



INVESTMENT PROPOSAL: BALDWIN SALOON REVISION

Historic Preservation Meets Craft Industrialization

1. Executive Summary

The Baldwin Saloon Revision is a multi-phase development project centered on the iconic 1876 Baldwin Saloon in The Dalles, Oregon. By combining the restoration of a historic landmark with the launch of "Baldwin Spirits™," a small-run micro-distillery, we are creating a unique destination that bridges the gap between historical tourism and the modern craft spirits movement. This proposal invites investment of \$1.1 Million into a turnkey historical asset poised for significant value appreciation following a \$7M municipal streetscape revitalization.

2. The Asset: A Landmark in Transition

- **Property:** 205 Court St, The Dalles, OR. A 2,718 sq ft historic masonry building.
- **Context:** Currently valued at approximately \$700,000, with a turnkey commercial kitchen and iconic 18-foot mahogany bar.
- **External Catalyst:** The City of The Dalles has launched a \$6.92M First Street Reconstruction Project, which includes rebuilding the retaining walls and sidewalks immediately abutting the Saloon. This municipal investment effectively "primes" the property for a high-end reopening.

TIMELINE SYNERGY: MUNICIPAL CATALYST

Capturing the Momentum of a \$7M Public Investment

The Baldwin Saloon Revision is strategically timed to launch in tandem with the City of The Dalles' \$6.92M First Street Reconstruction Project. This massive public works initiative acts as a forced multiplier for our Phase 1 investment.

- **Infrastructure Alignment:** The city is currently rebuilding the retaining walls and sidewalks immediately abutting our property, effectively "prepping" the site for our new high-visibility patio and distillery entrance.
- **The "Grand Opening" Effect:** We are mapping our 6-month Phase 1 construction window to conclude as the city finishes its streetscape improvements. This creates a high-profile "Re-Opening" moment for the entire downtown corridor.
- **Public-to-Private ROI:** While we invest \$350k-400k in Phase 1, the surrounding \$7M municipal upgrade ensures that the "neighborhood quality" and foot traffic increase at a rate the business could never fund independently.
- **Urban Renewal Appreciation:** Historically, private property values in urban renewal zones see an immediate spike upon the completion of major pedestrian-friendly infrastructure, protecting the investor's principal through market-wide appreciation.

3. The Multi-Phase Vision

Phase 1: The Patio & Exterior Overhaul

Redesigning the outdoor space to capitalize on the new First Street pedestrian-friendly upgrades. This phase focuses on expanding seating capacity and creating a visual "anchor" for the downtown corridor.

Phase 1.2: Baldwin Spirits (Micro-Distillation)

The introduction of a small-run distillation facility at the back end of the lot.

- **Product:** "Baldwin Spirits"—a premium, small-batch label produced on-site.

- **Revenue:** High-margin retail bottle sales and exclusive on-site cocktail programs.

Phase 1.3: The Revision Interior

A complete atmospheric overhaul using the Ablaze Atmospherics philosophy:

- **Aesthetic:** Dark-stained wood, backlit original brick, and live-edge accents.
- **Sensory Engineering:** Advanced acoustic treatments and warm-tone lighting to transform the space into a premium, all-day lounge and evening destination.

4. Value Proposition & ROI

- **Asset Appreciation:** Historically significant buildings in "Urban Renewal Zones" typically see a 20–30% value increase following major streetscape improvements.
- **New Revenue Stream:** The micro-distillery transforms the business from a traditional restaurant into a production facility with wholesale and retail potential.
- **Turnkey Efficiency:** With the lower-level commercial kitchen already in place, capital is diverted away from "back-of-house" infrastructure and directly into "front-of-house" revenue-driving atmospherics.

PROJECT CAPITALIZATION & INVESTMENT TARGETS

Phase	Investment Target	Primary Strategic Milestones
Phase 1	\$1,100,000	Property Acquisition (\$700k), Distillery Build-out, Patio Enclosure, renovations and Brand Launch.
Phase 2	\$400,000	Strategic Scaling: Fine Dining Integration or Distillery Production Expansion.
Total Basis	\$1,500,000	Total Project Capitalization for the physical and brand transformation.

SALOON RENOVATION & DEVELOPMENT COSTS

Category	Investment	Strategic Purpose
Patio Enclosure & Remodel	\$50,000-\$90,000	Converting seasonal space into 900 sq. ft. of year-round, atmospheric lounge capacity.
Micro-Distillery Facility	\$200,000	Build-out and specialized equipment for "Baldwin Spirits" small-run production.

Category	Investment	Strategic Purpose
Basic Interior Upgrades	\$50,000	Cosmetic and atmospheric refinements to the existing interior to align with the new brand aesthetic.
Business Development	\$50,000	Branding, digital documentation, and initial launch marketing for the Revision and Spirits labels.
Total Renovation CapEx	\$350,000- \$400,000	Total capital required for Phase 1 physical and brand transformation.

STRATEGIC COST ALLOCATION

- **Atmospheric ROI:** By allocating \$100,000 toward the patio and interior upgrades, we are specifically targeting "High-Vibe" high-margin areas. This ensures the customer-facing environment justifies the premium pricing of the \$200,000 distillery investment.
- **Infrastructure Efficiency:** The "Basic Upgrades" budget is kept lean because the building already features a turnkey commercial kitchen and a 150-year-old mahogany bar, allowing us to focus funds on new revenue-generating assets like the distillery.
- **Production vs. Hospitality:** The \$200,000 distillery investment is the core "Value Add." It shifts the business model from a standard restaurant to a production facility with the potential for retail bottle sales and wholesale distribution.

SALOON RENOVATION & LAUNCH: \$50,000

This budget ensures the historic 1876 space is aesthetically aligned with the "Ablaze" brand and operationally prepared for high-volume service.

Category	Investment	Detail & Strategic Purpose
Bathroom Infrastructure	\$21,000	Contractor-led split of 2 units into 4 stalls. Includes commercial partitions, 2 new toilets, plumbing tie-ins, and ADA-compliant hardware.
Back-Bar & Shelving	\$5,000	Custom Ablaze Backlit Shelving (Owner-built), glass sanitizer, and general repairs.
Furnishings & Exterior	\$8,000	Full interior set, 3 front picnic tables, and custom awnings for curb appeal.
Opening Inventory	\$8,000	\$3,000 initial liquor stock, 6 premium beer kegs, and full glassware suite.
Advertising & Launch	\$4,000	Targeted digital campaigns, local PR for the grand reopening, and brand collateral.

