

PROJECT PLAN

for

**SEMINARY HILL CIDERS
Cidery and Tasting Room**

July 2017

BACKGROUND

The aim of Seminary Hill Ciders is to produce a variety of high quality craft hard ciders made from heirloom and European cider apples grown in its ecologically managed orchard in Callicoon, Sullivan County, NY. Seminary Hill will take advantage of legislation recently enacted by New York State to encourage development of New York's hard cider industry, as well as the increasing market for craft cider. Hard cider sales nationally increased 75 percent in 2014, which follows several prior years of rapid growth. Seminary Hill Cider will sell its cider primarily to retail stores and restaurants in New York City and the New York metropolitan region, as well as in New York State generally.

The founder of Seminary Hill Cidery is Douglas A. Doetsch. Doug is a Callicoon native whose family has had a farm above Callicoon since the 1860's where the orchard, production facility and tasting room will be located. Doug is a partner at the international law firm of Mayer Brown LLP, where he leads the firm's global Finance Practice. He has traveled widely and researched cider production in traditional styles in France and England.

During its first few years of production, Seminary Hill will produce 6 – 10 different hard ciders per year that will be made from apples grown on two orchard properties owned by the Doetsch family in Callicoon. In its first few years, additional apples from other New York orchards may be purchased as necessary to meet production demand, but once the orchard matures, all apples will come from the holistically managed orchard. The strategy for Seminary Hill will be to target the market for premium quality craft beverages. With assistance from industry experts, Seminary Hill will develop cider made from heirloom apples and pears grown in the Delaware Valley that will appeal to connoisseurs of craft ciders.

Mr. Doetsch has invested approximately \$800,000 so far to establish apple and pear orchards on the family property, and he plans on investing an additional \$1,100,000 to construct a building on the site to house operations. Additional financing will be provided in the form of a \$1,000,000 building loan from Jeff Bank. Plans also include the building of a tasting room that will sell directly to tourists, weekenders and locals at its orchard location in Callicoon. This facility is an important part of the Seminary Hill business plan. This plan, when implemented, is projected to create a profitable business with annual sales of over \$1.5 million/year. The building of this tasting room will also create a tourist destination to attract visitors to western Sullivan County from New York City and other areas. These visitors will boost the local economy, help support the agricultural economy of the region and create 10.5 new full-time equivalent jobs in the rural community of Callicoon. Project costs are estimated at \$2,600,000 and Seminary Hill is seeking grant funding to cover \$500,000 of this total. **

**Update February 2018: Estimated FTE job creation is 10.5 by 2022 and 12.5 by 2023. Total project budget is \$3,550,000.00 including a \$710,000.00 grant awarded by New York State Empire State Development (see attached budget).

LOCATION

Seminary Hill has two properties in Callicoon, NY. One property is on Kautz Road and includes the 88-acre family homestead (in the Doetsch family approximately 150 years) with a home, woods, and about 6 acres of fields. Of this, 2.5 acres are fenced and planted with 250 heirloom apple trees. The other property is nearby on Wagner Lane. This is a 59-acre plot that is about 2/3 woods and 1/3 fields, with spectacular views overlooking the Delaware River and the former St. Joseph's Franciscan seminary. Of this, about 8 acres has been fenced and 750 apple trees have been planted. This is the plot will also contain the cidery and tasting room facility.

DESCRIPTION

Seminary Hill Ciders will construct a building on Wagner Lane about 1 ¼ miles north of the Hamlet of Callicoon that will house Seminary Hill Ciders' operations and tasting room. The building will be designed to meet Passive House Institute US (PHIUS) standards, which provide the most cost-effective path for achieving zero energy and carbon. The building will also feature roof-mounted solar panels. An eco-friendly and beautifully designed building with spectacular views overlooking the Delaware River will attract the tourists that are being targeted by Seminary Hill's cidery in its business plan. The tasting room will have a bar with 4 – 8 taps (for kegs of cider) as well as a porch with seating overlooking the Delaware River and orchard. Champagne-style bottles of cider will be sold at retail in this location; likely \$16-30/bottle, depending on variety. Ciders from bottles and kegs will also be available by the glass to drink on premises. In addition to Seminary Hill ciders, the tasting room will also offer local cheese and charcuterie, as well as New York State beer and spirits. The tasting room will be a place where visitors can learn about Seminary Hill cider through a variety of written and visual materials and visitors will also have the opportunity to learn about cider's rich heritage.

