



Craig Urban Renewal Authority Meeting

AGENDA

Wednesday, August 10, 2022 @ 6PM

Craig City Hall Council Chambers + Zoom Option

Where: Craig City Hall – Council Chambers

Join Zoom Meeting:

<https://us02web.zoom.us/j/83010790078?pwd=UzJzRGdLZG1BRDJhWVFXckZQMmZXUT09>

Meeting ID: 830 1079 0078

Password: 859090

Meeting Agenda:

- I. Call to Order**
- II. Agenda**
 - a. Approval of agenda for the August 10, 2022 Craig Urban Renewal Authority meeting
- III. Approval of the Minutes**
 - a. May 11, 2022 CURA Board Meeting Minutes
- IV. Discussion and approval of a conflict-of-interest letter from City Council member Chris Nichols**
- V. Staff review and recommendation of approval for the request of TIF assistance from the URA #2 from Bad Alibi Distillery**

Action: Motion to approve or disapprove and direct staff to prepare TIF Agreement for Bad Alibi Distillery project
- VI. Adjournment**



Craig Urban Renewal Authority Meeting
MINUTES
May 11, 2022

CURA Executive Director Shannon Scott brought to order at 6:07pm the Craig Urban Renewal Authority meeting on this 11th day of May 2022. In addition to Executive Director Scott, those present were Commissioners Ryan Hess, Chris Nichols, Paul James, Jesse Jackson, Sean Hovorka, Derek Duran, Tom Kleinschnitz, and Tony Bohrer. Staff present were City Attorney Heather Cannon, City Finance Director Katy Burns and Executive Assistant Melanie Kilpatrick. Joining via ZOOM were Commissioner Kirstie McPherson and Consulting Attorney Carolynne White. Commissioners Allen Weber and Jobeth Tupa were absent.

Executive Director Scott presented agenda item 2, election of Board Chair and Vice Chair which are both 1-year terms. Commissioner Hess was nominated for Board Chair by Commissioner Bohrer with a second by Commissioner Hovorka. Ayes: 8. Nays: 1. Motion carried.

Commissioner Bohrer was nominated for Board Vice Chair by Commissioner Hess with a second by Commissioner Kleinschnitz. Ayes: 8. Nays: 1. Motion carried.

Board Chair Hess presented agenda item 2A, approval of the minutes. Commissioner James moved with a second by Commissioner Hovorka to approve the minutes from the October 13, 2021 meeting. Ayes: 9. Nays: 0. Motion Carried.

Board Chair Hess introduced Consulting Attorney Carolynne White who facilitated agenda item 3, CURA orientation presentation and refresher for the group.

Carolynne transitioned into agenda item 4, discussion and approval of the 2022 CURA Budget. As a local government entity CURA is required to submit an annual budget to the State. Carolynne clarified that the budget revenue line item is an advance from the City of Craig since CURA is in its infancy phase. A motion to approve the 2022 CURA Budget with an edit to include 'advance from the City of Craig' verbiage was made by Commissioner Nichols with a second by Commissioner Hovorka. Ayes: 7. Nays: 2. Motion Carried.

Board Chair Hess moved on to agenda item 5, discussion and approval of a letter of resignation from the CURA Board from Moffat County Affiliated Junior College District representative Kirstie McPherson.

Commission Jackson moved with a second from Commissioner Nichols to accept Commissioner McPherson's letter of resignation. Ayes: 9. Nays: 0. Motion Carried.

Former Commissioner McPherson then left the ZOOM call.

Board Chair Hess presented agenda item 6, discussion and approval of a conflict-of-interest letter from Commissioner/City Council member Sean Hovorka. Commissioner Hovorka is seeking to purchase commercial property in URA Plan Area #2 and subsequently will pursue a formal request for TIF support to the CURA Board. Consulting Attorney Carolynne White advised that no board action was required in relation to this disclosure.

Being no further business, Commissioner James moved with a second from Commissioner Hovorka to adjourn the meeting. Ayes: 8. Nays: 0. Meeting was adjourned at 6:56pm.

July 20, 2022

CURA Board of Directors

City of Craig

300 W. 4th St.

Craig, CO 81625

Dear CURA Board:

I am an investor and partial owner in the Bad Alibi Distillery and will be pursuing a new business for our community. The purpose of this letter is to disclose a potential conflict of interest pursuant to the Urban Renewal Law, Colorado Revised Statutes Section 31-25-104(3).

Our project will be in URA District #2 downtown Craig, and as an investing partner, I feel it is best to let the board know we will be pursuing a formal request for TIF support after this letter is formally submitted to the CURA board.

I acknowledge that pursuant to the law, I will not participate in any action by the Authority affecting the undertaking by the CURA Board on this project. Furthermore, I will recuse myself from voting on any matters related to the project in its entirety.

I will work with the board president and Shannon Scott to ensure the above is upheld.

Sincerely

Chris Nichols,

Bad Alibi Distillery



CURA APPLICATION & CHECKLIST

Fill in all blanks below and check applicable boxes for each item. All fields must be completed; "see attached" is not an appropriate response. Incomplete applications will not be processed.

SECTION 1: PROPERTY INFORMATION

Business Name: Bad Alibi Distillery, LLC. Date: July 21, 2022

Business Owner (if different from above): Sean Hovorka and Wade Gerber

Business Address: 406 Yampa Ave., Craig, CO 81625 Mailing Address: PO Box 775, Craig, CO 81626

Business Phone: 970-629-2305 Secondary Phone: 970-901-1453

Email: sean@badalibidistillery.com or wade@badalibidistillery.com Fax: _____

Property Owner: Bad Alibi Distillery LLC.

Remit Incentive Payment(s) to: Property Owner Business Owner

NOTE: A W-9 for the applicable party checked above is a requirement on this application. Applications will not be accepted without this information

SECTION 2: PROJECT CRITERIA FOR EVALUATION OF APPLICATION:

These criteria are also outlined on page 1 of the CURA TIF Award Policy and are to be utilized in the preparation of required documents as outlined in Section 4 of this application. Applicant is responsible for demonstrating which criteria are applicable to the proposed project and why. Evaluation will be performed as outlined in the CURA TIF Award Policy.

Does the proposed project:

- Eliminate blighted conditions in the area?
- Increase employment opportunities?
- Encourage the development of affordable housing?
- Strengthen the focus area's identity?
- Support the goals of making the area a cultural, leisure, and tourist destination?
- Encourage the renovation of existing, historical structures?
- Remediate environmental deficiencies or enhance public safety?
- Construct new local or regional infrastructure?
- Encourage and promote development along current and proposed rail corridors?
- Promote mixed-use development?
- Implement environmentally friendly features, such as green building materials, rainwater harvest, or low-energy heating and cooling?
- Enhance the current sales tax base and property tax base within Moffat County by stimulating the increase of assessed valuation and sales tax collections?
- Have the potential to encourage future development within the designated Areas?
- Remediate flood zones?

