### The Blackstone Story

### The Alpha

In the late 1980's, co-founder Kent Taylor (who is still a practicing CPA) was meeting with a client, Hank Williams (no relation to the singer). Hank said, "In twenty years we will sell our businesses, move to Seattle and open a brewpub." Kent thought... "a brew what?" Unknowingly, Hank had planted a seed that would someday blossom into Blackstone. Hank was also a homebrewer and he introduced Kent to the world of home brewing. Hank was the beginning, "The Alpha", and is still one of Kent's valued clients and a dear friend.

#### **The James Factor**

James Callahan and Kent Taylor forged a friendship when they were both fresh out of college in the business world during the late 70's. By the late 80's James was the controller (bean counter) of a local beer distributor and he was responsible for bringing Anchor Steam<sup>(1)</sup> beer to that distributor and to Tennessee. James remembered his old buddy, Kent, when there was some accounting work to be done at the distributor. He also shared his love of the "new style of beer" with Kent at a distributor function. Love at first sip... not really; Kent could not finish this "very bitter" beer. Kent soon began to appreciate beer with flavor and to this day Anchor Steam<sup>(1)</sup> remains one of his favorites.

(1) Anchor Steam is a registered trademark of Anchor Brewing Company.

#### **CBC**

In the summer of 1992 James decided that he would strike out on his own in the beer business and opened his own beer distributorship, Community Beverage Company, Inc. He needed a business address for licensing purposes, so Kent allowed him to use his office address. James' company brought some of the first craft beer to Tennessee. The pair spent many hours talking about beer in Kent's conference room, which had become James' office. Unfortunately, James was a bit ahead of his time in Middle Tennessee and he could not convince any big Craft players of the day, that Nashville was a viable market, so his company failed. However, in a turn of fate, the corporation and licenses were, years later, purchased by a local liquor and wine distributor, who has since grown to be a dominant player in the Middle Tennessee craft beer scene. In our opinion, James is one of the unsung craft beer heroes in this area of the country. To this day, most every Thursday evening, James can be found at the Blackstone TapHouse bar.

### **SAW**

Stephanie Weins, Co-Founder – A no-nonsense business woman with a passion and palate for great beer. Stephanie graduated from the University of Tennessee with a degree in Restaurant and Hotel Management. Stephanie and Kent met in 1991 when Stephanie was the general manager of a local restaurant in downtown Nashville which had become a new client of Kent's. Stephanie and Kent soon became fast friends and shared a passion for this new class of beers that would someday be known as Craft Beer. Most of Kent's homebrewing was done at Stephanie's house; as he did not trust the water at his apartment but the refrigerator there made for a great fermentation cellar. One day James

Callahan walked into Kent's office with a copy of the recently passed Tennessee law allowing brewpubs. It took one phone call and Stephanie was in; but that was the easy part. If they were going to do this, it would take a lot of work.

### So You Want to Open a Brewpub

The project started with the notion that there were more people in Nashville that wanted good beer than Kent's bathtub would allow. Stephanie had the business know-how and Kent was an award winning home brewer, but to build a successful brewpub, research was required and lots if it. They read everything that they could get their hands on about opening a brewpub. The pair packed Stephanie's son Chase into his car seat and went to every brewpub within driving distance of Nashville. They flew to Chicago, St. Louis, New York and San Francisco; all to visit brewpubs. In total, they visited over 50 brewpubs doing research for their project; this when there were fewer than 500 brewpubs nationally. The research was done, the business plan was written so it was now time to raise the investment capital. Easier said than done; the pair worked months without raising a dime. "So are we going to do this or what"... if so, then a location must be found. After several tries, they found a vacant lot where the brewpub was built but it would take earnest money to tie up the property. They borrowed on credit cards and from friends to put up the required \$20,000. The pair now had 90 days to raise the investment capital or they would lose the \$20,000. It was an all out assault on Nashville. Family, friends, and referral on referral but after sixty days of hard work they had nothing to show for it. Then it happened, the big break. They found a local interested investor, who made a referral to another interested investor, who made yet another referral. When it was all said and done Stephanie and Kent had gone from zero to 80% sold inside of a week. Kent's brother, Todd, had expressed an interest and now was the time. He said yes and the deal was done. Todd continues to be involved in both the brewpub and the production brewery to this day. The brewpub opened it door and sold its first beer on December 31, 1994.

#### Dr. Dave

Dave Miller, Brewmaster - An award winning homebrewer, author of six home brewing books and professional brewer. Dave taught Kent to brew through his books and his regular column in Brewing Techniques magazine. When the new issues arrived, Kent would turn to Dave's column and read it start to finish. Dave was definitely high on the pedestal! On a trip to St. Louis, Kent unknowingly walked into The St. Louis Brewery and Taproom and saw Dave's book prominently displayed. It took two seconds to put two and two together so he bought a second copy of the book on the spot, introduced himself to Dave, spent over an hour chatting with him, looked over the brewery and got his autograph. The autographed book is still in Kent's collection.

