



4/13/2021
Washington Brewers Guild
Virtual Meeting

1. Welcome & Intros (Greg Brandt of Iron Goat, WBG President)
2. Information on new WA Department of Agriculture grants for breweries, wineries, cideries, and distilleries with Guest Speaker Laura Raymond (WSDA):
 - a. The application portal for the WSDA Relief and Recovery Grants for Craft Beverage Producers is now live! You can find information on eligibility, how to apply, and link to the online application [here](#).

Breweries can submit applications now through April 26th. The grants are NOT first come, first served and all applications submitted during the application period will be considered.

Background:

The **WSDA Relief and Recovery Grants** will provide support to small businesses and organizations in four sectors, including small craft beverage producers, that play an important role in the economic viability of Washington agriculture and have been economically impacted due to the COVID-19 public health emergency. This grant serves the public purpose of bolstering the viability of the Washington State agricultural industry, helping prevent business closures, and hence supporting the health and diversity of Washington State's economy.

Application Timeline & Grant Amounts:

The WSDA Relief and Recovery Grant application portal is now open through April 26th. Grant awards and payments will be made by the end of May.

Grant amounts will be in a set amount of approximately \$15,000 (WSDA reserves the right to adjust grant amounts based on available funds).

Eligibility:

To be eligible, businesses must:

- Be licensed to do business in Washington
- Have been in operation prior to April 1, 2020
- Attest to gross annual revenues of less than \$5 million and expenditures of at least \$15,000
- Hold a Microbrewery, Domestic Brewery, Domestic Winery (includes cideries), Craft Distillery, or Distillers license issued by the Washington State Liquor & Cannabis Board
- Operate from a physical brick and mortar location in Washington State
- Normally generate at least 33% its gross annual revenue from in-person sales in its own establishment and/or through distribution to other on-premise retailers
- Attest to decreased revenue and/or additional costs incurred in 2020 (negative financial impact) resulting from the COVID-19 public health emergency

WBG is working on behalf of the WSDA to provide education and assistance to grant applicants. Please reach out to Annie and Tamara if you need assistance with your WSDA Relief

and Recovery Grant application. (annie@washingtonbrewersguild.org ,
tamara@washingtonbrewersguild.org)

3. WA Beer Commission update with Eric Radovich, and with Chairman - Allen Rhoades, Anacortes Brewery
 - a. The WA Beer Commission has been keeping the lights on for about a year.
 - b. Cancelling June Father's Day Brewers Festival in Redmond. Notification going out to all WA brewers next week formally announcing the cancelation of this festival.
 - c. Don't expect to be able to do any summer event. Maybe by the end of summer might be able to get back in the festival producing business.
 - d. Currently planning on doing the Inland NW Craft Beer Festival with close to 40 breweries in Spokane at Avista Stadium, September 24th & 25th. Notification going out to all WA brewers next week regarding this festival, assuming all moves well with the Covid vaccine and Phase protocols.
 - e. In the planning stages for an event at Marymoore Park in a new location on October 8th & 9th. Shorter hours, and possibly will extend this event to three-days. This will likely be a fresh hop related event. This will be a one-time event, just to help get WBC get back on its feet.
 - f. Eric will be going to the Festival Brewers Committee as well as the Marketing Committee to get buy in from their Commissioners before finalizing plans for both of these events.
 - g. WBC has a couple thousand dollars in the bank, and Eric wants to thank everyone for paying their annual assessment to help keep the lights on. The WBC collects \$33,000 in the course of a year through assessments. The assessment billing for 2020 production numbers will be going out in late April, and the remitted amount will help keep the lights on until September and the first weekend in October, hopefully.
 - h. Continuing to keep WABL alive, but are not charging any WABL renewal fees. WABL members are still collecting stamps and prizes. Will not charge renewal fees until they can give extra tokens at festivals, free t-shirt, and the things that WABL has done in the past. Most WABL members have been understanding, but there has been some attrition.
 - i. Keeping all social media channels up and running, but not to the full extent that they would usually be doing with three full-time staff people.
 - j. Radovich Communications did receive a second PPP loan, and Eric is planning on putting Matt Russell and Tyler Allott back to work the second week in July to get to work on producing the previously mentioned two events.
 - k. Allen thanked Eric and the rest of the WBC crew for hanging in there and doing such a good job in keeping everything together until events can happen again. Eric has taken a hiatus from getting paid for almost a year. The Commission will be working though how to take care of him after the time of Covid. Also, Tyler and Matt have been doing quite a bit of work without payment. The Commission will be happy to get the government PPP money in place.
4. Diversity, Equity, and Inclusion Committee – update by Pamela Brulotte, Icicle Brewing Company:
 - a. First meeting was held on 4/9/2021
 - b. Committee members:
 - Robyn Schumacher (Stoup Brewing), Rodney Hines/Tarun Manthana (Métier Brewing), Carisma Sanchez (River Mile 38), Ray Kwan (Lucky Envelope), Pamela Brulotte (Icicle Brewing)
 - c. Goals from first meeting:
 - Identify values and create a Statement of Intent
 - Gather more industry data to see what the brewery industry make-up is in WA
 - To provide some educational opportunities to do some outreach, especially with other industries that are doing a good job with Diversity, Equity and Inclusion. Example: WA Hospitality Industry
 - Reach out to FareStart, and also to wholesalers to work on being on the same page to continue to do a better job addressing diversity.
 - Looking at hiring needs and community representation
 - Access to market equality
 - Barriers to entry with brewery ownership
 - Survey membership

