



Retail Report

## A sip of something stronger: Distillery startups catch on

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Liquor distilleries often flourish where there are wineries, breweries and fruit.

California has 87 licensed by the U.S. Alcohol and Tobacco Tax and Trade Bureau, and Oregon has 15.

Washington is an exception, with only two companies holding licenses to produce and bottle spirits — and neither sells a drop of liquor.

Don Poffenroth saw the gap and changed his mind about starting a brewery in Spokane, opting for a distillery instead.

"The market is much less developed than brewing," Poffenroth said, "especially compared to Europe, where there's a distillery in every city."

Dry Fly Distilling plans to start cranking out vodka and gin this summer. Whiskey will be ready in 2009, after it's had time to age.

Poffenroth and co-founder Kent Fleischmann are quitting their management jobs at Ventura Foods and Sysco, respectively, and putting about \$500,000 into their startup. They also have a \$100,000 line of credit.

They're being trained by their German equipment manufacturer, Christian Carl, and at seminars that are part of the nationwide resurgence of small distilleries.

After a wave of new craft breweries and small wineries, which require less money to start and have easier licensing standards, distillery startups are finally catching on.

The country has more than doubled its number of small or "craft" distillers to about 90 over the past decade, said Bill Owens, president of the

American Distilling Institute. He figured California, Oregon and Michigan have the most.

Washington trails because it has no existing distillers to share their ideas and knowledge, Owens said. Fledgling distillers, such as new brewers and winemakers, need someone to call for help when they're learning.

Oregon has more established distillery know-how, including McMenamins' Edgefield Distillery, which started in the late 1990s. The company sells its own whiskey, brandy and gin at pubs in Oregon and Seattle, including Dad Watsons in Fremont and Six Arms on Capitol Hill.

In Washington, two distilleries have federal licenses. Sunny Pine Distillery in Twisp, Okanogan County, which some say used to make tinctures rather than liquor, is being turned into a cheese plant, according to a woman who answered the company's phone and identified herself as the cheesemaker but would not give her name.

Mountain Dome Winery in Spokane is sitting on about 100 gallons each of cherry and apple brandy, which winemaker Erik Manz said was a project of his father, Michael, who died last fall.

Manz doesn't have time to work on selling the stuff and, because of liquor laws, he can't offer brandy tastings.

"You can't manufacture and taste it at the same place, because it's a sin," he joked. "Sometime I'd like to tinker with it, but my hands are full and it'll last hundreds of years."

— **Melissa Allison**