

GOLDEN VALLEY BREWERY & RESTAURANT

FRESH FOODS OF THE GREAT NORTHWEST
HANDCRAFTED BEERS OF GREAT BALANCE & RARE COMPLEXITY
ALL NATURAL ANGUS BEEF RAISED ON OUR ANGUS SPRINGS RANCH
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May 25, 2021

Members of the Senate Committee on Finance and Revenue

We are a family owned brewery with two restaurants in McMinnville and Beaverton Oregon. We started the business in 1993. Before the pandemic we employed over 160 employees and we currently employ about 135.

2020 was the most devastating year for our business in all of the 27 years we have been in business. Three weeks after the initial shutdown on March 15, 2021, we were over three quarters of a million dollars in debt, could not pay our mortgages, loans, payroll, accounts payable and had exhausted our credit line with the bank. We had laid off 135 or our 160 employees and were operating a take out business had no profit margin but kept key employees working.

We expanded our patio for the summer 2020 at considerable cost then we had to put up two event tents when we were shut down again in November at \$3,000 a month each and \$100 a day in propane cost for heating. WE still have both event tents up but the propane costs have come down as the weather has warmed up. In Beaverton we also added outdoor heaters at a cost of \$8,500. All of these expenses will never be recovered but we felt it necessary to keep the staff employed, the brewery operating, and to serve the community. We have been operating at a loss since the shutdown March 2020 and last month we had to give all kitchen staff a \$2 an hour raises to keep them from going to higher offers at other restaurants. That wage increase will increase our payroll expense about \$100,000 annually. We currently cannot find enough employees to staff the business and our overtime expense is becoming overwhelming and the staff we have is burning out. We are still not out of the "woods".

For the first three months of the shutdown, we used up our personal retirement fund, used credit cards to pay our suppliers, and all management went to minimum wage. Had we not had both rounds of the PPP funds we would not be in business today. In December of 2020 the Federal government made the PPP loans tax free retroactive to January 2020. There are only 7 states in the US who are taxing these funds at the state level. Oregon is getting funding from the US government and is set to have a budget surplus in excess of 1 Billion dollars. Is the state going to pay taxes on the federal funds it receives?

We cannot afford another expense of \$50-\$60,000 on top of what we have been through in the past 16 months. We are hoping that restrictions will ease, and the Rescue Plan funding might get us back on our feet and allow us become profitable again.

Thank you for your time.

Sincerely

Peter & Celia Kircher
Owners
Golden Valley Brewery