SECTION 3: TIF AWARD TYPES

Below are the various types of incentives to which the requested funding may be applied. Carefully review the URA Incentives Policy, specifically page 2 and familiarize yourself with each type of incentive category. Please indicate which item(s) you propose for funding requested in Item 4B (under Award Amounts on page 3) and included in more detail in Worksheet A) to be utilized for.

- Façade Improvements
- Infrastructure Improvements
- Historical Preservation
- Sales Tax Rebate
- Development Fee Reimbursements

SECTION 4: CHECKLIST OF REQUIRED APPLICATION DOCUMENTS

- A completed application
- A brief narrative illustrating how the project meets the project criteria outlined in Page 1 of the URA Incentives Policy
- Current assessed value of the subject property
- The estimated duration of time to complete the URA project
- A substantiation of the need for funding requested via a proposed budget (Worksheet A)

The annual estimated property tax increment (and, if applicable, sales tax increment) to be generated by the URA project

Current photos

Renderings/Elevation drawings of the proposed work (What the project will look like when complete)

A completed W-9 Information demonstrating the financial and managerial capacity and experience of the developer to execute the project

Information indicating financial commitments of debt or equity to support the project

The number of FTE's retained

The number of FTE's created

SECTION 5: AWARD AMOUNTS

The funding level, as described on page 3 of the CURA Award Policy, outlines the various procedures for each proposal and determines the procedure for consideration and action.

4A. The total estimated project cost is \$1,320,000.00, as detailed in Worksheet A.

4B. The amount of funding requested is \$660,000.00, as detailed in Worksheet A, attached.

SECTION 6: STATEMENT OF UNDERSTANDING

1. I agree to comply with the guidelines and procedures of the CURA TIF Award Program, and acknowledge that I have reviewed and understand the current CURA TIF Award Policy
2. I understand that neglecting to provide all information required in and by this application will invalidate my application.
3. I understand that I must submit cost documentation—including evidence of estimated costs as part of the budget and including paid invoices and/or receipts from contractors after the work is complete—in order to comply with the requirements of this program. I further understand that CURA may contact contractors or subcontractors to ensure they have been paid.
4. I acknowledge the deadlines outlined on pages 3 and 4 of the CURA TIF Award Policy and realize that my funding proposal may be denied, partially approved, and is subject to funding availability.
5. I acknowledge that all documents as outlined in this application are minimum requirements and that in complete applications will be rejected and returned immediately.

Signature of Property Owner

Sean Hancock
Walter White

Date: 7/22/22

7/27/22

SECTION 7: REPRESENTATIVE

I hereby designate _____ as my representative on this project and prefer that any communication regarding this project be addressed to them directly. They may be reached at _____

After you have completed all of the items outlined in Section 4 of this application, please call Shannon Scott in the Economic Development Department at 970- 826-2020 to schedule a meeting to review all documents.

FOR OFFICE USE ONLY:

COMPLETE? Y N



7-22-22

SIGNATURE OF ECONOMIC DEVELOPMENT MANAGER

DATE



WORKSHEET A

Proposed Project Budget

Below is a chart for summarizing the proposed project's scope & associated costs. All guidelines outlined in the URA Incentive Policy, adopted This worksheet alone does not provide all of the required items.

Intended Match (money to be provided by applicant): \$660,000.00

Total Estimated Project Cost: \$1,320,000

Please complete all fields within the chart below. Additional copies may be made of this form if necessary.

Item #	Work to be Performed	Incentive Type / Match	Unit Cost	Total
1	Building Purchase (406 Yampa Avenue, Craig, CO)	Property Tax/Match - \$210,000.00	\$420,000.00	\$210,000.00
2	Building Remodel	Property Tax/Match - \$150,000.00	\$300,000.00	\$150,000.00
3	500 Gallon Still	Sales Tax/Match - \$150,000.00	\$300,000.00	\$150,000.00
4	4 Roller Mill and Transfer Conveyor	Sales Tax/Match - \$25,000.00	\$50,000.00	\$25,000.00
5	Mash Tun	Sales Tax/Match - \$12,500.00	\$25,000.00	\$12,500.00
6	Two (2) Fermenters	Sales Tax/Match - \$5,500.00	\$11,000.00	\$5,500.00
7	Bottling & Beverage Label Machine	Sales Tax/Match - \$10,000.00	\$20,000.00	\$10,000.00
8	Boiler	Sales Tax/Match - \$15,000.00	\$30,000.00	\$15,000.00
9	Fire Suppression System	Sales Tax/Match - \$40,000.00	\$80,000.00	\$40,000.00
10	Miscellaneous (hoses, piping, containers)	Sales Tax/Match - \$17,000.00	\$34,000.00	\$17,000.00
11	Commercial Kitchen Equipment	Sales Tax/Match - \$25,000.00	\$50,000.00	\$25,000.00



**Bad Alibi Distillery, LLC
Craig Urban Renewal Authority
Tax Increment Financing
Narrative**

Bad Alibi Distillery, LLC is pleased to present this proposal for the Craig Urban Renewal Authority for the Tax Increment Financing. Bad Alibi Distillery will be a craft distillery of quality spirits that will focus on Whiskey, Gin, and Vodka production. These products will be distributed initially in Northwest Colorado with future distribution throughout the western United States. The business aims to bring together the culture of Western Colorado through storytelling within the products themselves. The distillery is founded by Wade Gerber and Sean Hovorka with a production facility in Craig, Colorado.

Bad Alibi Distillery is located within Urban Renewal Area #2, located at 406 Yampa Avenue. The purchase of this property was secured on June 17, 2022, with a commercial mortgage. Over the next 12 months, the building will be remodeled into a fully operational distillery and tasting room. The commercial construction loan is currently in the process and will be used to begin purchasing equipment and for the building remodel. This loan is expected to close in the next couple of weeks.

The initial staffing for the distillery is projected at 4 FTE within the first three years with an increase of between 20 to 30 FTE by year ten. Staffing initially will include tasting room staff, a Distillery Manager, and a bookkeeper. The increase in staff over the ten-year period will include additional tasting room staff, a Distillery Assistant, Bottling/Labeling Staff, Distribution/Sales Staff, Office Staff, and Tourist guides.

Focusing on the Western Colorado culture, Bad Alibi Distillery is a nod to our heritage, highlighting the various bandits, cowboys, and wild west stories everyone grew up with. From Butch Cassidy and the Sundance Kid to Jessie James, and ones known only to this area. Each bottle will highlight a unique story based on this area (verified and given to us with permission by our partnership with the Museum of Northwest Colorado).