The money was raised, the building was under construction, the brewing equipment was order but Blackstone had no brewmaster. Out of desperation, Kent wrote a letter to Dave outlining the new project in Nashville with the hope that Dave might know someone that would be interested in relocating. That very evening, Dave called Kent. He remembered the visit and chat from the previous year... Dave was interested in the position! They talked for over an hour and Dave was still interested. He discussed it with his wife Diana

and they decided to move themselves and their 5 children to Nashville. Dave retired from day to day operations in October of 2012 but continues as the Blackstone brewmaster emeritus. Dave penned two homebrew books while serving as Blackstone brewmaster. Dave Miller's Homebrewing Guide continues as a "must have" reference book for any homebrewer. His newest book, Brew Like A Pro has set the standard for learning how to homebrew. Both books are nationally distributed and are available at bookstores, homebrew shops and online.

### **Bottles, Bottles Everywhere**

Having a separate production facility was a goal from the beginning. Recessions, airplane attacks and economy related factors always seemed to get in the way. In the summer of 2004 a local craft beer distributor approached Blackstone wanting bottled beer. Bottling was not an option at the brewpub but a brewery on the East coast was found with excess capacity that would let the Blackstone brewers be on site for quality control. In January 2005, the first Blackstone bottled beer hit the shelves. Every three to five weeks, one or both of the Blackstone brewers would fly to the contract brewer's facility and oversee the production. In late 2006, the contract brewery was sold and the new owners cancelled the contract. Over the ensuing months an earnest search was done to find a replacement but no brewery was found that would allow the Blackstone brewers to be on site for quality control.

# **The Production Brewery**

Kent and Stephanie decided that the only way to produce and assure quality beer was to build their own facility. So, once again there was research, business plan, brewery design, equipment design and equipment sourcing to be done. Instead of raising private equity, they decided to apply to the SBA 504 loan program which was granted in July, 2008. The 504 loan program requires a participating bank and their local bank of 15 years had approved the funding; set to take place in the middle of September, 2008. Fate was not on their side; the Federal Government failed to bail out Lehman Brothers and the financial and banking industry collapsed. The local bank pulled the funding and the project was put in serious doubt.

### Finally

It took a year of contacting every bank on the planet and finally First Advantage Bank in Clarksville Tennessee saw Kent and Stephanie's vision and picked up the SBA loan funding. Kent had been watching a used bottling line from the Magic Hat Brewery in Burlington Vermont and because of the economy; it had been sitting, unsold, for almost a year. The crown jewel of the bottling line was the bottle filler manufactured by the German company, Krones. Kent knew that Krones made the most coveted beer filling machines on the market and finding a used one was extremely rare. The day Kent received the commitment letter from the bank he called and made an offer. It was accepted. Kent's brother, Todd, stepped forward with the capital and in one fell swoop, most of the packaging equipment was cornered. After much research and angst, the pair decided to purchase a complete brewing system from the German firm ROLEC Prozess-und Brautechnik GmbH. The 30 barrel brewing system built by Rolec for Blackstone is truly state of the art and includes all of the features found on much larger brewing

systems. In fact, it was the first fully automated brewery of its size ever built by Rolec. The new brewing system was quickly pressed into service and the first keg beer rolled out of the new plant on May 31, 2011 and the first bottled beer rolled out on July 25, 2011.

#### **One Million**

Blackstone achieved a milestone when the one millionth bottle rolled off of the bottling line on October 17, 2012.

## Fastest growing brewery in America

On June 7, 2013, New Yorker Magazine revealed to the nation that Blackstone Brewing Company was the fastest growing brewery in America with a growth rate from 2011 to 2012 of 1,190%. While pure statistics can be a bit misleading, because 2011 was a partial year for Blackstone, it should not be lost what Blackstone achieved as a start-up brewery. Producing 7,740 barrels of beer in its first full year of operation, places Blackstone among the very elite of all start-up breweries.

#### A very sad day for the Blackstone family

Blackstone co-founder Stephanie Weins lost her battle with lung cancer on February 14, 2014. In a cruel twist of fate Stephanie was diagnosed with lung cancer the very day after the first bottles rolled off of the bottling line at the new brewery. She finally saw the culmination of her dream one day, only to have her life devastated the next - July 26, 2011. As with the majority of lung cancer victims, Stephanie's cancer was well advanced by the time it was diagnosed and she was given only 6 months to live. In a fight that should inspire all of us, Stephanie battled through two rounds of chemotherapy and one round of radiation. This would have completely devastated most people but Stephanie was not "most people"! During her two and a half year fight, she missed only a hand full of days at work. She managed both the brewpub and the production brewery until the day that she passed away. She was not about to let a little thing like cancer kill her dream. Her dream continues to live through every bottle and keg that gets filled with her beers.