

## Would-be distillers aim for top shelf

### Partners first need Washington's OK

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Two fly-fishing buddies who hope to open a distillery in Spokane say it would be the state's first grain-alcohol producer since the days of Prohibition.

But the new business won't be producing backwoods hootch or spirits best concealed in a brown paper bag.

Dry Fly Distilling Inc. co-founders Don Poffenroth and Kent Fleischmann want to lure in well-to-do sportsmen with pricey vodka, gin and whiskey made from local ingredients. They still need approval from federal and state regulators, after outfitting the distillery.

The pair plan to pour about \$600,000 into a new, 3,000-square-foot distillery they hope to open in July. It will be located next to Northern Lights Brewing Co. and Pub on East Trent Avenue, and the brewery would ferment grains for Dry Fly's still.

Microdistilleries, like premium coffee roasters and microbreweries, are growing in popularity, but they're a new phenomenon in the Inland Northwest.

The partners say their bottles would sell for roughly \$29 for gin, \$32 for vodka and more than \$40 for single-malt whiskey.

"You're producing a product that's much more hand-crafted and is processed with just much tighter control," Poffenroth said. "That's really what a small distiller does. The catch phrase is: You end up throwing away a lot of product that other people would bottle, because you are making a conscious decision only to keep the very best."

The business partners want to begin distilling by August and start selling early this fall, Poffenroth said. They hope to produce about 30,000 750-milliliter bottles of vodka and gin in the first year.

The distillery will be outfitted with equipment, including a copper, 450-liter still, custom-made in Germany.

"The still is the pretty part," Poffenroth said.

Dry Fly plans to use Washington-grown wheat for vodka and gin, and Washington juniper berries, coriander and other botanicals for gin. But the bottles would come from France, Poffenroth said.

"I think consumers are seeking as much traceability in a product as they can achieve," Poffenroth said. "They want to know where the raw materials came from, how they're processed."

The distillery's whiskey would be aged in American oak barrels for at least two years, he said.

Dry Fly last week signed a lease for the Riverwalk space at 1003 E. Trent Ave. formerly occupied by Cravens Coffee, Poffenroth said.

The partners are thinking big, predicting that Dry Fly will add a second still after a couple years to double its production capacity. The company expects to build a new facility within a decade.

Gross national revenue from spirits hit \$17 billion in 2006, a 46 percent increase since 2000, according to the Distilled Spirits Council of the United States.

"Super premium" vodka, like that planned by Dry Fly, accounted for nearly a quarter of the liquor industry's 2006 growth, and consumers are "trading up" to higher-end liquor because they are becoming wealthier, according to the council. In Washington, gross liquor sales more than doubled between 1996 and 2005, according to the Washington State Liquor Control Board.

Both partners will leave marketing jobs. They teamed up after meeting on business and realizing they share a passion for fly fishing, an interest that led to their distillery's name, said Fleischmann, 52.

Poffenroth, 44, initially looked at entering the microbrewing business. But after talking with friends already in the brewing business, he focused on distilling and attended several workshops.

Poffenroth contends few distilleries have set up shop in Washington because the state's "archaic" liquor laws lack provisions for small distilleries. He hopes the state eventually allows tasting in distilleries, as in wineries, and reduces the \$2,000 annual distiller's license fee.

The state controls all liquor sales, and there are "no guarantees that the state would buy and sell" Dry Fly's products, according to an e-mail from Lt. Richard Manoli of Washington State Liquor Control Board. But the partners say they're confident the state will carry their products, which they plan to promote to liquor stores, restaurants and resorts.

Poffenroth said Dry Fly's nearest competitors would include Bardenay Restaurant and Distillery, a Boise-based microdistillery and pub that is expanding to Coeur d'Alene this summer, and several microdistilleries in Oregon.

Bardenay owner Kevin Settles hopes construction of the vodka distillery at Coeur d'Alene's Riverstone development will be completed by May. Idaho state sells his gin and vodka for about \$20, and his rum for roughly \$10, he said.

Bill Owens, president and founder of the American Distilling Institute in California, said 10 distilleries open each year nationwide.

"There's plenty of room, there's no competition," even though demand is growing, he said.