

# **Purchase and Improvements Proposal**

To

**City of Franklin, Indiana  
Redevelopment Commission**

For

**Old City Hall Project  
55 West Madison Street**

By

**Old Post Holdings LLC  
(To be formed)**



Submittal Date  
February 14, 2014

## Who We Are

The definition of a brewpub per the Brewers Association is "a restaurant-brewery that sells 25% or more of its beer on site. The beer is brewed primarily for sale in the restaurant and bar. The beer is often dispensed directly from the brewery's storage tanks. Where allowed by law, brewpubs often sell beer "to go" and /or distribute to off site accounts."

The Old Post Brewpub will be a community based, community focused, local gathering place where customers, both local and visitor, feel welcome, create memories, and leave anticipating their next visit, all set to a 1930's motif. The catalyst will be the casual and intimate historic atmosphere, artisan food offerings, beer brewed in house, and a seasonal outdoor patio.



### Bird's Eye of Old Post Brewpub

Food offerings will be as fresh and local as possible, with the local farmer's market utilized within season. Both lunch and dinner will be served. A few menu hints include Soft Pretzels with Beer Cheese and Dusseldorf Mustard, Brown Ale Onion Soup, Pulled Pork Sliders, Stuffed Burgers, Smoked Cheddar Mac and Cheese, Fish and Chips, and Stout Chocolate Cake. Prices for lunch will range from \$7.00 to \$9.00 and dinner from \$12.00 to \$15.00 with a dinner special at market price.

Beer brewed in house will be ale, a beer that ferments with 'top-fermenting' yeast. Ales to be offered throughout the season will be Pale, Amber, Red, Brown, Porter, Stout, IPA, Wheat, and Seasonal Specials. Along with house beer, other Indiana brewed beers will be available on tap. For those who prefer wine, a variety of Indiana based wines will be available either by glass or bottle. There will be a selection of spirits available as well. Beer prices will range from \$4.50 a pint to \$6.50 and up for high gravity seasonal specials. Beer offerings will be by way of pints, schooners, and sampling flights, with customer take out by way of growlers, 1/2 and 1/6 barrel kegs.

## **Development Team**

The following individuals and companies have been instrumental in putting this concept together, and they will continue to work as the brewpub moves toward opening and profit sustainability. Additional team members will be added as the concept moves into construction documents, permitting, and construction.

