

the review

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DICK BOLEN

NEW LEAGUE PRESIDENT

2014 
CONVENTION
HIGHLIGHTS

“... IF YOU'RE **FAIR,**
HONEST, AND **CONSISTENT** IN
YOUR **VIEWS** AND **VALUES,**
PEOPLE WILL **RESPECT YOU**
FOR WHAT YOU'RE DOING
FOR THE **WHOLE COMMUNITY.**”

—WAKEFIELD MAYOR PRO TEM
AND LEAGUE PRESIDENT DICK BOLEN

FOCUS ON SMALL COMMUNITIES

CLARE • DOWAGIAC • BLOOMFIELD HILLS • NORTHPORT • LITCHFIELD

TECUMSEH BREWING COMPANY

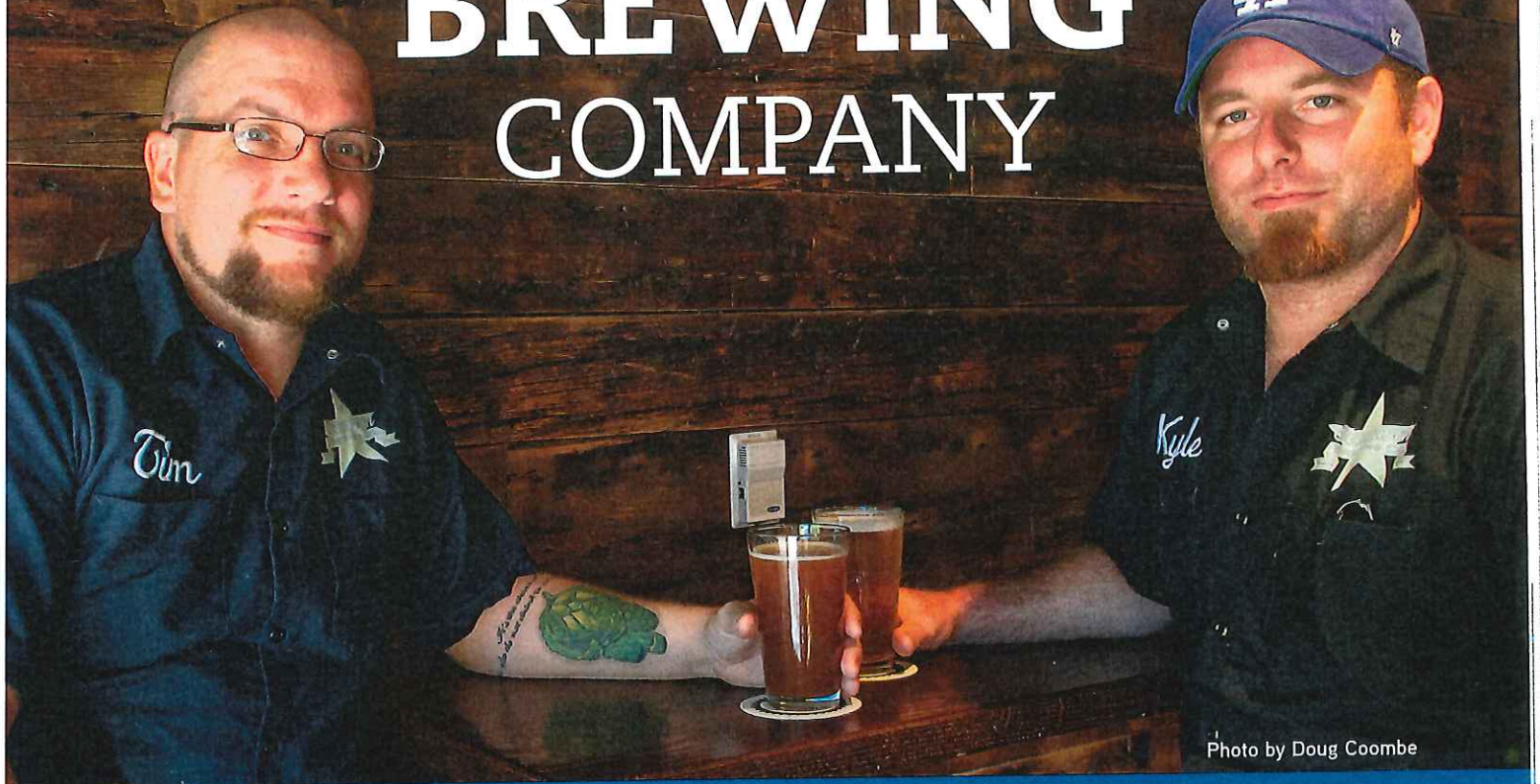


Photo by Doug Coombe

Crowdfunding successfully matched a local entrepreneur with local investors to capitalize a new downtown business, directly impacting talent retention and downtown redevelopment. Until Michigan's crowdfunding legislation passed in December 2013, 93 percent of local investors were denied the opportunity to put their money where their hearts are—the local businesses they know, trust, and love—because they are “unaccredited” investors (meaning not rich!)



