MORONDACK WINERY

395 Big Bay Rd Queensbury, NY

Expansion Project - IDA Funding





### 12 Years of Consistent Growth Behind Us...

·Revenue..... Over 600% growth since opening •Production...I,000 cases then | 17,000 cases now

•# of Locations...... I then | 3 today

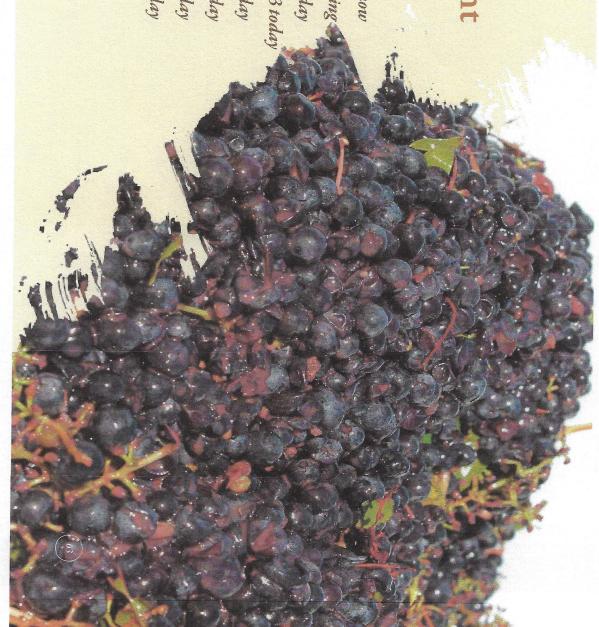
• Full Time Equivalent Employees.... 2 then | 23 today

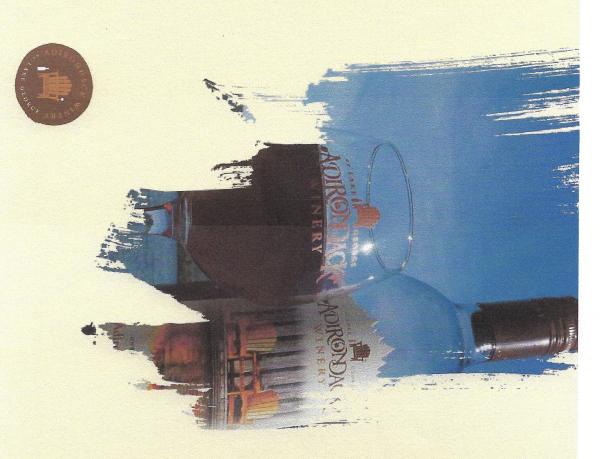
•Wholesale Accounts...... 0 then | 540 today

•Shipping States:..... I then | 35 today • Email Subscribers...... 0 then | 30,000 today

·Social Media Followers.... 0 then | 30,000 today







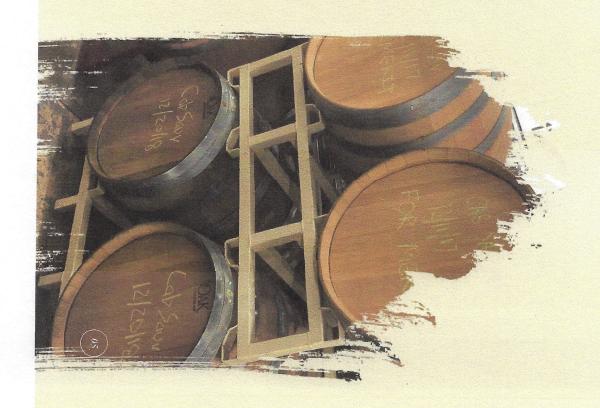
### Customer Demand Requires More Wine Production!

- There is significant demand to expand our wholesale distribution to downstate New York and other adjacent states.
- Lack of wine supply to meet customer demand has resulted in more than 12 of our wines selling out sooner than expected this year.
- Our Lake George Tasting Room is so busy at peak season, that we must turn away customers often
- We get many requests to accommodate large groups and provide tours and must refuse those people

#### Lack of Space is Holding us Back from Further Growth

- A severe lack of production and storage space has resulted in rentals of storage containers and offsite storage, working and storing outside, etc.
- A lack sufficient office space has many employees working virtually and in less-than-ideal spaces; we also have no room for future hires.
- A lack of wine tasting / retail space has caused us to turn away large groups, shoppers and accommodate customers at peak times.





# 395 Big Bay Road Expansion Project

### Seeking IDA PILOT Benefit



#### 11,100 Sq. Ft. Building

9,300 sq.ft. Wine Production & Storage Space space, parking spaces, etc. - Includes offices, bathrooms, outdoor green 1,800 sq.ft. Retail / Tasting Room Space



#### Timeline Planned

August 2021 Occupancy March 2021 Groundbreaking



#### Cost Breakdown

\$1.5M Building Construction \$18K Soft Costs \$60K Furniture, Fixtures, etc \$300K Wine Making Equipment



#### Project Financing

Anticipated Funding of \$2,378 Million

(Includes Equity and Refinancing of Existing Building Debt)



# JOB CREATION PLAN

13

Jobs Created

Within 2 years

Construction
Tobs (excl subs)

If Financial Assistance is Granted

7 Full Time Jobs 6 Part Time Jobs

If Financial Assistance is Granted

Strong Salaries

#### Professional Jobs

Administrative, Marketing, Professional, & Production Jobs Salaries of \$35K to \$65K Annually Part Time Jobs \$12.50 to \$15.00/br



# Why do we need the IDA Pilot Benefit?

Lack of Financial Assistance would reduce project scope and slow company growth



### High Cost of Inventory

Wine Production takes significant time and up-front costs. Wines take 6 months to 3+ years of aging before they can be sold.

Current Max Production: 35,000 gallons; this project would increase our capacity to 75,000 gallons.



#### Reduce Project Scope

Without this benefit, we would have to reduce the initial scope of the project and grow in slower phases, holding back on equipment purchases, job creation, and opportunities to sell more wine at retail and wholesale.



## Hampering Efficiency & Quality

We would not be able to invest in the wine making equipment we need to improve our efficiency and quality, such as an efficient crush pad, larger fermentation tanks, upgraded refrigeration system, forklift, loading docks, etc.



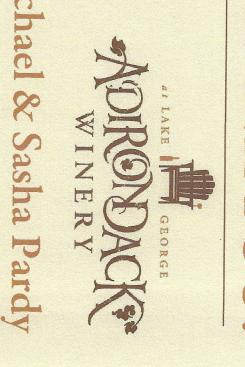
# Competitive Weakness, Increased Risk

Without the Agency's financial assistance, we would be unable to meet our current growth and expand to new markets. Our competitiveness would be negatively affected as we could not take advantage of economies of scale. The inability to respond to market demand would significantly increase our risk during times of economic uncertainty.





## THANK YOU!



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