Category	Investment	Detail & Strategic Purpose
Electrical & Sound	\$3,000	High-fidelity sound system and dedicated street-facing electrical runs for AV.
Atmospheric Finishes	\$1,000	Warm-tone LED lighting fixtures and custom acoustic/light-control drapes.
TOTAL	\$50,000	

INVESTOR HIGHLIGHTS: THE ROI OF REFINEMENT

- Sanitary Infrastructure & Guest Velocity:** By doubling the restroom capacity through a contractor-led split of existing units, we remove the primary physical bottleneck of the historic building. This expansion directly supports our \$22,000 weekly gross target by ensuring the facility can handle high-volume crowds without service friction.
 - Market Penetration & Brand Momentum:** With a dedicated \$4,000 advertising budget, the launch moves beyond passive foot traffic. By aggressive targeting of the "revitalized corridor" demographic, we ensure the brand narrative is established before the first pour.
 - Inventory Liquidity & Day 1 Revenue:** Strategic allocation for initial stock (premium liquor and beer) positions the business to generate immediate cash flow. This turns the investment into active, liquid inventory from the moment the doors open.
 - Infrastructure Synergy:** Running dedicated electrical lines to the street-facing wall allows for modern, dynamic lighting and AV integration. This ensures the "Ablaze Glow" acts as a beacon, drawing in pedestrians from the city's \$6.92M streetscape revitalization.
 - Acoustic & Atmospheric Comfort:** By pairing custom drapes with a high-fidelity sound system, we eliminate the "Atmospheric Friction" common in historic masonry buildings. This curated environment encourages longer guest stays and higher per-head spend.
 - Value-Engineered Aesthetics:** The custom, owner-built backlit shelving serves as a flagship visual anchor. This provides high-end "Instagrammable" design value for only the cost of materials, creating a premium showroom for house-distilled spirits.
 - Curb Appeal & Asset Extension:** The combination of custom awnings and front-facing picnic tables allows the asset to physically "claim" the sidewalk. This maximizes the footprint of the venue and capitalizes on the increased outdoor activity in the new pedestrian-friendly district.
 - Precision Inventory Management:** By prioritizing the cloud-based POS system, we ensure "operational velocity" through real-time inventory tracking and profit optimization, ensuring every ounce of product is accounted for and sold at peak margin.
-

PHASED STRATEGIC ROADMAP: FROM REVITALIZATION TO DESTINATION

The Baldwin Saloon Revision is executed across a 12-month "Launch-to-Leap" calendar designed to build tension, refine the product, and ultimately dominate the regional market.

Year 1: The Build & Burn-In

- **Months 1–6: The Construction & IP Development Phase**
 - Complete all Phase 1 renovations (Ablaze lighting, sound, patio enclosure, distillery).
 - **R&D Lab:** Development of the core Baldwin Spirits™ portfolio and our proprietary NA (Non-Alcoholic) Spirits line, catering to the growing high-end sober-curious market. The NA spirits line will provide immediate revenue generation while alcohol licensing is pending.
- **Months 7–12: The Soft Launch & Business Development**
 - Doors open for "beta testing" the menu and cocktail program.
 - Focus on local loyalty, staff "muscle memory," and refining the kitchen's Operational Velocity.

Year 2: The Destination Launch

At the 12-month mark, we shift from a local favorite to a regional landmark.

- **The I-84 Intercept:** We secure two strategic billboard placements on I-84 (Eastbound and Westbound).
- **The Narrative:** We reposition the Baldwin from a "food stop" into a Historic Destination. The billboards serve as a siren call for travelers, highlighting the unique Distillery-meets-Historic-Saloon experience. With over 20,000 vehicles passing through The Dalles daily on I-84, our dual-billboard strategy converts a high-volume transit corridor into a predictable customer funnel.

THE OPERATIONAL BEAT: MAXIMIZING ASSET UTILIZATION

We maintain a high-frequency 6-day-a-week schedule (11 AM – 11 PM) designed to capture three distinct revenue "Dayparts":

Daypart	Focus	Strategic Goal
Mid-Day (11am–5pm)	Lunch & Casual Fare	Captures tourist foot traffic and the business lunch crowd.
Prime (5pm–9pm)	Chef-Curated Dinner	High-margin entrées and signature Baldwin Spirits™ pairings.
Late Night (9pm–11pm)	Late Night Menu	Keeps the kitchen "active" with high-margin, low-labor items.

Daypart	Focus	Strategic Goal
Sunday (Until 2pm)	Premier Brunch	Targets the high-spend weekend tourist and local family demographic.

THE "DRAW" SYSTEM: PROGRAMMING THE PATIO & SALOON

To ensure consistent \$22,000+ weekly gross revenue, the venue operates on a rotating "Event Engine" that eliminates "slow nights."

The Patio: High-Energy Entertainment

The remodeled, all-weather patio serves as the community's primary social hub with nightly "Draws":

- **Performance & Social:** Rotating schedule of Karaoke, DJ sets, Live Music, and Featured Concerts.
- **Competitive Socializing:** Billiards tournaments and Big-Screen sports broadcasts for major regional games.
- **Cinema Nights:** Movie screenings to drive mid-week traffic.

The Saloon: The Premium Experience

While the patio brings the energy, the Saloon provides the "Elevated Refinement":

- **Weekly Tasting Nights:** A dedicated evening pairing house-distilled Baldwin Spirits™ with a specific, limited-edition food menu.
- **Release Events:** "Big Launch" parties for new spirits releases, creating a "collector culture" around our bottled goods.
- **Weekly Specials:** A rotating chef's menu that ensures "regulars" always have a new reason to return.

WHY THIS WORKS

- **Captive Audience:** The I-84 billboards turn a massive, existing traffic flow into a predictable customer pipeline.
- **Multiple Revenue Streams:** We aren't just selling food; we are selling tickets to events, bottled spirits, and a "destination" experience.
- **Maximum Occupancy:** By programming every night with a specific "Draw," we flatten the typical restaurant "valleys" (slow Mondays/Tuesdays) and ensure the building is constantly working for us.

To round out the Phase 1 investment pitch, it is vital to account for the Development & Project Management fee. This \$50,000 allocation covers the professional oversight and

specialized design expertise required to execute a project of this complexity over a 6-month timeline. As the lead designers and project managers, we act as the bridge between the investment capital and the physical transformation of the asset.

DEVELOPMENT & DESIGN OVERSIGHT: \$50,000 (6-Month Project Duration)

This fee ensures that every dollar of the renovation budget is spent efficiently and that the final product adheres to the Ablaze Atmospheric standards of quality.

THE ABLAZE ATMOSPHERICS OPERATING SYSTEM

Beyond Design: Engineering Operational Excellence

The \$50,000 Development & Design fee is not merely for aesthetic guidance; it provides a comprehensive "Atmospheric OS" that ensures the Baldwin Saloon Revision functions as a premium, high-efficiency brand from day one.

- **Atmospheric Engineering:** We provide precise lighting plots and acoustic mapping to ensure the space maintains the signature "Ablaze Glow"—reducing guest agitation and significantly increasing dwell time and spend-per-head.
- **Digital Recipe Documentation & Cocktail Design:** We curate the signature cocktail program for the Baldwin Spirits launch, documented via a cloud-based, proprietary "Spirits Manual." This ensures every drink is a masterpiece of consistency, regardless of staff turnover.
- **Full-Stack Digital Presence:** We design, develop, and launch the digital homes for both the Baldwin Saloon and Baldwin Spirits. This includes e-commerce readiness for bottle sales, reservation integration, and investor-facing project updates.
- **Talent Acquisition & Sensory Alignment:** While construction is underway, we oversee the hiring and training of bar and floor staff. We educate them on the "Revision" story and the technical nuances of the distillation process, turning employees into brand ambassadors who drive retail bottle sales.
- **Omnichannel Advertising Oversight:** We design and manage the initial advertising rollout, ensuring the visual language used in social media, local PR, and print matches the physical premium experience of the Saloon.
- **Visual Identity & Packaging:** We oversee the design and production of all brand collateral to ensure the bottled spirits command a premium shelf price.
- **Asset Lifecycle Management:** We source and negotiate all commercial vendor contracts for the stills, AV, and custom furniture, leveraging our industry relationships to stay within the Phase 1 budget.
- **Built On Divided Management:** Partner A: Sensory Architecture & Liquid Production (The "Craft"). Partner B: Operational Systems & Brand Growth (The "Commerce").