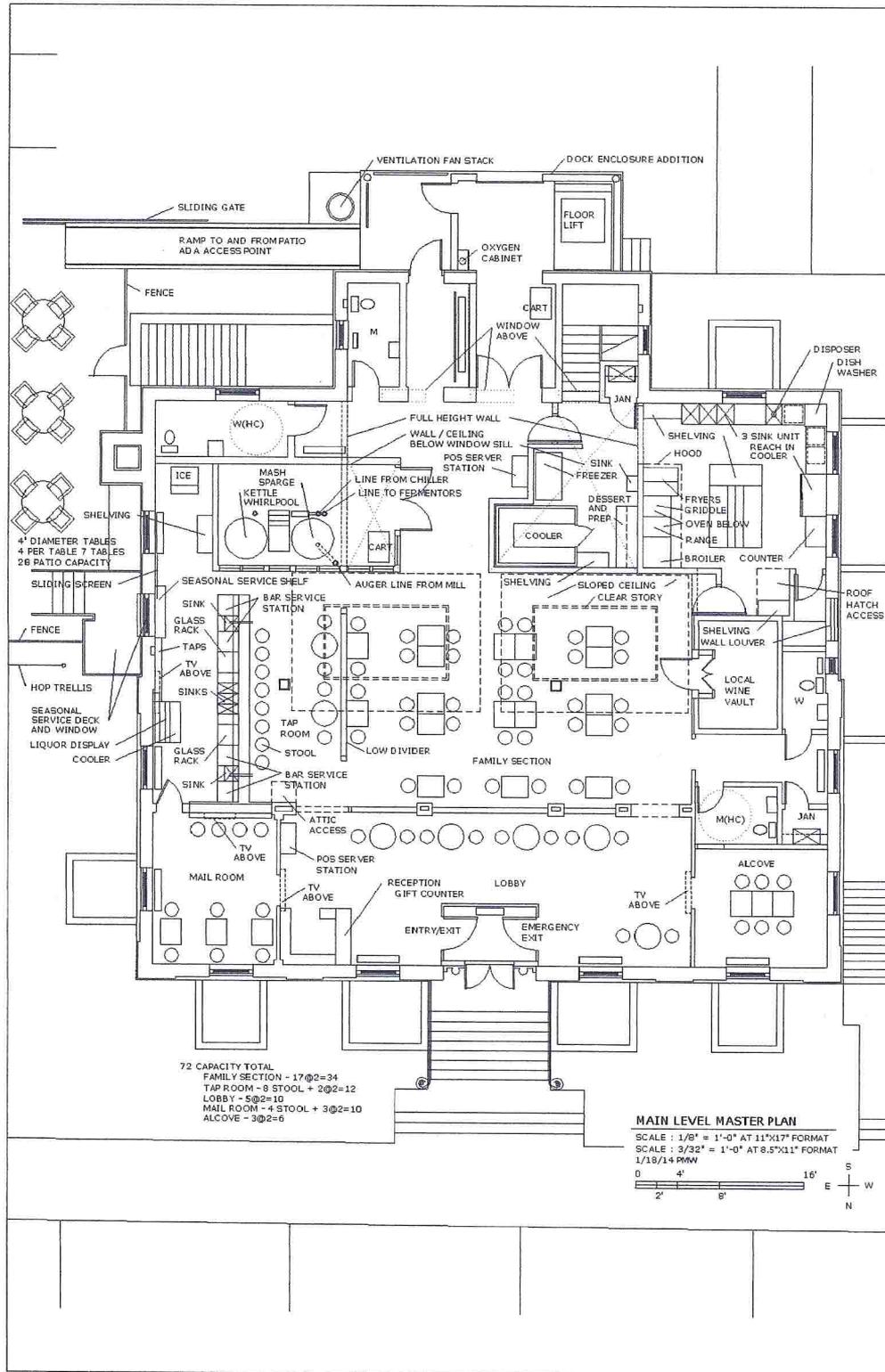
Phil Warrenburg; team leader and managing member  
Richard Goss; restaurant/bar advisor and member  
Mike Ramsey; financial advisor and member  
Ryan Warrenburg; business advisor and member  
Rob Shilts, Franklin Heritage; historic property advisor  
Al Krusen, Woodruff Brewing Co; brewery advisor  
Larry White, ISBDC; business formation planning advisor  
Phil Powell, Allied Technologies; kitchen and bar equipment advisor  
John Auld, Franklin Insurance Agency; business insurance  
Eric Prime, Van Valer Law Firm; company formation and business attorney  
Jeff McKean, McKean Law Firm; retail alcohol and brewery licensing attorney  
Sara Smith, Sara E Smith CPA Group; tax services and planning  
TBD local financial institution; banking services  
George Small, Design Point; architectural, space planning and interior design  
Brian McFarland, Prong Horn Studios; image graphics and logo / label design  
Ed Rensink, RTM Consultants; building codes and fire protection  
Scott Brown, Brown Remodeling Company; general contractor  
Dan Davis, Davis Electric; electrical contractor