ACCOMPLISHMENTS

- ★ Tecumseh Brewing Company founders raised \$175,000 (their funding goal) through 21 investors, in advance of their fundraising deadline.
- ★ Over 100 investors expressed interest in Tecumseh Brewing Company; 16 of the 21 investors had no prior relationship with Tecumseh Brewing Company.
- ★ They were fully funded in half the time anticipated and had to turn away interested investors.
- ★ They plan a total investment of half a million dollars in the community.
- ★ They plan to locally source as much as possible, including materials, labor, food, supplies, etc. to create even more positive economic ripples in the local community.

- ★ Their business philosophy is to be a brewpub for the community, including being active in hosting and sponsoring community events that add to the vibrancy of the downtown, the community at large, and the success of their business.
- ★ The brewery is completing a rehab and retrofit of a building in the heart of downtown Tecumseh, including residential apartments on the second floor.
- ★ The city of Tecumseh retained smart, creative, talented people willing to put down roots and grow their success and the community through crowdfunding.


PARTICIPATION

Local economic development entities connected Tecumseh Brewing Company to myriad resources, most importantly crowdfunding and Lenawee Now (formerly the county economic development corporation). The city of Tecumseh and Tecumseh DDA provided assistance in building acquisition, rehab process, outdoor seating expansion, and permitting.

FUNDING

Seed funding was provided through family and friends, with gap funding of \$175,000 raised through crowdfunding, and a substantial amount to come through traditional bank financing. Property improvement/façade grants were available through the DDA and other sources.

LESSONS LEARNED

- Do not take the first or easiest option in locating. Tecumseh Brewing Company waited for just the right spot in the heart of downtown to drive success.
- Spend the time discovering and articulating what makes your idea unique. Tecumseh Brewing Company is proud of its approach to brewing, which is a distinct break from a corporate brew structure, and is excited to be a community business with strong, deep roots in Tecumseh.
- Tell your story and give people an experience. Crowdfunding works well when there is a local, emotional connection, as well as a great business case. Tecumseh Brewing Company hosted tasting events where potential investors could see the future space, view pictures/sketches, logos, sample menus, etc. and, most importantly, meet the owners. This personal connection helped get Tecumseh Brewing Company fully funded in half the allotted time.
- If you are prepared to be a true community-based business, shout it out loud and proud! If you plan to sponsor downtown events, reinvest in the community, and hire and source local, let everyone know it. It will make investing a good economic decision as well as a heartwarming one. 

For more information contact Heather Van Poucker, director of information and policy research for the League at 734-669-6326 or hvanpoucker@mml.org.

HOW-TO

- 1 Find what you love to do and decide where to do it.
- 2 Do your research and make use of local resources and information. The city of Tecumseh's blueprint study (Hyatt-Palma study commissioned in the late 2000s) was a key source of information that Tecumseh Brewing Company used in backing their intuition with data.
- 3 Identify a couple of champions in the system to help guide you and assist you in breaking down walls (literally and figuratively!). The city and DDA staff and Lenawee Now were extremely helpful in guiding Tecumseh Brewing Company through the process of property selection and acquisition, building rehab, permitting, licensing, etc.
- 4 Get the boring stuff together early—business plans, articles of incorporation, etc. Have these foundational documents in order before beginning any formal fundraising.
- 5 Cultivate a following through community ties, family, social media, and good old fashioned word-of-mouth. These are your potential investors and customers! (But be careful not to solicit investors for crowdfunding on social media... this could violate the intrastate investment requirement.)
- 6 Find ways to make your local business a community business by sourcing whatever you can locally. It adds to your authenticity, it is good for the environment, and it super-charges the local economy. Tecumseh Brewing Company will offer grilled cheese made from a local creamery's cheese.
- 7 Rehab what is already there and reclaim bits of the community to work into your space wherever you can. Old stuff is cool and usually less expensive.
- 8 Start selling swag early, even before the opening, to generate buzz and following. Use social media but also start establishing a presence in the community at various events.
- 9 Use a well-established crowdfunding platform with proven success. Tecumseh Brewing Company used Localstake (localstake.com).
- 10 Be prepared to give an "elevator pitch" about what crowdfunding is and how it works. Crowdfunding is new to people so you'll be selling not only your business opportunity, but the mechanism for investment. Be sure "legitimate" community representatives are well versed as well (the Chamber, DDA, local leaders, etc.)



CROWDFUNDING is the process of soliciting funds from the general public, including individuals who do not meet "accredited" investor requirements, to create projects or fund new or existing businesses.