Service & Responsibility Matrix

Responsibility	Service Detail
Project Management	Overseeing all contractors, ensuring the 6-month construction timeline is met, and managing the \$350,000–\$400,000 CapEx budget.
Digital Ecosystem	Development of two distinct websites (Saloon & Spirits) with SEO optimization and mobile-first UX for local tourist traffic.
Personnel & Training	Sourcing hospitality talent, conducting "The Ablaze Standard" training sessions, and developing the Spirits Manual.
Atmospheric Design	Creating the specific visual language for the Saloon and Patio—including lighting plots, material selection (woods, tiles, drapes), and acoustic mapping.
Distillery Integration	Coordinating the technical requirements for the Baldwin Spirits facility, including TTB compliance, ventilation, and production workflow design.
Advertising Design	Creation of all digital/print ad creative, media buying oversight, and managing the \$4,000 launch budget.
Vendor Procurement	Sourcing specialized equipment (stills, AV, custom furniture) and negotiating commercial contracts to stay within the \$50k-per-category budget limits.

WHY THIS IS NECESSARY FOR THE INVESTOR

- **Mitigating "Owner Friction":** Construction in historic buildings is notoriously prone to delays. Our oversight ensures the project remains lean and moves toward revenue generation as quickly as possible.
 - **Bridging the Gap:** By handling hiring and training while construction occurs, we eliminate the "dead month" usually seen after a build-out, allowing for a high-performance team to be ready the hour the certificate of occupancy is issued.
 - **Preserving Brand Integrity:** Without dedicated design oversight, a renovation can become "disjointed." We ensure the Baldwin Spirits brand and the physical space feel like a single, premium ecosystem.
 - **Regulatory & Technical Navigation:** Managing historical preservation, city streetscape improvements, and federal distillation licensing requires specialized attention that goes beyond standard general contracting.
 - **Value-Engineering:** By doing the design, web development, and marketing in-house, we eliminate the need for expensive third-party agencies, allowing more capital to be spent on high-impact physical assets.
-



PHASE 1: THE PATIO ENCLOSURE (COST ANALYSIS)

Total Budget Range: \$50,000 – \$90,000

This phase focuses on maximizing "vibe" and usable square footage while minimizing subsurface infrastructure costs.

Category	Investment	Strategic Approach
Enclosure & Roofing	\$35,000 – \$55,000	Utilizing a timber-frame system to build the two new walls and a vaulted roof with skylights, as seen in the "After" photo.
Atmospheric Finishes	\$10,000 – \$20,000	Reclaimed wood paneling, dark-stained surfaces, and the custom bar build-out.
Sensory Engineering	\$5,000 – \$10,000	Warm-tone Edison lighting, a modest PA for the stage, and flat-screen displays.
Permits & Logistics	\$2,000 – \$5,000	Targeted commercial structural permits for a lightweight enclosure.

Investor Note on Flexibility: While our target for the patio enclosure is \$50,000, we have identified a high-end "Revision Max" path at \$90,000. This secondary tier would include integrated HVAC and heavier masonry to match the historic saloon exterior. For this initial \$350k raise, we are prioritizing the \$50k Light-Touch Enclosure to maximize capital efficiency and move more funds toward distillery production.

INVESTOR HIGHLIGHTS: THE REVISION ADVANTAGE

1. **Strategic "Light-Touch" Construction:** By forgoing new plumbing and heavy climate control, we keep the project within a highly attractive capital expenditure (CapEx) bracket. This allows the business to remain operational with minimal downtime during the build.

2. **Aesthetic-Driven Valuation:** Investors are looking for "Atmospheric Equity." The use of Ablaze Atmospheric principles—specifically the backlit wood and warm lighting—transforms the patio from a low-value "outdoor deck" into a premium "private lounge". This aesthetic shift allows for a higher price point on the "Baldwin Spirits" menu.
3. **Scalable Blueprint:** This \$90k investment serves as the "Proof of Concept" for the larger Baldwin Saloon Revision. It establishes the visual brand language that will eventually carry through to the micro-distillery and the main interior.

VALUE ADDED: PHASE 1 PATIO ENCLOSURE

The enclosure of the 900 sq ft patio is a strategic "value-multiplier" for the Baldwin Saloon property. By transitioning from a seasonal outdoor deck to a permanent, atmospheric lounge, we realize gains across three primary categories: revenue capacity, asset valuation, and brand positioning.

1. Inventory & Revenue Expansion

- **Year-Round Monetization:** Enclosing the space transforms 900 sq ft of "weather-dependent" area into 365-day usable inventory, effectively increasing the Saloon's consistent seating capacity by approx. 33%.
- **High-Margin Programming:** The addition of a modest stage and high-end AV allows for "Atmospheric Events"—exclusive acoustic sets, podcast tapings, and spirit release parties—that command cover charges or premium ticket pricing.
- **Dwell Time Optimization:** Utilizing Ablaze Atmospheric principles (warm-tone lighting, acoustic dampening, and comfortable seating) directly reduces "Atmospheric Friction," encouraging guests to stay longer and increase their average check size.

2. Real Estate & Asset Appreciation

- **Square Footage Valuation:** In the current market, "finished" commercial square footage is valued significantly higher than "unfinished" outdoor space. This conversion provides an immediate lift to the \$700,000 baseline property value.
- **Streetscape Synergy:** The enclosure coincides with the city's \$6.92M First Street Reconstruction, positioning the Saloon as the premier "anchor" of the newly pedestrian-friendly corridor.
- **CapEx Efficiency:** By utilizing a "light-touch" timber frame enclosure and avoiding new plumbing, we achieve a premium look while maintaining a lean investment-to-value ratio.

3. Brand Equity: The "Revision" Aesthetic

- **Visual Anchor:** The transformation from the "before" (weathered, painted red wood) to the "After" (warm, dark-stained wood and skylights) establishes a high-end visual language that justifies a premium price point for the upcoming Baldwin Spirits line.

- **Market Differentiation:** This space offers a unique "Industrial-Rustic" aesthetic that currently does not exist in The Dalles, attracting a demographic seeking sophisticated, low-stimulation, high-comfort environments.

Summary of Estimated Value Impact

Metric	Impact Detail
Usable Capacity	+33% increase in year-round revenue-generating floor space.
Property Value	Projected \$100k–\$150k lift upon completion of enclosure and city streetscape.
Revenue Potential	Estimated 15–20% increase in monthly gross receipts through event hosting and extended dwell time.



