



## Portland Moves from Specialty Beer to Vodka

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STEVE INSKEEP, host: Here's something else that's dropping: beer and wine. At the same time, liquor sales are up. Maybe it's all those real estate brokers at the bar.

Anyway, sazaracs and martinis are replacing chardonnays and stouts in many bars and restaurants, and the spike in liquor sales is providing new business opportunities, as David Welch explains.

DAVID WELCH reporting:

On a rainy afternoon here in Portland, Oregon, business at Eleventh Avenue Liquor is brisk.

According to the Oregon Liquor Control Commission, spirit sales here are up close to twelve percent from last year. The spike isn't a fluke; growth has been steady for the past decade now, which has been great for retailers as well as the state's pocketbook. Oregon tightly regulates and taxes all liquor sold in the state.

But this boom has had another, surprising effect. It's helped launch a new industry.

Mr. BOB HESLA (Owner, Eleventh Avenue Liquor, Portland, Oregon): Yeah, one of the things we did was we created an Oregon section.

WELCH: That's Bob Hesla. He's the owner of Eleventh Avenue Liquor. Hesla is showing me how he's rearranged his store shelves to feature Oregon-made liquors.

The number of distilleries in Oregon doubled last year, and he says that these small-batch, locally made spirits, or micro-distilleries, as he calls them, are starting to catch on.

Mr. HESSLA: My response in here has been quite good. We've gone from zero bottles to two to three cases a week.

WELCH: Hesla's shelves feature locally-made spirits with names like Hot Monkey Vodka and Cascade Mountain Gin, and he says a lot of these new products are being made by the same men and women behind the micro-brewing boom in the late '80s.

But owning a distillery isn't like running a brewery. There's little in the way of formal training or apprenticeships, and the tedious federal licensing process can often take more than a year to complete. And then there's the challenge of finding equipment.

(Soundbite of machinery)

Mr. LEE MEDOFF (Co-owner, House Spirits, Oregon): Over here we have stainless steel drums, once the property of the Coca-Cola Company.

WELCH: Lee Medoff is one half of House Spirits, a new distillery in Portland. He says that in an industry geared towards mass production, finding small barrels, bottle fillers and other machines can be hard.

Mr. MEDOFF: There's nothing really made for craft distillation, so we're borrowing parts and pieces from all different industries.

WELCH: Medoff and his partner were both brew masters, and he says they're using many of the same tricks they learned as craft beer brewers. He says that if that experience taught him one thing, it's the importance of experimentation, a luxury he's afforded in his new job precisely because his production demands are so low.

(Soundbite of machinery)

WELCH: But that also means limited sales, and in Oregon sales of locally-produced spirits were extremely low last year, counting for only a tiny fraction of total liquor sales.

Still, these numbers are on the rise, and Medoff doesn't seem worried. He notes that their distillery is turning a profit, and he says if micro-distilleries continue to mirror micro-breweries, their slow but incremental growth is right on track.

For NPR News, I'm David Welch, in Portland.