- **Building Architect:** James Hartford of River Architects in Cold Spring, NY.

TARGET CUSTOMERS

In the tasting room setting, a target customer is a New York City metro resident or other tourist visiting Sullivan County for the weekend, who wants to try local products. This may also include people from the emerging market of cider connoisseurs who might embark on a "cider trail" or see Seminary Hill as a destination. Seminary Hill will also target visitors to the new Adelaar Resort and Casino, located about a half hour east in the Town of Thompson. Typical customers include professionals, aged 28 – 55, with high disposable income, and who enjoy eating in restaurants.

SALES AND MARKETING

There will be coordination with other Delaware Valley and Hudson Valley cideries to create a “cider trail,” drawing visitors to Seminary Hill as a destination. Promotional activities will include attendance at cider fairs and events, such as the NYC and Hudson Valley Cider Weeks (held every fall for the past few years) and Cider Days in Franklin County, Massachusetts. Special cider related events may also be sponsored by Seminary Hill and potentially held at the Seminary Hill tasting room. Marketing activities will highlight the unique location and environmental design of the facility. Other advertising and promotional activities will include the following:

- Use of a public relations firm to get media stories “planted” in NY Times, WS Journal, etc.
- Social Media and a highly functional and user friendly website.
- Promotion of the facility for special events, such as weddings.

A detailed launch plan will be developed to introduce the tasting room to the region and encourage tourists to visit the facility for the first time.

OPERATIONS

Employees: A total of 10.5 FTE jobs will be created over the first three years of operations, include the following:

- **Cider Master (1)**
- **Assistant Cider Maker (2)**
- **Marketing Director (1)**
- **Tasting Room Manager (1)**
- **Tasting Room Associates (2)**
- **Events Manager (1)**
- **Events Assistant (.5)**
- **Orchard Assistants (2)**

Consultants: To ensure the success of the venture, Mr. Doetsch will be assisted by two leading experts in the growing of apples and production of hard cider:

- **Orchard Advisor:** Michael Phillips, author of the leading books on holistic orchards. Michael has visited the Seminary Hill properties on multiple occasions and is consulting on soil preparation, tree types, tree care, etc.
- **Cider Consultant:** Chris Negronida, orchard manager and cider maker at Black Diamond Farm, owned by Professor Ian Merwin (retired, Cornell University) near Ithaca, NY and is also Orchard Manager at West Haven Organic Farm in Ithaca. Previously cider maker at Bellwether Hard Cider near Trumansburg, NY and currently tasting room staff at newly opened Finger Lakes Cider House in Interlaken, NY.

Systems Accounting and inventory functions will be handled by the orchard/cider, manager, likely with an outsourced bookkeeper.

Regulatory Issues: Applicable regulatory issues include the following:

- Seminary Hill will obtain a farm cidery license to produce and distribute hard cider and to sell and serve alcohol on premises.
- In the future there may be a need/desire to serve a small food menu for cider pairing in the tasting room in which case Seminary Hill will obtain a 20c license for food processing.
- In the future there may be desire to produce and sell distilled spirits or other high alcohol products such as Pomeau in which case Seminary Hill will obtain a farm distillery license from the state of NY.

SCHEDULE/TIMELINE

06/01/16: Schematic design (complete)
05/17/17: Begin approval process with Town of Delaware
07/26/17: Approvals and Permit secured (expected)
08/01/17: Energy Modeling, Critical Detailing, PHIUS set submission
08/01/17: Complete Construction Docs
08/01/17: Begin Bid Process
09/01/17: PHIUS Pre-Certification
04/01/18: Begin construction
12/01/18: Order equipment
03/01/19: Begin exterior landscaping/parking lot
04/01/19: Complete building construction
05/01/19: Equipment installed
05/01/19: Site inspections and testing for PHIUS Certification
05/01/19: Certificate of Occupancy
06/01/19: Finish exterior landscaping/parking lot
06/01/19: Soft Opening
07/01/19: Grand opening