One of the primary reasons for branding Bad Alibi Distillery is to highlight the area, through this marketing effort with a focus on Tourism. Within the first two years, we hope to launch a tour company that takes visitors and residents out to the areas focused on by our bottles, enjoy the sights, taste our product, and have a first-class experience in Northwest Colorado.

Bad Alibi Distillery fits well within the strategic plan by addressing 5 of the 11 blight conditions identified in the Craig URA #2 Urban Renewal Plan. Those blight conditions to be addressed include:

- Slum, deteriorated, or deteriorating structures
 - Bad Alibi Distillery plans to do an entire facelift on the APH building to improve its curb appeal as well addressing the parking areas surrounding the building.
- Deterioration of site or other improvements
 - Bad Alibi Distillery will be putting in new patios that will replace the deteriorated and potentially dangerous parking areas on the south side of the building.
- Unusual topography or inadequate public improvements or utilities
 - While the APH building has 3 phase power, Bad Alibi Distillery will be making several improvements to the electrical system to suit our needs as well as update and bring up to code certain aspects of the system.
- The existence of conditions that endanger life or property by fire or other causes





- Bad Alibi Distillery is working with an engineering group to install a fire suppression system which will provide much needed fire protection measures.
- Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities
 - Bad Alibi Distillery is making substantial changes to the building to include removing temporary walls which inhibit egress from the building and create potential for fire related concerns. We will also be improving the leaking roof which creates a potential for mold, roof failures, and other health and safety concerns.

Bad Alibi Distillery is also an excellent fit for the CURA based on our intent to build a business that will strengthen the focus on the area's identity, enhance the current sales tax base and property tax base within Moffat County, support the goals of making the area a cultural, leisure and tourist destination, and increase employment opportunities.

We believe that the CURA Tax Increment Financing is consistent with the mission and interest of Bad Alibi Distillery, and hope that you will find it in your budget to support us. If we can provide additional information to encourage consideration of our request, please feel free to contact us.

Sincerely,

Wade Gerber
Co-Founder

Sean Hovorka
Co-Founder



-THE-

EST.

Bad

2022

Alibi Distillery



CRAIG, CO



GENERAL
COMPANY
DESCRIPTION



COMPANY GOALS AND OBJECTIVES

This business aims to market Northwest Colorado while making an exceptional product that the community can call its own. The area's unique location will help transition Craig from the power industry to an outdoor destination for tourists, using distilled spirits as an introduction to our culture and heritage.

Highlighting the western heritage with high quality distilled spirits in Northwest Colorado, using local ingredients.





FOUNDERS

Wade Gerber (production lead), and Sean Hovorka (operations lead) are both veterans currently working in the energy industry in Craig, CO. Seeing how the community is changing with the impending industry changes, both wanted to create a business that would contribute to the area, create jobs, and develop what the next phase of the region looks like - a focus on tourism and recreation.



COMPANY DESCRIPTION

Bad Alibi Distillery is a nod to our western heritage, telling the stories of these individuals and our landscape through craft spirits.

Bad Alibi distillery will focus on the production of distilled spirits with an emphasis on Whiskey, bringing together the culture of Western Colorado through storytelling within the products themselves. Craig Colorado, home to some of the greatest stories ever told, stories of bandits, robbers, and cowboys. Of people who settled the west, overcoming all odds, and likely, all with some sort of shaded past and bad alibi's.



INDUSTRY DESCRIPTION

- The industry's current growth has slowed due to Covid 19, which will open doors for new business for start-ups.
- Currently, there are around 2000 micro-distilleries in the US. This trend should match the microbrewing industry that started much earlier and is presently about 9000. This factor should put us in the industry's midstream and give us ample opportunity for expansion. The current rate of growth in the industry is rated at approximately 40%, with 10.21% expected between 2022-2025.
- Within Northwest Colorado there are several distilleries including Steamboat Whiskey Company, the soon-to-be- moved Mythology Distillery, and Peach Street Distillery in Palisade, CO. The addition of Bad Alibi Distillery will create a natural tourism component for the region.
- Additional trends with Micro Distilleries include local production from local products including wheat, water, and so on. Bad Alibi Distillery is primed to use these aspects with local agriculture partners already in place.



OUR PRODUCT

Bad Alibi Distillery's initial product lines include vodka, gin, and whiskey. Each of these premium spirits has been discussed in detail later in this section of the business plan.

Although we intend on producing batches of other premium spirits, these three product lines will be the primary focus for Bad Alibi Distillery due to their current popularity among our targeted customer base.

Bad Alibi Distillery will have the ability to react to changing tastes and new product requests from our primary market and be the leader in providing premium spirits in emerging categories and or emerging market segments. This will include other small-batch products added seasonally or as a specialty request.

Whiskey



Vodka



Gin



Special Batch



VODKA

Currently, vodkas remain the number one spirit of choice in the U.S. for premium cocktails. Bad Alibi Distillery will produce a premium neutral vodka spirit from 100% grown U.S. grains. The flagship line of premium vodka will be delivered using only the finest grains grown within the U.S. at 90 proof. This vodka will be filtered a minimum of three times through activated carbon to create the purest, most drinkable vodka available today. Suppliers of raw materials have yet to be decided, but a focus will be placed on sourcing grains from local suppliers. Bottle design will reflect a signature logo and desired marketing message that highlights the Craig Community and specifically the Yampa River. The proposed name of the vodka will be Yampa River Vodka. Label design has yet to be finalized but will focus on the historical significance of the Yampa River.

Vodka



GIN

Gin grew faster than any other beverage alcohol category in 2018, and the trend is continuing at a CAGR of 4.9% during the forecast period 2021 to 2028. This growth is attributed to the consumers' growing demand for unique and craft-focused drinks.

As a small distiller, Bad Alibi Distillery will provide our customers with a unique gin that will bring the flavors of the Yampa Valley into the infusions that will complement the premium mixed cocktails being offered. The flagship line of premium gin will be produced using only the finest grains grown within the U.S. at 80 proof. Final suppliers of raw materials have yet to be determined but will focus on local sourcing options. Bottle design will reflect a signature logo and desired marketing message with the design that highlights the settlers of the Green River. The proposed name of the gin will be Jarvie Gin.

Label design has yet to be determined but will focus on the historical significance of Jarvie Ranch and the Green River.

Gin



WHISKEY

Bad Alibi Distillery will initially produce whiskey by selecting a high-quality grain bill that will be outsourced due to the aging requirements for whiskey. This will accommodate the needs of the tasting room and begin the initial marketing of the brand. The flagship line of premium whiskey will be offered in approximately three years, with the Irish Canyon Whiskey at 100 proof. Final suppliers of raw materials have yet to be determined but will focus on local sourcing options. Bottle design will reflect a signature logo and desired marketing message with the design that highlights the outlaws that traveled through Irish Canyon and Browns Park. From there, our goal will be to build upon the quality line of clear spirits and develop Rye, Bourbon, and American-style whiskey to be aged for three or more years.