## **Financials**

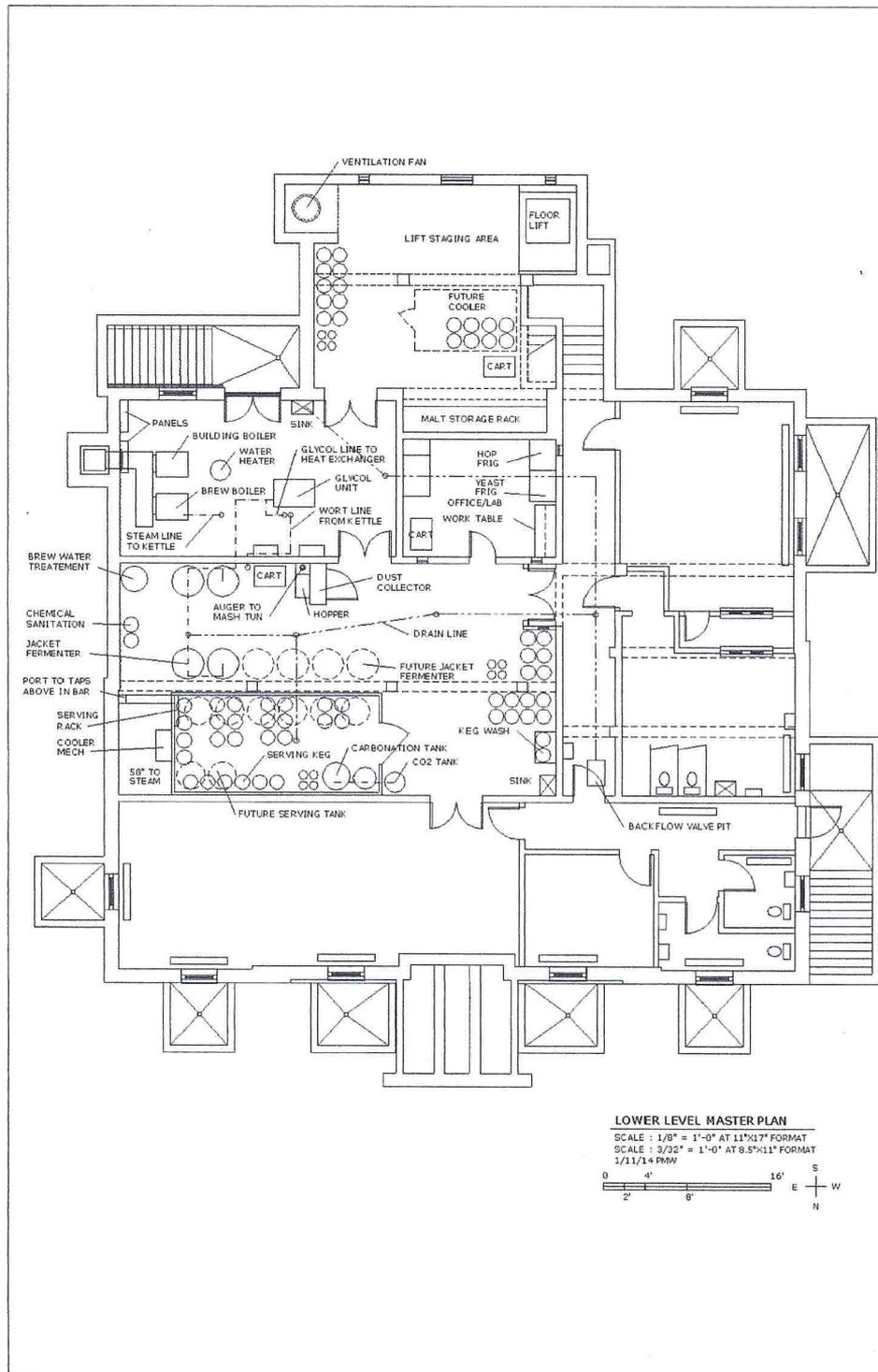
To date, countless hours and approximately \$8600.00 has been spent with approximately \$60,000.00 already committed from individual investors. Overall investment is projected at approximately \$600,000.00. Upon selection, an escrow will be established with a 'go' mark set at approximately \$450,000.00. Anticipated time frame to reach mark is 90 days after selection is announced.

A long term goal once the brewpub becomes economically sustainable is to earmark a portion of the profit to an agency such as the Johnson County Foundation, where those proceeds can be used to help the local community.