BALDWIN SPIRITS™: DISTILLERY COST ESTIMATE

Total Production CapEx: \$200,000

Category	Investment	Strategic Purpose
Distillation Equipment	\$20,000	Acquisition of high-yield pot and reflux stills, including a 100-Gallon multifunctional commercial unit.

Category	Investment	Strategic Purpose
Facility Build-Out	\$120,000	Construction of the 1,000 sq. ft. modern industrial shell, including high-visibility viewing windows and garage access.
Infrastructure & Compliance	\$40,000	Specialized floor drainage, ventilation, and meeting local/federal TTB safety requirements for spirits production.
Storage & Barreling	\$20,000	Initial inventory of aging barrels, racking systems, and stainless steel fermentation tanks.

THE STRATEGIC EDGE: PRODUCTION EFFICIENCY

- **Multi-Functional Still Technology:** By utilizing an 8-inch reflux column still, the facility can produce a wide range of spirits—including vodka, gin, and whiskey—using a single, UL-certified commercial footprint.
- **High-Visibility "Showroom" Design:** The new facility exterior is designed with large glass apertures, turning the production process into a visual attraction for the Saloon’s guests, which directly supports on-site bottle sales.
- **Lean Operational Footprint:** The 1,000 sq. ft. interior is optimized for workflow, with dedicated zones for distillation, barrel aging, and bottling, ensuring maximum output per square foot.

DISTILLERY STARTUP & WORKING CAPITAL: \$25,000

Note: This is separate from the \$200k build-out cost and ensures the "Production Vault" is active on Day 1.

Category	Investment	Detail & Strategic Purpose
Raw Materials (The Wash)	\$10,000	Sourcing neutral grain spirit (NGS) and/or bulk wine for initial gin/vodka blending. Sourcing Bourbon.
Packaging Suite	\$7,500	First run of 1,000 custom glass bottles, natural corks, and shrink capsules plus additional stock.
Branding & Labeling	\$3,500	Professional printing of the labels and hand-numbering stamps.
Compliance & Lab Testing	\$3,000	TTB formula approvals, COLA (Label) filings, and precision ABV testing equipment.
Launch Marketing (Spirits)	\$1,000	Targeted "Bottle #1" release event and digital "distiller's log" social campaign.
TOTAL	\$25,000	

THE MANUFACTURING MULTIPLIER

- **Self-Funding Inventory Cycle:** This \$25,000 allocation is designed to fund the first 1,000-bottle run. Additionally, we'll be outsourcing our specific bourbon. At an average retail price of \$37.20, this initial batch generates \$37,200 in gross revenue, effectively recovering the startup capital, allowing for excess base stock, bottles and labels and funding subsequent production cycles through internal cash flow.
- **The NA "Zero-Lag" Revenue:** Because the packaging suite (glass, corks, and labels) is identical for our NA Spirits line, this capital allows us to begin the process of developing our line and brand as soon as the distillery is operational. We can bottle and sell our NA spirits within weeks of the facility opening, creating immediate cash flow during the TTB alcohol licensing window.
- **Tangible Asset Collateral:** Unlike standard hospitality overhead, this investment results in a liquid physical asset. 1,000 bottles on the shelf represent \$37,200 of inventory value that increases the tangible "Book Value" of the company from the moment of bottling.

VALUE ADDED: THE SPIRITS MULTIPLIER

- **Direct-to-Consumer Margins:** By producing spirits on-site, the Baldwin Saloon shifts from purchasing wholesale alcohol to capturing the full retail margin on every pour and bottle sold.
- **Asset Re-Industrialization:** The addition of a permanent production facility transforms the lot from a vacant space into an industrial-zoned asset with significant long-term valuation.
- **Brand Extension:** "Baldwin Spirits" becomes a portable brand, allowing the Saloon's reach to extend beyond its physical walls through future distribution.

VALUE ADDED: BALDWIN SPIRITS

The introduction of the Baldwin Spirits micro-distillery represents a fundamental shift from a traditional service model to a vertically integrated production model. This transformation provides a massive multiplier to the property's profitability and long-term asset value.

1. Vertical Integration & Margin Expansion

- **Cost Leadership:** By utilizing house-distilled spirits as the default base for all cocktail programs, the Saloon drastically reduces its "Cost of Goods Sold" (COGS) compared to purchasing wholesale brands.
- **Direct-to-Consumer (DTC) Sales:** We capture the full retail margin on every bottle sold through the on-site "showroom," bypassing the 25-35% cuts typical of third-party distributors.

- **Nonalcoholic (NA) Market Entry:** The facility will produce high-quality NA spirits, allowing for immediate revenue generation and brand building while traditional alcohol licensing is pending.
 - **Market Shift:** The global NA spirits market is seeing double-digit annual growth, driven by a consumer shift toward low-stimulation, high-flavor craft beverages.
 - **Revenue Acceleration:** Because NA production does not require federal TTB alcohol aging periods or the same intensive excise tax bonding, this vertical allows for immediate revenue generation and brand testing while traditional alcohol licensing is finalized.
 - **Margin Parity:** High-quality NA spirits command a similar retail price point (\$35–\$45) to traditional spirits but carry significantly lower production taxes, making them one of the most profitable segments of the Baldwin Spirits portfolio.
 - **Inclusivity & Dwell Time:** Providing a sophisticated, house-made NA cocktail menu ensures that the Saloon remains a destination for all guests, directly increasing total group size and average stay length.

2. Strategic Asset & Property Valuation

- **Industrial Utility:** Converting a vacant lot into an active, industrial-zoned production facility creates a "highest and best use" scenario for the land, significantly increasing the baseline valuation of the \$700,000 property.
- **The "Production Vault" Allure:** By situating the distillery on the lower lot, we create a sense of "behind-the-scenes" exclusivity. This "Production Vault" becomes a curated destination for guided cellar tours, "Straight-from-the-Still" VIP tastings, and educational experiences. This hidden-gem mystique encourages guests to move through the entire property, driving traffic from the main Saloon into the heart of the manufacturing process and increasing total time-on-site.

3. Brand Equity & Scalable Exit Strategy

- **Wholesale Potential:** While the Saloon serves as the primary "tasting room," the Baldwin Spirits brand is designed for eventual distribution to regional liquor stores, creating a secondary revenue stream independent of the physical location.
- **Acquisition Readiness:** Small-batch, authentic distilleries with established "vibe" and local heritage are prime targets for acquisition by larger spirits conglomerates looking to diversify their portfolios with craft brands.
- **The "Revision" Ecosystem:** Baldwin Spirits serves as the liquid heart of the "Ablaze Atmospherics" design philosophy—where the product, the lighting, and the acoustics all work together to create a singular, premium experience.

SUMMARY OF PROJECTED FINANCIAL IMPACT

Value Pillar	Economic Benefit & "The Math"
Alcohol COGS	9% Margin Swing: Replacing premium wholesale house pours (Avg. 21% COGS) with house-distilled stock (Avg. 12% COGS) adds an estimated \$115,000 annually to the net profit.
Retail Multiplier	337% avg ROI per Bottle: Weighted average production cost of ~\$8.50 sold at weighted avg retail of ~\$37.20 captures \$28.70 profit , bypassing distributors.
NA Revenue Acceleration	Zero-Lag Income: House-made NA spirits command a \$35–\$45 retail price with no federal excise tax burden, allowing for immediate high-margin sales during the initial 6-month launch.
Exit Valuation	Multi-Vertical Valuation: The business transitions from a 3–4x restaurant multiple to a Manufacturing & IP Multiple, targeting a high-multiple Strategic Brand Acquisition or Unified Asset exit.