Whiskey



COCKTAILS AND TASTING ROOM

We will offer an immersive tasting experience which highlights our product while also passing on our knowledge of whiskey tasting techniques.

Cocktails offered will be handmade and the experience of watching your drink be built will be as memorable as the drink itself.

An elevated cocktail experience will be provided through fresh ingredients, unique garnish, and craft ice.



PRICING STRATEGY

We will make sure we charge for the product, workmanship, and delivery, with our aim being to achieve a gross profit margin of at least 35% to 40% in our initial three years of operation.

We intend the price to accommodate the markups prevailing in the industry and our costs. To be competitive in the market, we intend to offer discounts to customers making bulk orders, which compete with the industry.





MARKETING AND GO-TO MARKET STRATEGY

MARKET RESEARCH SNAPSHOT

industry revenue is forecast to rise an annualized 10% to \$25.6 billion over the five years to 2026

Over the five years to 2021, the industry has experienced relatively stable growth. Premiumization, in which consumers trade up to higher-quality, higher-priced spirits, has been the main driver behind industry growth during the period. Additionally, consumers have preferred craft and artisanal spirits, resulting in a substantial increase in the number of industry enterprises, such as companies like Coors manufacturing high proof whiskey in small batches.

However, mounting competition from other alcoholic beverages, combined with disruption amid the coronavirus pandemic, has partially mitigated growth during the period. Overall, industry revenue is expected to increase 40% with 10.21% expected between 2022-2025.





MARKETING STRATEGY

Focusing on the Western Colorado culture, Bad Alibi Distillery is a nod to our heritage, highlighting the various bandits, cowboys, and wild west stories everyone grew up with. From Butch Cassidy and the Sundance Kids, to Jessie James, and ones known only to this area. Each bottle will highlight a unique story based on this area (verified and given to us with permission by our partnership with the Museum of Northwest Colorado).

For example: Irish Canyon Whiskey (Bad Alibi's rendition of Irish Whiskey), will focus on the Butch Cassidy and his hideout from the law. The bottle itself will be a photo, same as our primary brand photo, of Irish Canyon with "Butch Cassidy" as the small photo of interest. When you view the QR code you see the entire story of Butch Cassidy and that area.





BRAND EXPANSION

One of the primary reasons for branding Bad Alibi Distillery is to highlight the area, through this marketing effort a focus on Tourism. Within the first two years we hope to launch a tour company that takes visitors and residents out to the areas focused on by our bottles, enjoy the sights, taste our product, and have a first class experience of Northwest Colorado.

Through all these efforts we plan to engage with a larger audience interested in Western Culture to bring a new industry to the area as well as a large visitor base.



SWOT ANALYSIS

Being first to market in Craig, CO and the 2nd in the valley, there are distinct advantages and strengths. Overall the company is shown to have a strong foothold in the marketplace as well as begin turning a profit within 18 months of the production start.

Strength

first distillery in Craig, CO in close proximity to additional distilleries in the region.

Weakness

New to market barriers including aging product and delivery delays will impact production time.

Opportunity

Developing a clear tourism and marketing approach to the culture and heritage through our products

Threats

Delivery, shipping, and product delays including bottling, production equipment, and raw materials can impact timelines





DISTRIBUTION

Initially the distribution will be Gin and Vodka and distributed locally and regionally. The tasting room will be the main point of sale for bottles, as well as having unique cocktails using our product.

For the first 4 years, a MGP Whisky and Bourbon will be available in the tasting room while ours ages.

Once we have final and aged products, the distribution network will expand to statewide as well as additional states (depending on liquor laws), Bad Alibi Distillery will self distribute rather than use a distribution company.





FINANCIALS

START-UP SUMMARY

Total start-up capital and expenses (including legal costs, advertising, insurance, licensing, and related expenses) came to approximately \$69,000. Start-up assets required and utilized included building purchase, distilling plant and machinery, tasting room fixtures and furniture, and other office equipment. This figure comes to \$1,340,000.

However, due to the nature of the business, timeline for opening, and initial cash flow, the total loan amount is roughly \$1.5 million - this will allow the loan to be paid back for the first 18 months during production development. In addition to the loan amount, an additional cash investment of \$290,000 has been secured.

Total valuation: \$1.7 million



SALES RECORD

The sales forecast monthly summary is included below. The annual sales projections are included later in the plan. As we become established and known on the market, we project sales to increase faster than the initial year.



IMPORTANT ASSUMPTIONS

The financial plan depends on critical assumptions, shown in the following table as annual assumptions. From the beginning, we recognize that collection days are crucial but not a factor we can influence easily. Interest rates, tax rates, and personnel burden are conservative assumptions.

Some of the most important underlying assumptions are:

- We assume a strong economy without a major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our products immediately obsolete.

General Assumptions

Plan Year	1	2	3
Current Interest Rate	9.00%	9.00%	9.00%
Long-term Interest Rate	9.00%	9.00%	9.00%
Tax Rate	25.00%	25.00%	25.00%



BREAK-EVEN ANALYSIS

Our break-even analysis will be based on running costs, that is, costs we shall incur in keeping the business running, including salaries and wages, mortgage/rent, water and electricity, and insurance, amongst others. Hence many fixed costs shall be included in these costs. We will thus aim to ensure that our sales levels are running comfortably above break-even.