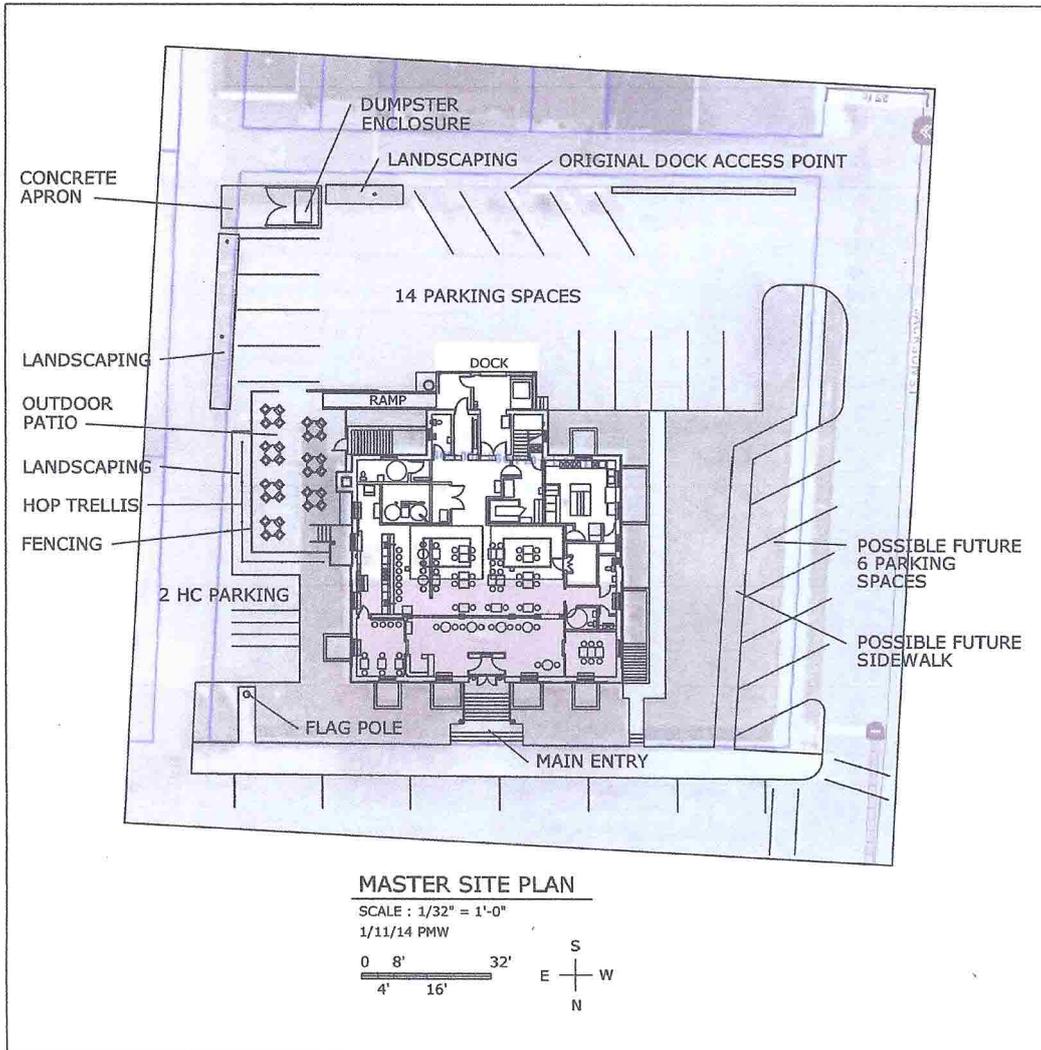
**Main Level Floor Plan**

The Main level will be home to the restaurant and bar, restrooms, kitchen, and brew kettles.



### Lower Level Floor Plan

The Lower level will be home to the brewery (minus brew kettles), mechanical room, storage and staging, and beer serving cooler. A portion of this level will remain vacant and is earmarked for future expansion.



**Site Plan**

The property will park 14 standard spaces and 2 handicap spaces with room to park 6 additional spaces off Jackson Street. Site improvements consist of a fenced on grade patio, hop trellis, landscaping, and a dumpster enclosure.

**Projected Time Line**

3-18-14	Acknowledgement of Selection
4-15-14	Proceed with Development Agreement
5-20-14	Proceed to Schedule Closing
6-17-14	Investment 'Go' Mark Reached
7-15-14	Cleanup Work Complete
9-16-14	Renovation and New Work Complete
10-21-14	Restaurant and Bar Operational
November 2014	Restaurant and Bar Soft Opening
March 2015	Brewery Grand Opening



### **Sale Price and Assistance Request**

A brewpub startup is capital intense. Capital raised from investors is committed to license, insurance, design and engineering, finish and furnishings, kitchen, bar and brewery equipment, infrastructure, technology, security features, etc., as well as carry capital required for startup and ongoing expenses until the brewpub reaches profit sustainability.

The property has issues that will require additional capital to resolve. Reference to the property inspection report provides list to the issues. The property is also qualified for the National Register of Historic Places. Keeping true to the RDC's development goals for the property and the anticipated high standards adds to the overall renovation expense. We believe the RDC understands all of this.