BALDWIN SPIRITS: UNIT ECONOMICS & SALES MIX

To illustrate the financial impact of Baldwin Spirits, we utilize a Weighted Average ROI based on a tiered sales model that accounts for high-volume baseline spirits and premium "collector" items.

1. THE SALES MIX MODEL (Projected 4,000 Annual Units)

To find our true revenue, we calculate the "Average Bottle Price" based on likely demand:

Product	Retail Price	Sales Volume %	Est. Bottles	Annual Gross
Vodka / Flavored	\$26 - \$32	40%	1,600	\$46,400
Gin	\$35	25%	1,000	\$35,000
Whiskey (Outsourced)	\$40	20%	800	\$32,000
Liqueurs / Absinthe	\$50 - \$68	15%	600	\$35,400
TOTALS	\$37.20 (Avg)	100%	4,000	\$148,800

2. THE ROI PER UNIT

- **Average Retail Price:** \$37.20
- **Estimated COGS (Average):** \$8.50 (Includes raw materials for in-house, bulk whiskey purchase + bottling/labeling for outsourced, and federal excise tax).
- **Net Profit Per Bottle:** **\$28.70**
- **Annual Spirits Net Profit:** **\$114,800** (On 4,000 units sold DTC)

3. THE "MARGIN SWING" COCKTAIL ECONOMY

Integrating Baldwin Spirits into the house cocktail menu fundamentally changes the "Cost of Goods Sold" (COGS) for the bar program.

- **Wholesale Model (Current):** A standard 1.5 oz pour of a premium wholesale spirit typically carries a 20% profit margin after overhead.
- **Integrated Model (Revision):** Replacing wholesale stock with Baldwin Spirits increases the profit margin on a single cocktail to 70–80%.
- **Monthly Impact:** This shift, combined with retail sales, is projected to generate an estimated \$14,500 in additional monthly profit.

4. SCALABILITY & PRODUCTION CEILING

The 1,000 sq. ft. facility is designed for high-efficiency output that far exceeds the initial batch runs.

- **Annual Capacity:** The facility is estimated to handle a total annual production of 18,500 bottles.
- **Revenue Ceiling:** At full capacity, the distillery creates a maximum gross retail revenue potential of over \$688,000.
- **Strategic Numbering:** By hand-numbering each bottle (e.g., "Bottle 1 of 500"), we increase the "collectible" value of the brand, which supports a higher price floor and faster turnover.

REALISTIC PRODUCTION MODEL

While the 1,000 sq. ft. facility has a high technical ceiling, our strategy prioritizes brand exclusivity and operational sustainability over mass-market volume.

- **Small-Batch Focus:** Our primary production model revolves around "Single-Run" releases—bottling and numbering exactly 500 units per batch.
- **Targeted Annual Volume:** Rather than pursuing the theoretical maximum of 18,500 bottles, we are targeting a controlled output of 3,000 to 5,000 bottles annually. This allows for approximately 6–10 curated releases per year, maintaining high demand and "collectible" status.
- **Realistic Revenue Targets:** At a sustainable output of 4,000 bottles per year (\$37.20 avg/bottle), the distillery generates \$148,800 in high-margin retail revenue, independent of the bar's cocktail program.
- **The "Excess Capacity" Advantage:** By building a facility capable of 18,500 bottles but only running it at 25% capacity, we ensure the equipment is never

strained and the business has built-in scalability for future regional distribution without further capital expenditure.

- **Strategic Numbering:** Every bottle will be hand-numbered (e.g., "Bottle 12 of 500"). This creates a "sense of place" and urgency for tourists and locals alike, supporting our pricing structure and ensuring fast inventory turnover.

INVESTOR ROI PERSPECTIVE

- **Payback Period:** At the projected \$14,500 monthly profit increase, the \$200,000 distillery investment reaches its "break-even" point in approximately 14 months of active production.
- **Asset Transformation:** This turns the Baldwin Saloon from a simple "buy-and-sell" hospitality business into a manufacturing asset with a significantly higher valuation multiple.

INVESTMENT SUMMARY: BALDWIN SALOON REVISION (PHASE 1)

This summary consolidates the total capital requirement and value-added impact for the initial transformation of the Baldwin Saloon into a premier micro-distillery and atmospheric lounge.

PHASE 1: TOTAL CAPITAL ALLOCATION

Category	Investment	Strategic Purpose
Micro-Distillery Facility	\$200,000	Ground-up construction of the 1,000 sq. ft. "Production Vault" shell and equipment.
Distillery Startup (Working Cap)	\$25,000	Initial raw materials, 1,000-bottle glass suite, labels, and TTB compliance.
Saloon Renovation & Face-lift	\$50,000	Interior branding, owner-built shelving, and \$21k contractor-led bathroom split.
Business Development & Branding	\$50,000	Digital ecosystem (2 websites), professional photography, and investor relations.
Project Oversight & Design Fee	\$50,000	Lead design, 6-month project management, and fabrication oversight.
TOTAL PHASE 1 RAISE	\$375,000	Total capital required for physical and brand transformation.

1. CAPITAL ALLOCATION

The Phase 1 budget is a strategic \$1.1M investment, designed to maximize revenue-generating square footage and production capabilities.

- **Property Acquisition (\$700,000):** 205 Court St.

- **Micro-Distillery Facility (\$200,000):** Construction of a 1,000 sq. ft. modern industrial production shell and the acquisition of commercial-grade pot and reflux stills.
- **Patio Enclosure & Remodel (\$50,000 – \$90,000):** Converting the existing 900 sq. ft. open patio into a year-round atmospheric lounge.
 - **Base Target (\$50k):** A "Light-Touch" timber-frame enclosure with a stage and skylights.
 - **Revision Max (\$90k):** High-end expansion including integrated HVAC, heavier masonry to match the historic exterior, and premium acoustic glass.
- **Saloon Interior & Brand (\$60,000 – \$100,000):** Atmospheric refinements to the historic interior (including backlit shelving and electrical runs) and comprehensive business development for the "Baldwin Spirits" label.

2. KEY VALUE MULTIPLIERS

The investment is designed to trigger immediate asset appreciation and diversify revenue streams.

- **Inventory Expansion:** Enclosing the patio increases year-round seating capacity by approx. 33%, transitioning weather-dependent space into permanent revenue-generating floor area.
- **Margin Optimization:** House-distilling "Baldwin Spirits" replaces high-cost wholesale spirits with vertically integrated stock, capturing the full retail margin on every bottle and cocktail sold.
- **Asset Lift:** High-end commercial renovations, paired with the City of The Dalles' \$6.92M streetscape revitalization, are projected to increase the property's baseline \$700,000 valuation by \$100,000–\$225,000 upon completion.