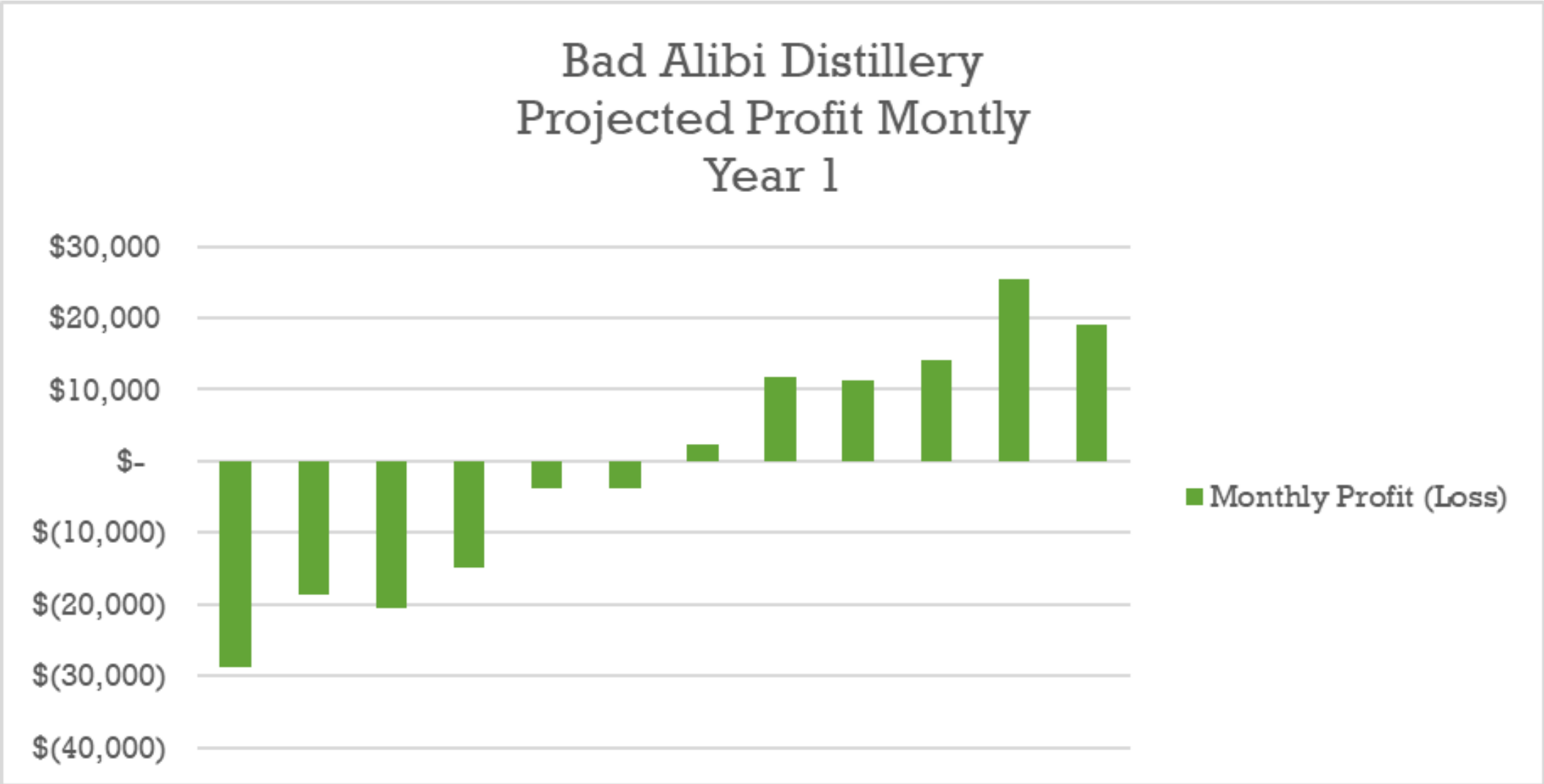
With fixed costs of approximately \$39,000 per month at the outset (a bare minimum), we need to bill roughly \$66,000 to cover our costs. We don't expect to reach break-even until 15 to 18 months into the business operation.

Gross Margin % of Sales	
Gross Margin	\$ 487,500
Total Sales	\$ 825,000
Gross Margin/Total Sales	59.1%
Total Fixed Expenses	
Payroll	\$ 118,672.64
Operating Expenses	\$ 346,478.25
Operating + Payroll	\$ 465,151
Breakeven Sales in Dollars (Annual)	
Gross Margin % of Sales	59.1%
Total Fixed Expenses	\$ 465,151
Yearly Breakeven Amount	\$ 787,178
Monthly Breakeven Amount	\$ 65,598



PROFIT AND LOSS

Our projected profit and loss are shown on the following table, with sales increasing from more than \$825,000 the first year to more than \$1,469,026 the second, and approximately \$1,700,715 in the third year. Net Loss is calculated to be around \$6,500 loss in the first year during the start-up phase of this business. A profit of \$138,959 follow this after taxes in the second year. As with the break-even, we are projecting very conservatively regarding sales and gross margin costs. Our costs should be much lower, and the gross margin higher than this projection.



EXPENSE FORECAST

Initial marketing expenses are relatively high as we seek to become known on the market. This will be brought about by developing sales literature, advertising expenses, and function expenses (including lunches and dinners with interested stakeholders). As our market share increases and capital is generated, different marketing programs and the expansion of those in existence will ensure market development once these programs start generating revenue for the business, which we shall reinvest in.

PROJECTED CASH FLOW

Cash flow projections are critical to our success. Detailed monthly numbers are included in the appendix. However, it should be noted that they are based on a line of credit with an additional capital injection of \$250,000.

PROJECTED BALANCE SHEET

The balance sheet shows healthy growth of net worth and a solid financial position. The three-year estimates are included in the appendix.





Funding Request

Funding Request

”

\$660,000

Property Tax:
\$140,000

Sales Tax:
\$520,000



VISION AND PROJECT PLAN

Bad Alibi Distillery will be located at 406 Yampa Avenue, which is a major intersection between Highway 40 and Highway 13 and a center point for the Craig URA #2.

The building is currently dilapidated, with poor interior and exterior conditions and site improvements. These poor conditions make the building unsafe to work in due to defective design and outdated electrical.

We plan a complete interior remodel of the facility transitioning the 3-bay garage and back storage areas into the production facility and opening up the remaining portion of the building for the tasting room, kitchen/restaurant, and creamery.

The exterior of the building will be painted with new windows and doors allowing outdoor seating on the south and east sides of the building.



ADDITIONAL INFORMATION

”

Other funding info

\$290,000 cash
investment

\$76,050 Local
Marketing District

Beneficiary to the
Yampa River
Corridor Project

Crowdfunding



BUSINESS EXPANSION

”

**A look into
the future**

Manufacturing for
additional facilities

Full scale
tourism
company

Expansion
opportunities



EXIT STRATEGY

”

**Planning
for the next
generation**

Creation of a trust
for future
generation.
Long term
financial planning.

Generational
ownership, or potential
sale to larger distilling
company.





WADE GERBER

wade@badalibidistillery.com

970-629-2305

SEAN HOVORKA

sean@badalibidistillery.com

970-901-1453

-THE-

EST.