We therefore request the RDC accept our offer to purchase the property for \$10,000.00, request the RDC pay closing cost, request the RDC pay for a phase 1 environmental inspection, and furthermore request the RDC provide financial assistance to address the issues listed in the property inspection report and any issues uncovered during the phase 1 investigation. RDC financial assistance is anticipated to not exceed \$260,000.00, and may very well come in much lower.

### **Primary Customer Profile**

According to the Brewers Association, the average brew pub customer is 23 to 55 years of age, typically male but with growing female interest. Average income is approximately \$48,000.00. People in general averaging this income typically eat out approximately 2 to 3 times a week. A growing trend for this demographic is the preference for smaller, more intimate dining experiences, in a casual and comfortable setting, with a selective menu offering. This trend appears to be slowly replacing preparation and dining at home. Dining out when compared to in home preparation is becoming the preferred choice. Customers are considering better things to do when they acknowledge the time, labor and money spent in preparing a meal at home. This becomes especially true as customer attitudes toward preparing meals at home shifts to a 'hassle' they would rather avoid and as viable alternatives come to market such as what the Old Post Brewpub will offer.

### **Market Research**

To determine brewpub feasibility, the potential brewpub customer base was researched using the analysis from the Demographic, Income, and Market Place Profiles as provided by ISBDC (Indiana Small Business Development Center) and ESRI (ArcGIS software mapping company) for the 5 mile and 15 mile radius. The 5 mile and 15 mile radius is a potential brewpub customer determiner recommended by the Brewers Association. The 5 mile radius is considered the potential local customer base and the 15 mile radius is considered the potential visitor customer base.

According to a September 2013 ESRI run analysis the following potential brewpub customer base is provided.

#### **5 mile radius from 55 West Madison Street**

2010 census population	31,438	25-54 age group	12,577
2012 forecast population	31,917	25-54 age group	12,586
2017 forecast population	33,335	25-54 age group	12,728

#### **15 mile radius from 55 West Madison Street**

2010 census population	285,066	25-54 age group	120,504
2012 forecast population	290,422	25-54 age group	121,027
2017 forecast population	304,390	25-54 age group	122,541

### **Summary**

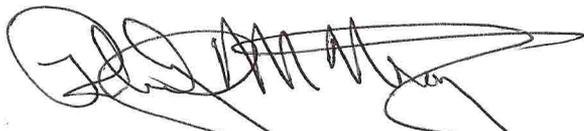
We sincerely appreciate the opportunity to submit our Purchase and Improvements Proposal to the City of Franklin, Indiana, Redevelopment Commission. We are very excited about the potential customer traffic the Old Post Brewpub will generate, not only for our investment group but more so for the City of Franklin. We believe this retail concept fits very nicely with the market analysis study done by the RDC in 2010 and has the potential to become a destination landmark for the City of Franklin. We hope the RDC concludes the same and selects us as your choice to purchase and renovate 55 West Madison Street in Downtown Franklin, Indiana.

### Submission information Requirements

As specified within the offering sheet the following submission information is provided.

1. To be formed; Old Post Holdings, LLC. Address reference is Van Valer Law Firm, LLP, 299 West Main Street, Greenwood, Indiana 46142. E-mail assignment to date will be [eric@vanvalerlaw.com](mailto:eric@vanvalerlaw.com), with reference to Eric Prime. Office phone number is 317-881-7575.
2. Philip M. Warrenburg, managing member of Old Post Holdings, LLC. Address reference is 1600 Midland Drive, Franklin, Indiana, 46131. E-mail assignment to date will be [phil@warrenburg.info](mailto:phil@warrenburg.info), with reference to Phil Warrenburg. Contact phone number is 317-694-6291.
3. NA
4. Refer to preceding proposal contents.
5. Refer to preceding proposal contents.
6. Refer to preceding proposal contents.
7. Refer to preceding proposal contents.
8. Refer to preceding proposal contents.
9. Refer to preceding proposal contents.
10. We hereby certify that the entity, Old Post Holdings, LLC, has not entered into a combination or agreement relative to the price to be bid by any person, to prevent a person from bidding, or to induce a person to refrain from bidding, and that the entity's bid is made without reference to any other bid.
11. Refer to preceding proposal contents.
12. NA

Authorized Representative of Old Post Holdings LLC (To be formed)



2/14/14

Managing Member Old Post Holdings LLC  
(to be formed)

Philip M. Warrenburg, Managing Member Old Post Holdings, LLC