3. STRATEGIC POSITIONING

- **The Production Vault Experience:** While the distillery facility is located on the lower lot to ensure a lean industrial footprint, it functions as the "Exclusive Engine" of the brand. This separation creates a sense of discovery and "Speakeasy" mystique that we leverage through guided VIP cellar tours and "Straight-from-the-Still" tasting events.
- **Vertical Integration & Brand Aura:** By keeping the production "underground" or tucked away, we reinforce the small-batch, authentic nature of Baldwin Spirits. The physical disconnect from the main bar allows us to market the spirits as a hidden local treasure, driving destination tourism for guests seeking an "insider" craft experience.
- **Atmospheric Equity:** Utilizing the Ablaze Atmospherics philosophy within the Saloon and Patio reduces "Atmospheric Friction." By creating a high-comfort, low-stimulation environment, we increase guest dwell time, allowing staff more

opportunity to tell the story of the "hidden distillery" and drive on-site retail bottle sales.

SUMMARY OF INVESTMENT TARGETS

Metric	Target Impact
Total Phase 1 Investment	\$1,100,000
New Production Capacity	1,000 sq. ft. Small-batch "Production Vault"
New Lounge Capacity	900 sq. ft. Year-round enclosed atmospheric lounge
Primary Revenue Streams	Hospitality, Retail/NA Spirits, and Special Events



PHASE 2: STRATEGIC EXPANSION & OPTIONALITY

Phase 2 represents a "Data-Driven Expansion" slated for Year 2. While the initial vision includes a 1,000 sq. ft. fine dining addition to capitalize on the existing kitchen infrastructure, the development of this secondary lot is built on a principle of Strategic Optionality. The success of Year 1 operations will dictate the highest and best use of this footprint:

- **Scenario A: The Fine Dining Scaler:** If the Saloon and Patio reach peak occupancy and "dwell time" targets, we will proceed with the Fine Dining addition to capture the high-check-average (\$110+) "Premium Occasion" market.
- **Scenario B: The Distillery Acceleration:** Should Baldwin Spirits™ demonstrate rapid market penetration and wholesale demand, we reserve the right to pivot the Phase 2 footprint into an Expanded Production & Barreling Facility. This would allow us to move toward our maximum technical ceiling of 18,500 bottles annually, prioritizing high-margin manufacturing over traditional hospitality.

Strategic Benefit to the Investor: By maintaining this flexible development path, we ensure that Phase 2 capital is never deployed prematurely. We will utilize the first 12 months of "Burn-In" data to determine which vertical—Hospitality or Manufacturing—offers the most aggressive path toward the Strategic Exit.

PHASE 2: FINE DINING / EXPANSION COST ESTIMATE

Target Budget: \$350,000 – \$400,000

Category	Investment	Strategic Purpose
Structure & Shell	\$180,000	Ground-up construction of a 1,000 sq. ft. modern timber-frame facility.
Ablaze Custom Interiors	\$45,000	Materials for Owner-Built backlit panels, live-edge tables, and luxury seating. (-\$20k shifted to utilities).
Plumbing & Restrooms	\$25,000	New sewer/water tie-ins and construction of two high-end, single-use ADA restrooms.
Electrical & Lighting	\$35,000	Specialized "Ablaze Glow" hardware and dimmable lighting infrastructure.
Kitchen Integration	\$20,000	Structural pass-throughs to the existing kitchen and final utility synchronization.
Acoustics & Sound	\$10,000	Strategic dampening materials and a high-fidelity dining soundscape.
Design & Oversight	\$35,000	Lead Designer project management and atmospheric engineering.
TOTAL	\$350,000	

Ablaze Value Engineering: The Strategic Management ADVANTAGE & "SWEAT EQUITY" DISCOUNT Beyond aesthetic design, the Ablaze Atmospherics team provides a comprehensive operating system that ensures the Baldwin Saloon Revision functions as a premium, high-efficiency brand from day one. By executing leadership, design, and fabrication internally, we provide a massive "Sweat Equity Discount" to the project. Executive salaries and development fees have been modeled at strict market-rate replacement costs; the business would incur these identical, if not significantly higher, expenses if third-party management, general contractors, and production leads were hired.

- Capitalized Developer & Project Management Fee:** The project oversight and design fees act as standard commercial real estate Developer Fees. This serves as the management team’s compensation during the zero-revenue construction phases, guaranteeing dedicated, full-time oversight to navigate historic district complexities, manage licensed subcontractors, and keep the ground-up build on a strict 6-month timeline.

- **The Operator Advantage (Operations Director):** Having actively managed the Baldwin Saloon for 1.5 years, our Operations Director brings invaluable institutional knowledge of the building's physical quirks, established vendor relationships, and the local customer base. This completely eliminates the operational "learning curve" that sinks most new hospitality ventures. You are not funding guesswork; you are funding an operator who already knows exactly how the building breathes.
 - **The Maker's Multiplier (Master Distiller):** Rather than hiring a dedicated production lead alongside expensive third-party marketing and branding agencies, our Master Distiller wears multiple critical hats. A single professional salary covers technical distillation, recipe R&D, brand development, digital media management, and bottling—effectively cutting typical corporate manufacturing overhead in half.
 - **Direct Artistic Fabrication:** The Atmospheric Design budget is optimized through in-house fabrication of specialized elements. While third-party contractors handle structural work, the Ablaze team personally builds the custom wood panels, sources and finishes live-edge furniture, and engineers the proprietary lighting and acoustic systems. This eliminates the 300% markup of luxury showrooms and ensures capital goes directly into premium hardware rather than third-party design billables.
 - **The "Maker" Moat:** Our hands-on involvement creates an "un-copyable" environment. By managing the core construction while self-performing the artistic finishes, we build a "Maker's Moat" around the asset—ensuring the custom furniture and sensory atmosphere are unique to the property, further insulating the brand's premium market position and increasing its long-term leasable value.
-

VALUE ADDED: THE FINE DINING MULTIPLIER

- **Infrastructure Arbitrage (\$250,000 Savings):** By utilizing the existing lower-level commercial kitchen, we bypass the single largest expense in restaurant development. This saves an estimated \$250,000 in redundant plumbing, venting, grease traps, and heavy appliance costs, allowing 100% of the Phase 2 capital to be spent on high-impact, revenue-driving guest areas.
 - **Check Average Escalation (45% Increase):** The fine dining environment allows for a "Premium Occasion" pricing structure. While the Saloon handles high-volume casual traffic, this facility targets a \$110+ per-person average check (compared to the \$40–\$60 Saloon average), significantly increasing the total revenue yield per square foot.
 - **Inventory Maximization:** Fine dining is the ultimate "Showroom" for high-margin Baldwin Spirits pairings. This "Feedback Loop" turns diners into retail bottle customers, leveraging the hospitality floor to drive manufacturing profit.
-

FORCED EQUITY & TARGET VALUATION MODELS

The Baldwin Saloon Revision is designed as a "Dual-Asset" investment. We are building value into the physical real estate (The Saloon) and the portable brand (The Spirits). This structure provides a "Safety Floor" and a "Growth Ceiling".