2022

Bad Alibi Distillery



CRAIG, CO

Moffat County Assessor Data Site

Chuck Cobb, 221 W Victory Way, Ste 240, Craig, CO, 81625
(P) 970.824.9102 | (F) 970.824.9189 | (E) ccobb@moffatcounty.net

Account Information

ACCOUNTNUMBER	R009274
ACCOUNTTYPE	RealAccount
PROPERTYCODE	2230,2130
PROPERTY CODE DESCRIPTION	SPEC.PURPOSE-IMPROVEMENTS,SPEC.PURPOSE-LAND
PARCELNUMBER	085501104014
SITUS2	406 YAMPA AVE CRAIG CO 81625
LEGALSUMMARY	Subd: ORIGINAL CRAIG Lot: 21 - 24 Block: 36
CITY	CRAIG
ZIP	81625
PLATTEDSUBDIVISION	650_ORIGINAL CRAIG
ECONOMICAREA	7_COMM ECON 7
TAXARE Aid	09T22_09 TIF 2022
OWNERNAME	BAD ALIBI DISTILLERY, LLC
OWNERADDRESS	110 COUNTY ROAD 212 CRAIG, CO 81625
MODELLIST	1-MODEL_COMMERCIAL,1-MODEL_LAND
ARCHLIST	30_SPECIAL
XUNITS	0
MAPLINK	https://www.google.com/maps?q=40.512729758,-107.5477202

Sales Information

Date	Deed Type	Doc Number	Grantor	Grantee	Amount
06/20/2022	SWD	2022-2260	D GRIFFITH PROPERTIES, LL...	BAD ALIBI DISTILLERY, LLC	420,000
10/23/1989	SWD	B609 P655	SUN SAVINGS & LOAN	MATHERS-GRIFFITH GRP	40,800

Values and Estimated Taxes

Tax Year	Taxable	Actual	Mill Levy	Estimated Tax
2018	\$39,400.00	\$135,871.00	81.363	\$3,205.70
2019	\$37,970.00	\$130,937.00	80.992	\$3,075.27
2020	\$37,970.00	\$130,937.00	81.736	\$3,103.52
2021	\$61,220.00	\$211,108.00	82.788	\$5,068.28
2022	\$61,220.00	\$211,108.00	82.788	\$5,068.28

Property Details

Model	Attribute Name	Attribute Value
COMMERCIAL 1	PROPERTYCODE	2230-100%
	BUILDINGTYPE	59700_BLDG/CONTR
	ARCHITECTURESTYLE	30_SPECIAL
	EXTERIORWALL	25_FACE BRICK-100%
	INTERIORWALL	5_DRYWALL-2%
	INTERIORWALL	1_MINIMUM-98%
	ROOFCOVER	4_BUILT-UP-100%
	ROOFSTRUCTURE	1_FLAT
	STORIES	1_1
	ACTUALAREA	8126

Moffat County Assessor Data Site

Chuck Cobb, 221 W Victory Way, Ste 240, Craig, CO, 81625
(P) 970.824.9102 | (F) 970.824.9189 | (E) ccobb@moffatcounty.net

Model	Attribute Name	Attribute Value
COMMERCIAL 1		
	EFFECTIVEAREA	7086
	FOOTPRINTAREA	0
	HEATEDAREA	0
	SFLAAREA	8126
	ECONOMICAREA	.
	ACTUALYEARBUILT	1958
LAND 1		
	PROPERTYCODE	2130-100%
	ACTUALAREA	12500
	ECONOMICAREA	.

Property Images



Income Statement Years 1-3

Company Name:

Bad Alibi Distillery

Revenue	2023		2024		2025	
Whiskey	315,000		576,420		671,202	
Vodka	225,000		416,303		484,757	
Gin	225,000		416,303		484,757	
Rent	60,000		60,000		60,000	
Product 5	-		-		-	
Product 6	-		-		-	
Total Revenue	\$ 825,000	100%	\$ 1,469,026	100%	\$ 1,700,715	100%
Cost of Goods Sold						
Whiskey	157,500		288,210		335,601	
Vodka	90,000		166,521		193,903	
Gin	90,000		166,521		193,903	
Rent	-		-		-	
	-		-		-	
	-		-		-	
Total Cost of Goods Sold	337,500	41%	621,252	42%	723,406	43%
Gross Margin	487,500	59%	847,774	58%	977,309	57%
Payroll	118,673		292,681		366,399	
Operating Expenses						
Advertising	2,400		2,472		2,546	
Car and Truck Expenses	-		-		-	
Commissions and Fees	-		-		-	
Contract Labor (Not included in payroll)	20,000		20,600		21,218	
Insurance (other than health)	12,000		12,360		12,731	
Legal and Professional Services	20,000		20,600		21,218	
Licenses	2,000		2,100		2,205	
Office Expense	1,200		1,236		1,273	
Rent or Lease -- Vehicles, Machinery, Equipment	-		-		-	
Rent or Lease -- Other Business Property	-		-		-	
Repairs and Maintenance	1,200		1,260		1,323	
Supplies	14,000		14,420		14,853	
Travel, Meals and Entertainment	3,500		3,605		3,713	
Utilities	18,000		18,540		19,096	
Miscellaneous	1,200		1,236		1,273	
Total Operating Expenses	\$ 95,500	12%	\$ 98,429	7%	\$ 101,449	6%
Income (Before Other Expenses)	\$ 273,327	33%	\$ 456,664	31%	\$ 509,461	30%
Other Expenses						
Amortized Start-up Expenses	23,333		23,333		23,333	
Depreciation	127,857		129,405		133,423	
Interest						
Commercial Loan	85,640		75,563		64,540	
Commercial Mortgage	37,481		35,307		35,936	
Credit Card Debt	-		-		-	
Vehicle Loans	-		-		-	
Other Bank Debt	-		-		-	
Line of Credit	-		-		-	
Bad Debt Expense	-		-		-	
Total Other Expenses	\$ 274,312	33%	\$ 263,608	18%	\$ 257,232	15%
Net Income Before Income Tax	\$ (984)		\$ 193,056		\$ 252,229	
Income Tax	\$ 5,587		\$ 54,097		\$ 68,891	
Net Income/Loss	\$ (6,572)	-1%	\$ 138,959	9%	\$ 183,338	11%

Balance Sheet Years 1-3

Company Name:

Bad Alibi Distillery

ASSETS	2023	2024	2025
Current Assets			
Cash	160,025	151,958	153,968
Accounts Receivable	123,300	141,355	167,642
Inventory	94,500	236,250	385,800
Prepaid Expenses	40,000	20,000	-
Other Initial Costs	6,667	3,333	-
Total Current Assets	\$ 424,492	\$ 552,897	\$ 707,409
Fixed Assets			
Real Estate -- Land	-	-	-
Real Estate -- Buildings	420,000	420,000	420,000
Leasehold Improvements	300,000	300,000	300,000
Equipment	600,000	620,000	655,000
Furniture and Fixtures	20,000	20,000	20,000
Vehicles	-	-	-
Other	-	-	-
Total Fixed Assets	\$ 1,340,000	\$ 1,360,000	\$ 1,395,000
(Less Accumulated Depreciation)	\$ 127,857	\$ 257,262	\$ 390,685
Total Assets	\$ 1,636,634	\$ 1,655,634	\$ 1,711,724
LIABILITIES & EQUITY			
Liabilities			
Accounts Payable	48,500	54,651	65,342
Commercial Loan Balance	892,571	775,065	646,536
Commercial Mortgage Balance	412,135	403,531	394,121
Credit Card Debt Balance	-	-	-
Vehicle Loans Balance	-	-	-
Other Bank Debt Balance	-	-	-
Line of Credit Balance	-	-	-
Total Liabilities	\$ 1,353,206	\$ 1,233,248	\$ 1,105,999
Equity			
Common Stock	290,000	290,000	290,000
Retained Earnings	(6,572)	132,387	315,726
Dividends Dispersed/Owners Draw	-	-	-
Total Equity	\$ 283,428	\$ 422,387	\$ 605,726
Total Liabilities and Equity	\$ 1,636,634	\$ 1,655,634	\$ 1,711,724
Balance sheet in or out of balance?	\$ -	\$ -	\$ -
	Balanced!	Balanced!	Balanced!

