Flying Dog's 32-acre brewery expansion in Frederick is on 'permanent hold'

By Amanda Yeager - Reporter,  
Baltimore Business Journal  
Oct 20, 2017, 11:37am

Flying Dog Brewery CEO Jim Caruso says the brewery's plans to build a \$54 million production facility in Frederick are "on permanent hold" because of state regulations passed this year.

"That project is on hold because of some legislative and regulatory issues," Caruso said during an interview Thursday evening at the BBJ's Face to Face event. "I'm back to the point where (I will) let the regulatory world take its course. My general comment is whatever the laws turn out to be, I'll be fine, because I do have a plan B and a plan C."

Flying Dog purchased the 32-acre former Bowmans Farm, near Frederick Municipal Airport, late last year for \$2.55 million with intentions to build a 150,000-square-foot main brewery on the site for the company's day-to-day operations as well as an 8,000-square-foot "farm brewery" to test out experimental beers. The expansion was expected to increase the brewery's production by 500 percent to 700 percent. Frederick-based Flying Dog currently brews more than 100,000 barrels of beer annually, making it the 32nd largest craft brewer in the U.S.

Caruso said plans for the

Frederick expansion had been in the works "for more than two years."

"The primary goal of that project was to ensure that Flying Dog will have an uninterrupted supply of beer as it continues to grow," he wrote in a follow-up email to the BBJ Friday. The brewery is now "developing other viable options," he added.

During the General Assembly session, Caruso spoke out against legislation that expanded the annual

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barrel limit for taprooms while imposing other new regulations. Lawmakers passed the contentious bill after multiple revisions.

Friday, he said he disagreed with the measure's "restrictiveness."

"We need a level playing field that's fair to brewers, wholesalers, retailers," he said. "I look at it for what it is and for us it is not viable to invest \$60 million in a brewery."

Caruso said in the email Friday: "Much has been written about the liquor laws in Maryland. As an entrepreneur, I am focused on

building and growing the business regardless of the economic or legislative environment, and I am not involved in politics. The Brewers Association of Maryland does a superb job of representing the interests of the 75+ breweries in the state and with working wholesalers and retailers to shape the contours of liquor laws as economic patterns change. The City and County of Frederick, Frederick Chamber of Commerce and many others in the Frederick community have been A+ clients of the project and I am forever grateful for their support."

Despite issues with the legislation, Flying Dog has no plans to move operations out of state, Caruso said.

He said the brewery is in the process of considering an expansion of its current facility, at 4607 Wedgewood Blvd. in Frederick, as well as an alternative that is still in the planning stages. Flying Dog might use the Bowmans Farm property to host music festivals, he said.

Caruso said he wasn't involved in lobbying for changes to existing laws for breweries.

"I find that you sleep better when you feel like this weight is off your shoulders and you're not to not be pushed into kind of the political game that I'm not good at," he said. "There's many associations and I'm going to focus on being the best part of your business."

# Next Steps

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- Reference the models that work.
- Support our brewers as they attempt to grow their businesses, hire many new highly skilled staffers and sell their wares to the thirsty local beer market.





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