The Capital Basis

- **Property Acquisition (2025 Value):** \$700,000
- **Phase 1 & 2 Renovation CapEx:** \$750,000 – \$800,000
- **Total Project Basis:** ~\$1.5M

Exit Scenarios & Valuation Ranges

Investors should evaluate this project based on three distinct exit horizons. As we move from "Real Estate" to "Brand Acquisition," the multiplier on our stabilized NOI increases significantly.

Exit Strategy	Valuation Basis	Projected Value	Investor Outcome
Real Estate Exit	Replacement cost of a 4,700 sq. ft. historic, high-finish commercial asset in a \$7M revitalized corridor.	Data-Driven Multiple	Protects the principal capital even in a low-growth scenario.
Stabilized Operation	Standard hospitality multiple for a regional destination restaurant and patio.	Data-Driven Multiple	A traditional "lifestyle" exit for a high-performing regional asset.
Strategic Brand Acquisition	Strategic multiple for a vertically integrated craft spirits brand with verified PNW heritage and portable IP.	Data-Driven Multiple	The target exit through acquisition by a global spirits portfolio.

5. EXIT STRATEGY & LIQUIDITY EVENTS

The Three-Tiered Path to Capital Recapture

The Baldwin Saloon Revision is engineered for a 3-to-5-year liquidity horizon. We provide investors with three distinct pathways to exit, depending on market conditions and the velocity of the Baldwin Spirits brand expansion.

Tier 1: Strategic Brand Acquisition (The "High-Multiple" Exit)

- **Target Buyer:** Global beverage conglomerates (e.g., Diageo, Pernod Ricard, Constellation Brands) or mid-tier private equity groups seeking "authentic heritage" craft brands.
- **The Trigger:** Achieving a stabilized production of 4,000–5,000 bottles annually with verified regional pull and high "Direct-to-Consumer" margins.
- **The Structure:** A "Brand Spin-off" where the buyer acquires the Baldwin Spirits IP, the distilling equipment, and the distribution contracts. The real estate can either be included in the sale or retained as a "Flagship Tasting Room" with a long-term lease.

Tier 2: The Unified Asset Sale

- **Target Buyer:** Regional beverage groups or private equity firms looking for a consolidated portfolio of land, brand, and operations.
- **The Trigger:** Completion of Phase 2 scaling and 24 months of stabilized Net Operating Income (NOI).
- **The Structure:** Selling the "World of Baldwin" as one piece—the historic real estate, the manufacturing license, and the established cash flow—maximizes value by offering a turnkey, vertically integrated business, commanding a higher enterprise value multiple.

Tier 3: Structured Buy-Back or Refinance

- **Target Buyer:** The internal management team (Ablaze Atmospherics).
- **The Trigger:** Significant appreciation in property value following the completion of the city's \$6.92M streetscape revitalization.
- **The Structure:** Once the asset value has increased (e.g., from the \$1.5M basis to a \$4M+ valuation), the business secures a traditional commercial bank loan to buy out the initial equity investors at a pre-negotiated "Preferred Return" or "Equity Multiple".

Investor Safeguard: The "Waterfall" Priority

To ensure investor confidence, the exit proceeds will follow a Capital Waterfall structure:

- **Return of Principal:** 100% of initial investment is paid back first.
 - **Preferred Return:** A pre-defined percentage (e.g., 8–10% cumulative) is paid on that capital.
 - **Profit Split:** Remaining upside is split according to the equity percentage.
-

INVESTMENT CONCLUSION: TOTAL PROJECT ROI

This summary evaluates the return on investment for the "Revision" strategy, utilizing a value-engineered, small-batch operational model to maximize capital efficiency.

PHASE 1: THE RE-INDUSTRIALIZATION FOUNDATION

Total Investment Target: \$1.1M

This phase transforms a traditional hospitality asset into a vertically integrated manufacturing and destination lounge ecosystem.

- **Asset Value Lift & Equity Capture:** By converting the vacant lot into a permanent "Production Vault" and enclosing the 900 sq. ft. patio, we trigger an immediate re-classification of the property. Following the city's \$6.92M streetscape revitalization, the \$700,000 baseline property is projected to see an immediate valuation lift of \$150,000–\$250,000 upon completion of Phase 1.
- **Targeted Production Revenue:** Based on a conservative output of 4,000 bottles annually, the Baldwin Spirits line generates \$148,800 in gross retail revenue using our weighted sales mix.
- **Integrated Cocktail Savings:** Replacing premium wholesale spirits with house-made stock increases cocktail profit margins from an industry average of 20% to nearly 80%.
- **Realistic Payback Period:** With a projected \$14,500 monthly profit increase from combined retail sales and the integrated bar program, the "Break-Even" point for the Phase 1 capital is estimated at 14–18 months.

PHASE 2: THE PREMIUM REVENUE SCALER

Total Investment Target: \$350,000 – \$400,000

Phase 2 leverages the established brand and existing kitchen infrastructure to capture high-margin "Premium Occasion" dining revenue.

- **Infrastructure Arbitrage (\$250,000 Savings):** By utilizing the existing lower-level commercial kitchen, we bypass the single largest expense in restaurant development, allowing 100% of the Phase 2 capital to be spent on high-impact, revenue-driving guest areas.
- **Forced Equity Creation:** Adding 1,000 sq. ft. of climate-controlled, high-finish interior space creates a massive shift in the total asset's market value.
 - **Total Project Basis:** ~\$1.5M (Acquisition + All Renovation Phases).
 - **Projected Stabilized Valuation:** Based on projected Net Operating Income (NOI), the total enterprise is targeted for a strategic acquisition value dictated by market performance rather than premature speculation.

TOTAL PROJECTED IMPACT

Phase	Strategic Goal	Key ROI Driver
Phase 1	Industrialize	Capturing \$28.70 avg profit per bottle and year-round patio volume.
Phase 2	Premiumize	Utilizing existing kitchen assets for high-check-average fine dining.
Combined	Dominate	Establishing a singular destination for production, history, and atmosphere.

FINANCIAL PERFORMANCE & VALUATION TARGETS

MILESTONE 1: PHASE 1 STABILIZATION (INDUSTRIALIZATION)

Focus: Launching "Baldwin Spirits" and Enclosing the Year-Round Patio.

Revenue Stream	Annual Target	Rationale
Baldwin Spirits (Retail)	\$148,800	4,000 bottles @ \$37.20 weighted avg.
Hospitality (Saloon + Patio)	\$1,150,000	\$22,000 avg. weekly gross; 33% capacity increase.
Total Gross Revenue	\$1,298,800	Base hospitality + new manufacturing vertical.

- **Net Operating Income (NOI):** Projected at \$389,640 (assuming a standard 30% margin).
- **The Phase 1 Multiplier:** By house-distilling our base spirits, we reduce bar COGS from 21% to 12%, adding an immediate efficiency lift to the Saloon's bottom line.
- **Asset Valuation:** At an 8% Cap Rate, the property is valued at \$4.8M upon the completion of Phase 1.

MILESTONE 2: PHASE 2 SCALING (DATA-DRIVEN EXPANSION)

Focus: Deployment of the \$400,000 capital reserve based on Year 1 performance metrics.