- Would like to grow this committee (Please spread the word, and contact annie@washingtonbrewersguild.org if you are interested in joining.)

5. Latest updates on the 2021 WA Legislative Session & Federal Covid-19 Relief with Annie McGrath (WBG Staff):


- a. Legislature Convened in Olympia on January 11th
- b. Set to Adjourn April 25th (105 Consecutive Days)
- c. Virtual Session
- d. Democrats Have Majorities in Senate and House and Democratic Governor
- e. Majorities Priorities Include: Address Pandemic Response, Advance Racial Equity, Advance Economic Recovery, Address Climate Crisis, Budget
- f. WBG 2021 Legislative Agenda/Priorities
 - Codifying Temporary Covid-19 LCB Allowances
 - Unemployment Insurance Reform
 - Additional and Immediate Financial Relief for Breweries and the Hospitality Sector
 - No State Beer Tax Increases
- g. HB 1480: Extension of Temporary LCB COVID-19 Policies
 - Required Legislation to Continue Temporary COVID-19 Related Policies Adopted by the LCB
 - Extends Curbside, Deliveries (Including Growlers), Beer to Go (for restaurants and bars), Growler Fill Flexibility, Grants LCB Additional Authority to Ease Regulations During COVID-19
 - Expires July 2023
 - Requires Independent Study of Policy Impacts and Report to Legislature
 - Status: House Vote 86-12, Senate Vote 46 – 3, Pending Governor’s Signature
- h. SB 5272 – Liquor License Renewal Waiver
 - Grants a 1-Year Waiver for Certain Liquor Licensees
 - Includes Microbrewery, Domestic Brewery, Beer/Wine Restaurant, and Tavern Licensees
 - State Acknowledgement That These Licenses Weren’t Used to Fullest Extent of Privileges
 - Status: Senate Vote 48—1, House Vote 83 -4, Signed Into Law Effective April 1, 2021
- i. “Hospitality Coalition” Bills, Signed into Law
 - SB 5061: Unemployment Insurance Relief
 - HB 1095: Exempts qualifying grants received on or after February 29, 2020, related to a national or state emergency proclamation from state excise taxes
 - HB 1368: Federal COVID-19 Relief Funding, Including \$240 million earmarked for small business assistance (Working WA Grants)
- j. Defense: RTDs & Beer Tax
 - SB 5049 would have provided a tax rate reduction for spirits based low proof beverages (Ready to Drink Canned Cocktails)
 - Floor amendment introduced that would have created a new definition of “low-proof malt beverage”
 - Low-proof malt beverages would be defined as anything from .5% abv up to 7% abv
 - Would have raised the tax on low-proof malt beverages from the default of \$0.26 per gallon to \$0.87 per gallon **(242% increase for microbreweries)**
- k. On-Going: More Unemployment Insurance Fixes Needed
 - SB 5478: WA Breweries, Wineries, and Distilleries Excluded from Additional UI Relief
 - Working to get House amendment including our industries
 - More to come on this soon (We’ll let you know if a “Call to Action” is needed on this one.)