Cash Flow Forecast Years 1-3

Company Name:

Bad Alibi Distillery

	Year 1 Totals	June	July	August	September	October	November	December	January	February	March	April	May
Beginning Balance		\$ 160,025	\$ 138,028	\$ 121,659	\$ 97,104	\$ 106,732	\$ 101,242	\$ 86,030	\$ 88,575	\$ 112,021	\$ 106,164	\$ 117,433	\$ 133,059
Cash Inflows													
Cash Sales	\$ 247,500	34,830	35,163	35,500	35,840	36,183	36,530	36,880	37,234	37,592	37,953	38,317	38,685
Accounts Receivable	\$ 454,200	77,300	80,830	81,603	82,384	83,173	83,970	84,775	85,587	86,408	87,237	88,075	88,920
Total Cash Inflows	\$ 701,700	\$ 112,130	\$ 115,993	\$ 117,103	\$ 118,224	\$ 119,357	\$ 120,500	\$ 121,655	\$ 122,822	\$ 124,000	\$ 125,190	\$ 126,392	\$ 127,606
Cash Outflows													
Investing Activities													
New Fixed Asset Purchases	\$ -	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667
Additional Inventory	\$ 94,500	31,500	29,250	27,000	4,500	20,250	18,000	13,500	(6,750)	9,000	6,750	4,500	(15,750)
Cost of Goods Sold	\$ 289,000	48,500	48,985	49,475	49,970	50,469	50,974	51,484	51,999	52,519	53,044	53,574	54,110
Operating Activities													
Operating Expenses	\$ 95,500	8,202	8,202	8,202	8,202	8,202	8,202	8,202	8,202	8,202	8,202	8,202	8,202
Payroll	\$ 118,673	24,390	24,390	24,390	24,390	24,390	24,390	24,390	24,390	24,390	24,390	24,390	24,390
Taxes	\$ 5,587	-	-	11,056	-	-	12,610	-	-	14,211	-	-	16,220
Financing Activities													
Loan Payments	\$ 238,415	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	18,432	19,868
Owners Distribution	\$ -												
Line of Credit Interest	\$ -	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Repayments	\$ -												
Dividends Paid	\$ -												
Total Cash Outflows	\$ 841,675	\$ 134,127	\$ 132,362	\$ 141,658	\$ 108,597	\$ 124,846	\$ 135,711	\$ 119,111	\$ 99,376	\$ 129,857	\$ 113,921	\$ 110,765	\$ 108,707
Net Cash Flows	\$ (139,975)	\$ (21,997)	\$ (16,369)	\$ (24,555)	\$ 9,628	\$ (5,490)	\$ (15,211)	\$ 2,544	\$ 23,446	\$ (5,857)	\$ 11,269	\$ 15,627	\$ 18,899
Operating Cash Balance		\$ 138,028	\$ 121,659	\$ 97,104	\$ 106,732	\$ 101,242	\$ 86,030	\$ 88,575	\$ 112,021	\$ 106,164	\$ 117,433	\$ 133,059	\$ 151,958
Line of Credit Drawdown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance		\$ 138,028	\$ 121,659	\$ 97,104	\$ 106,732	\$ 101,242	\$ 86,030	\$ 88,575	\$ 112,021	\$ 106,164	\$ 117,433	\$ 133,059	\$ 151,958
Line of Credit Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Cash Flow Forecast Years 1-3

	Year 2 Totals
Beginning Balance	
Cash Inflows	
Cash Sales	\$ 440,708
Accounts Receivable	\$ 1,010,263
Total Cash Inflows	\$ 1,450,971
Cash Outflows	
Investing Activities	
New Fixed Asset Purchases	\$ 20,000
Additional Inventory	\$ 141,750
Cost of Goods Sold	\$ 615,101
Operating Activities	
Operating Expenses	\$ 98,429
Payroll	\$ 292,681
Taxes	
Financing Activities	
Loan Payments	\$ 236,979
Owners Distribution	\$ -
Line of Credit Interest	\$ -
Line of Credit Repayments	\$ -
Dividends Paid	\$ -
Total Cash Outflows	\$ 1,404,940
Net Cash Flows	\$ 46,031
Operating Cash Balance	
Line of Credit Drawdown	\$ -
Ending Cash Balance	
Line of Credit Balance	

Cash Flow Forecast Years 1-3

	June	July	August	September	October	November	December	January	February	March	April	May	Year 3 Totals
Beginning Balance	\$ 151,958	\$ 123,303	\$ 98,833	\$ 65,505	\$ 77,265	\$ 69,500	\$ 50,368	\$ 54,930	\$ 88,016	\$ 83,113	\$ 101,268	\$ 123,968	
Cash Inflows													
Cash Sales	39,243	39,809	40,384	40,967	41,559	42,160	42,770	43,389	44,017	44,655	45,302	45,959	\$ 510,215
Accounts Receivable	89,775	90,823	92,133	93,463	94,812	96,182	97,572	98,983	100,415	101,869	103,345	104,842	\$ 1,164,214
Total Cash Inflows	129,018	130,632	132,517	134,430	136,371	138,342	140,342	142,372	144,433	146,524	148,647	150,802	\$ 1,674,428
Cash Outflows													
Investing Activities													
New Fixed Asset Purchases	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	\$ 35,000
Additional Inventory	41,250	37,860	34,500	3,750	24,360	21,000	14,250	(13,140)	7,500	4,110	750	(26,640)	\$ 149,550
Cost of Goods Sold	54,651	55,471	56,303	57,147	58,005	58,875	59,758	60,654	61,564	62,487	63,425	64,376	\$ 712,715
Operating Activities													
Operating Expenses	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	\$ 101,449
Payroll	30,533	30,533	30,533	30,533	30,533	30,533	30,533	30,533	30,533	30,533	30,533	30,533	\$ 366,399
Taxes	-	-	13,270	-	-	15,827	-	-	18,500	-	-	21,294	\$ 68,891
Financing Activities													
Loan Payments	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	19,868	\$ 238,415
Owners Distribution													\$ -
Line of Credit Interest	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Line of Credit Repayments													\$ -
Dividends Paid													\$ -
Total Cash Outflows	\$ 157,673	\$ 155,103	\$ 165,845	\$ 122,669	\$ 144,137	\$ 157,474	\$ 135,780	\$ 109,286	\$ 149,336	\$ 128,369	\$ 125,947	\$ 120,802	\$ 1,672,419
Net Cash Flows	\$ (28,655)	\$ (24,470)	\$ (33,328)	\$ 11,760	\$ (7,765)	\$ (19,132)	\$ 4,562	\$ 33,086	\$ (4,903)	\$ 18,155	\$ 22,700	\$ 30,000	\$ 2,009
Operating Cash Balance	\$ 123,303	\$ 98,833	\$ 65,505	\$ 77,265	\$ 69,500	\$ 50,368	\$ 54,930	\$ 88,016	\$ 83,113	\$ 101,268	\$ 123,968	\$ 153,968	
Line of Credit Drawdown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 123,303	\$ 98,833	\$ 65,505	\$ 77,265	\$ 69,500	\$ 50,368	\$ 54,930	\$ 88,016	\$ 83,113	\$ 101,268	\$ 123,968	\$ 153,968	
Line of Credit Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenses Years 1-3