Expansion Pathway	Target Impact	Rationale
Scenario A: Fine Dining	Check Average Escalation	Triggered if Saloon reaches capacity; captures the \$110+ premium dining market.

Expansion Pathway	Target Impact	Rationale
Scenario B: Distillery	Production Ceiling Increase	Triggered by high wholesale demand; pushes output toward the 18,500-bottle technical limit.
Total Phase 2 Value	Market-Dictated	Avoids premature speculation by scaling the exact vertical with the highest proven ROI.

- **Infrastructure Synergy:** Regardless of the path chosen, Phase 2 utilizes the existing Phase 1 infrastructure (kitchen utilities or baseline distillation licenses), drastically lowering the incremental cost of expansion and protecting the profit margin.
- **Final Asset Valuation:** To be determined by the stabilized NOI of the combined Phase 1 and Phase 2 operations, targeting a high-multiple Strategic Brand Acquisition or Unified Asset exit.

SUMMARY FOR THE INVESTOR

- **Cumulative Investment:** \$750,000 total capital required for both phases (renovations).
- **Total Equity Lift:** We are transforming an asset with a \$1.5M cost basis (\$700k acquisition + \$800k total renovations) into a stabilized flagship valued at market-dictated multiples.
- **Yield on Cost:** The stabilized NOI represents an exceptional return on the capital deployed for the physical and brand transformation.

5. FUTURE EXIT & SCALABILITY

The Path to Liquidity and Brand Expansion

The Baldwin Saloon Revision is built on a "Dual-Asset" model: a high-value physical landmark and a scalable spirits brand. This structure provides multiple exit pathways for investors.

A. Portable Brand Acquisition

- **The "Craft Moat":** "Baldwin Spirits" is designed to capture the authentic, small-batch heritage of the Pacific Northwest.
- **Scalable Production:** The 1,000 sq. ft. facility has a production ceiling of 18,500 bottles annually, creating a revenue potential that far exceeds the physical footprint of the Saloon.
- **Acquisition Target:** The ultimate exit involves a spin-off or acquisition of the Baldwin Spirits label by a global spirits conglomerate looking to add a "verified craft" brand with an established 150-year-old home base to their portfolio.

B. Real Estate & Operational Yield

- **Stabilized Asset:** Once Phase 2 is complete, the property transitions from a development project into a stabilized, high-yield hospitality complex.
- **Institutional Value:** As the City of The Dalles continues its \$7M corridor revitalization, the property becomes an attractive target for institutional real estate investors seeking assets with long-term, inflation-protected yields.
- **Strategic Re-Sale:** The total "Revision" ecosystem (Saloon + Patio + Distillery + Fine Dining) can be sold as a turnkey regional destination, commanding a valuation multiple based on combined production and hospitality earnings.

C. Scalability of the "Ablaze" Model

- **Blueprint for Expansion:** The success of the Baldwin project serves as a "Proof of Concept" for future Ablaze Atmospherics developments in other historic "Urban Renewal" zones.
- **Franchisable Systems:** The digital recipe documentation and atmospheric operating systems we've developed allow the operational model to be exported to future locations with minimal friction.

6. EQUITY STRUCTURE & THE "MAKER" PARTNERSHIP

A. The Strategic Equity Split

The partnership is divided into Capital Investment and Proprietary Innovation.

- **Target Equity Split:** 60% Investor / 40% Investee.
- **The Investee (Brand Architect):** This stake recognizes the creation of the Baldwin Spirits IP. The Investee is responsible for the R&D of all spirit profiles (Alcohol and NA), the proprietary "Single-Run" distillation methods and the physical manufacturing of the brand.
- **The Investor (Growth Partner):** This stake recognizes the essential capital required to build the "Production Vault" and scale the hospitality footprint to a flagship level.

B. Investee Roles: Manufacturing & Brand Execution

Unlike a standard hospitality manager, the Investee operates as the Chief Production Officer. This role is built into the business as a critical operational expense:

- **Master Distiller & Blender:** Responsible for the entire lifecycle of the product—from sourcing raw materials to fermentation, distillation, and barrel aging.
- **Brand & Packaging Lead:** Execution of the physical brand, including hand-labeling and numbering each bottle, ensuring the "collectible" status of every run.
- **Recipe Documentation (IP Creation):** The Investee is responsible for creating and digitizing the "Ablaze Spirits Manual." This proprietary documentation is the key asset that a global conglomerate (like Diageo) will eventually purchase.

Section C: Investee Compensation

C. Executive Leadership: Professional Fees & Wages

Because the Ablaze Atmospheric team is performing four distinct high-level roles (Design/Project Management, Master Distillation, Business Operations, and Brand Strategy), the compensation is structured to ensure long-term operational stability:

- **Development & Fabrication Fee (\$50k per phase):** Covers the physical build-out of the "Production Vault" and the Saloon renovation. This fee captures the team's specialized labor in building custom backlit shelving, live-edge furniture, and sensory installations—creating a "Value-Engineered" build-out that would otherwise cost \$150k+ in third-party contracting.
- **Master Distiller & Production Lead (\$75,000 – \$90,000):** A professional wage for the technical manufacturing, still-room management, and quality control of the Baldwin Spirits™ portfolio. This ensures the person responsible for the brand's liquid assets is fairly compensated for the daily technical labor of production.
- **Operations & Brand Director (\$65,000 – \$75,000):** A professional wage for the management of the business "Brain." This role covers accounting, TTB/regulatory compliance, HR, digital infrastructure (websites/SEO), and brand oversight. This ensures the administrative and strategic engine of the business is fully resourced from Day 1.

D. The Investor Payout: The "Risk-Adjusted Waterfall"

Stage	Payout Logic	Priority
1. The Preferred Return	8% Annualized Yield	Paid to Investor first.
2. Capital Recovery	100% of Net Cash Flow	Paid to Investor until their full principal is returned.
3. Stabilized Split	60% / 40% Split	Ongoing monthly profits shared between Investor and Investee.
4. Strategic Exit	60% / 40% of Final Sale	Realization of the Strategic Value of the Brand and Asset.

INVESTMENT NEXT STEPS & CALL TO ACTION

Join the Revision of a Landmark

The Baldwin Saloon Revision is more than a restoration; it is the strategic re-industrialization of a 150-year-old landmark. We are currently inviting partners who recognize the unique value of this vertically integrated spirits and hospitality model.

MEET THE DESIGN & PROJECT LEADERSHIP

The Baldwin Saloon Revision is led by the team at Ablaze Atmospheric (ablazeatmospherics.com), a design-build consultancy specializing in sensory architecture and hospitality operations. With a focus on engineering high-margin environments through lighting, sound, and operational efficiency, the team provides the bridge between historic preservation and modern commercial viability.

Schedule a discussion:

Contact the design and project lead at Ablaze Atmospheric to discuss equity structures and the Phase 1 timeline.

Contact Information

- Project Lead: [Katherine Greenhoot/Ablaze Atmospheric]
- Website: baldwinsaloonrevision.com
- ablazeatmos.com
- Design Inquiry: contact@ablazeatmospherics.com

Baldwin Spirits is a trademark of Historic Baldwin Saloon LLC. All rights reserved.