6. Healthy WA – Latest on Reopenings

- a. Updated Criteria:
- Counties must fail BOTH metrics for case counts and hospitalizations
 - Under previous plan, a county only needed to fail one metric to move back a phase

COUNTY SIZE	INDICATOR	PHASE 1	PHASE 2	PHASE 3
Larger County	New cases per 100,000 population per 14 days	> 350	350 - 200	< 200
	New COVID hospitalizations per 100,000 population per 7 days	≥ 10	9.9 - 5	< 5
Smaller County (< 50k people)	New COVID cases over 14 days	≥ 60	59 - 30	< 30
	New COVID hospitalizations over 7 days	> 5	4.9 - 3	< 3

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- b. Three Counties Moving Back to Phase 2:
- Metrics evaluated every three weeks, first evaluation was Monday April 10th
 - Three counties failed to meet both metrics: Cowlitz, Pierce, and Whitman
 - Rollback effective this Friday, April 16th
- c. Phase 2 Guidance:
- Indoor service is permitted at 25% capacity
 - Open-air service is now permitted at 50% capacity. Outdoor service is permitted
 - Alcohol service must end at 11:00pm
 - Table size is limited to 6 people per table, with 2 households maximum

[Healthy WA Metrics Dashboard by County](#)

* WBG will continue to meet regularly every Wednesday with the Governor’s office leads, DOH, and the LCB enforcement team, and L&I. These meetings are round table to share what is going on in industries, and to discuss questions, concerns and requests. This is a great working group, and we’ll continue to advocate for our members through this process.

7. Brewers Association (Federal Relief Round-up):
- Economic Injury Disaster Loan Changes
 - The EIDL loan limit has been increased to \$500,000 over 24 months. If you have already received a loan, you are more than likely eligible for the new amount and the SBA will be reaching out to you. You can reach out to the SBA, if they don’t contact you first.
 - Restaurant Revitalization Fund (RRF)
 - This is a new relief program, and will be available to breweries maybe as soon as this week. \$28 billion dollars in grants that are available to the hospitality industries, and breweries are included for eligibility for this fund. Eligible breweries include brewpubs, taprooms, and any licensed facility or premise of a brewery that sells samples or tastes. These grants are going to be available through the SBA, and they are hoping that the portal will be opening around 4/16/2021. Here’s a [link](#) to the Brewers Association webinar on this loan.
 - [Employee Retention Tax Credit \(ERTC\)](#)
 - The ERTC is a huge benefit for breweries. Originally set to expire on June 30th, but has now been extended to December 31, 2021.
 - Paycheck Protection Program (PPP)
 - Fairness for Craft Beverage Producers Act (Legislation Pending)
 - This bill would provide additional relief for craft beverage producers. Very thankful to Congressman Newhouse, hop farmer in Yakima, who sponsored this legislation and is championing it.
 - Hospitality and Commerce Job Recovery Act (Legislation Pending)

- This bill would be a tax credit for unmerchantable products which would include any beer that spoiled during the period of March – September of 2020 due to the on-premise shutdowns in venues. So, if you had any beer that spoiled during that period you may be eligible for a tax credit of up to 90% of the cost of that beer.

8. Guild activities, membership, and fundraising updates with Tamara Rice (WBG Staff):

- 252 WBG brewery members strong
- Reminder that the [WBG Allied Membership directory](#) formatting was updated to make it easier for breweries to search for industry supplies and services.
- Also, the [Allied Members COVID-19 Programs, Services and Initiatives for WA Brewers](#) webpage is updated regularly. Please check out these discounts and resources when you have a chance.
- Thank you to all the breweries that participated in the WA Pint & Growler Days events! Both of these events generated more traffic to breweries, brought lots of smiles to beer enthusiasts, and thankfully helped raise some much-needed funds for the WBG.
- We're continuing to organize additional fundraising opportunities:
Multiplayer Guild Collab IPA event benefiting the WBG, and designed to help drive more traffic to participating breweries: Info & registration link found on [Multiplayer Guild Collab webpage](#) .

9. Open Q&A from members:

- 1) Question in regards to - HB 1095: Exempts qualifying grants received on or after February 29, 2020, related to a national or state emergency proclamation from state excise taxes. - *How would breweries have paid tax on grants if this bill hadn't been passed?*
 - a) Answer: B&O tax is on revenue and not sales, and grants would have been considered as part of the brewery revenue.
- 2) Question is there a known area to go to look at the metrics of counties to know how they are doing in regards to Healthy WA Phases
 - a) Answer: Yes, [Healthy WA Metrics Dashboard by County](#)
- 3) Allen Rhoades – Advised that if you have any significant employee costs, you should make sure to look into the Employee Retention Tax Credit that Annie was talking about earlier. You could get a good portion of your payroll taxes back from all of your employees. If you have restaurant workers, that means this would apply to their tips.

10. New Business

- a. None

Cheers and Adjourn