Company Name:

Bad Alibi Distillery

Line Item	2023	Growth Rate 1 to 2	2024	Growth Rate 2 to 3	2025
Advertising	2,400	3.0%	2,472	3.0%	2,546
Car and Truck Expenses	-	3.0%	-	3.0%	-
Commissions and Fees	-	5.0%	-	5.0%	-
Contract Labor (Not included in payroll)	20,000	3.0%	20,600	3.0%	21,218
Insurance (other than health)	12,000	3.0%	12,360	3.0%	12,731
Legal and Professional Services	20,000	3.0%	20,600	3.0%	21,218
Licenses	2,000	5.0%	2,100	5.0%	2,205
Office Expense	1,200	3.0%	1,236	3.0%	1,273
Rent or Lease -- Vehicles, Machinery, Equipment	-	3.0%	-	3.0%	-
Rent or Lease -- Other Business Property	-	3.0%	-	3.0%	-
Repairs and Maintenance	1,200	5.0%	1,260	5.0%	1,323
Supplies	14,000	3.0%	14,420	3.0%	14,853
Travel, Meals and Entertainment	3,500	3.0%	3,605	3.0%	3,713
Utilities	18,000	3.0%	18,540	3.0%	19,096
Miscellaneous	1,200	3.0%	1,236	3.0%	1,273
Total Expenses	\$ 95,500		\$ 98,429		\$ 101,449
Other Expenses					
Depreciation	127,857		129,405		133,423
Interest					
Commercial Loan	85,640		75,563		64,540
Commercial Mortgage	37,481		35,307		35,936
Credit Card Debt	-		-		-
Vehicle Loans	-		-		-
Other Bank Debt	-		-		-
Line of Credit	-		-		-
Bad Debt Expense	-		-		-
Total Other Expenses	\$ 250,978		\$ 240,274		\$ 233,898
Total Operating Expenses	\$ 346,478		\$ 338,703		\$ 335,347

City of Craig Urban Renewal Authority
Distillery Project Property and Sales Tax Forecast

(8-2-22)

DGC Consulting analyzed the Distillery Project in URA #2 to estimate the magnitude of property and sales and tax revenue generated over a 25-year period by this project

Construction assumptions:

1. Project developers provided construction costs and sales forecasts to the City of Craig.
2. Property purchased in 2022.
3. Construction starts 2022 and is completed 2023.
4. Remodel 8,126 SF building to include distillery (distillery and warehouse) and retail/tasting/restaurant area. Retail/tasting (25%) - 2,031 SF, warehouse, warehouse, other (75%) - 6,095 SF.
5. \$300,000 tenant improvement construction costs to shell/interior (\$37/SF) will increase property taxes proportionally (Tax Increment). Equipment costs are in addition and will not be taxed as real estate. Building purchase cost is the Taxable Basis.
6. Property tax valuations and taxes are assumed to inflate 1%/year.
7. Additional future construction improvements could increase real estate taxes due to increased appraised values.

Retail sales assumptions:

1. Retail/tasting (25%) - 2,031 SF.
2. Startup in 2024 (year 1), growth in 2025 (year 2) and stabilize in 2026 (year 3). Sales constant after that.
3. Sales Year 1 (2023) - \$247,000, Year 2 (2024) - \$441,000, Year 3 (2025) - \$510,000.
4. Retail sales are assumed to inflate 1%/year after 2026.

Property Tax Assumptions and Results:

Tax Authority (ICFG Tax Area)	Mill Levy (2020 levy year)	Share of Total (%)	Revenue Generated (over 25-year period, rounded)	Taxing Authority Share %	Dollar Amount to be shared (over 25-year period,
Moffat County	23.889	28.86%	\$48,606	87.5% (Avg. of 100% for first 13 years and 75% for remaining 12)	\$42,530
Moffat County School District RE-1	32.904	39.74%	\$66,940	75%	\$50,205
Colorado NW Community College	3.002	3.63%	\$6,114	75%	\$4,585
CRW	0.500	0.60%	\$1,010	N/A	\$0
City of Craig	18.996	22.95%	\$38,658	100%	\$38,658
Craig Fire District	3.497	4.22%	\$7,180	75%	\$5,385
TOTAL	82.788	100.00%	\$168,508		\$141,363

2021 values, 2020 levy year

The \$300,000 new investment could generate a total, new increment of \$168,508 in property tax revenue over the 25-year period. This would be distributed proportionally among the taxing jurisdictions according to their mill levy rates. For example, Moffat County will receive \$48,606, Moffatt County School District \$66,940, and the City of Craig \$38,658. If CURA and the taxing entity agree to assign of portion of the property tax revenue to CURA, then the amount retained by the taxing entity would be reduced by that amount.

Sales Tax Assumptions and Results:

Tax Authority	Tax Year	Tax Rate (%)	Share of Total (%)	Revenue Generated (over 25-year period rounded)	Taxing Authority Share %	Dollar Amount to be shared (over 25-year period,
State of Colorado	2020	2.90	32.58%	\$382,002	N/A	0
Moffat County	2020	2.00	22.47%	\$263,450	N/A	0
City of Craig	2020	4.00	44.94%	\$526,900	100%	526,900
Not used	2020	0.00	0.00%		N/A	
TOTAL		8.90	100.00%	\$1,172,352		\$526,900

Based on ramping up quickly to stabilized retail sales of \$510,000/year in year 3 (2026), the project could generate \$1,172,352 in total sales tax revenue over the 25-year period. This would be distributed proportionally among the taxing jurisdictions according to their sales tax rates. The State of Colorado would receive \$382,002, Moffatt County \$263,450, and the City of Craig \$526,900. If CURA and the taxing entity agree to assign a portion of the sales tax revenue to CURA, then the amount retained by the taxing entity would be reduced.

Total amount of Property and Sales Tax available to share over 25-year period **\$668,263**