

Speaker 1 ([00:00](#)):

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Courtney Doyle, Cherryland Electric Co-op ([00:15](#)):

Welcome back to Co-Op Energy Talk. I'm Courtney Doyle, communications and member Relations manager at Cherry Land Electric Cooperative. Today, we are talking about a really amazing economic development loan program that the co-op offers, how it works, and really the best part why we do it, cherry Land, c e o. Rachel Johnson joins us along with one of our most recent recipients, left Foot Charlie Winemaker and owner Brian Ulbrich. Rachel, Brian. First, I just wanna thank you both for taking time out of your day to come join us and talk about our economic development loan program. Um, Brian, would you just start by telling us a little bit about Left Foot Charlie and who you guys are and what you do?

Bryan Ulbrich, Left Foot Charley ([00:57](#)):

Yeah, absolutely. Thanks for having me, Courtney and Rachel, this is fun. I was hauling barrels earlier today, so it's a nice cool break to come in this room and, uh, get off the truck for a moment. But, um, yeah, left with Charlie is a, one of the local wineries. We've been in business, uh, almost 20 years now. We're next year's our 20th, uh, anniversary. Uh, we started off very small. My wife and I, um, helped take care of a one acre of vineyards out on old Mission, um, in exchange for the fruit in the end. And so we took that, that work, turned it into fruit, and then made our first batch of wine in 2004. And our goal was to stay kind of loyal to the single vineyard sites and, um, that one we rolled, you know, that fruit and that the sails from that into the next vintage. Um, and picked up another vineyard along the way. And then slowly that's happened ever since and kind of keeps happening. So

Rachel Johnson, Cherryland Electric Co-op CEO ([01:48](#)):

I have to have, ask a question, why is it called Left Foot Charlie? What's the story?

Bryan Ulbrich, Left Foot Charley ([01:51](#)):

That was a nickname I had as a kid. My left foot used to turn inward and I would trip over it and fall down a lot. And my mom, uh, we think kind of gave me this nickname. She actually says it was my grandpa. Um, and it became like a neighborhood nickname for me until I was like, fifth grade or something. Oh, Charlie,

Courtney Doyle, Cherryland Electric Co-op ([02:08](#)):

That's

Bryan Ulbrich, Left Foot Charley ([02:09](#)):

The the curious part. We, um, so we got a call from a woman. It was like, wait,

Courtney Doyle, Cherryland Electric Co-op ([02:13](#)):

Your name's Brian

Bryan Ulbrich, Left Foot Charley ([02:15](#)):

<laugh>? Yeah, we got a call from a woman years ago when we first opened, and she was asking about the name and she said, well, my, my grandpa used to say left foot Charlie as a, like a cuss phrase. Like he'd hit his hammer hand with a hammer or something like that. And so I started inquiring a little bit

and he was, he served in the same, uh, you know, theater of World War II with where my grandpa was. And so it could have been like some kind of gi cuss phrase from the forties. You know, they used to use the word Charlie a lot. Mm-hmm. Like, Hey, Charlie, sorry, Charlie, that kind of thing. Charlie, you know, Charlie was just dude, you know, basically. Um, and so that could be what it is that we actually named ourselves after a cuss word, but,

Rachel Johnson, Cherryland Electric Co-op CEO ([02:53](#)):

And also that your grandparents nicknamed you a cuss word and it's like some somewhere behind. It's pretty pretty gentle

Bryan Ulbrich, Left Foot Charley ([02:59](#)):

Cussing though. Yeah. Yeah.

Rachel Johnson, Cherryland Electric Co-op CEO ([03:01](#)):

Oh, that's an awesome, I love that

Bryan Ulbrich, Left Foot Charley ([03:02](#)):

Story. We had a name picked out before we opened that was, um, a Greek word for timing, and it was this very poetic, magical word and like, you have to go through at the right time when the windows open and this and that. And I went to register the name with the federal government, and it was taken like a week prior to us doing it, which showed we have zero timing and we didn't deserve the name <laugh>. Um, fair. So yeah, left foot Charlie kind of spun out of that through a long little path, but it's easy to pronounce and it's distinct and it, yeah, it's all worked out. It has come to really worked out. We've grown into it. Well, yeah, so I love that story.

Courtney Doyle, Cherryland Electric Co-op ([03:34](#)):

That's a good one. I do too.

Bryan Ulbrich, Left Foot Charley ([03:35](#)):

Uh, we function a little bit like a cooperative in the sense that we don't have a single estate that we farm from. We work with 18 independent farms that grow exclusively for us. And our goal in the wine making is to let them focus on farming. And what really is required for high quality wine is high quality grapes, so they can have all their attention out there. We focus on the production and kind of bringing the farms into, into our environment and then highlighting both the vintage and the farm where it's grown. 'cause wine is very expressive of, um, where it's from, where and when it's from. And so this is a, a little, a little different model in that you don't see the sprawling estate in front of the front porch and all of that. Ours are, you pass them probably all the time, don't realize they're left foot Charlie Vineyards. But, um, it's been a, a great model, uh, for a small winery and also for these smaller farms that don't really produce enough on their own to be a single winery. Um, but they want to keep their land in agriculture.

Courtney Doyle, Cherryland Electric Co-op ([04:32](#)):

It's kind of that better together mentality, right? Like if we all work together, we can have a really cool, fruitful product at the end, right? Yeah.

Bryan Ulbrich, Left Foot Charley ([04:39](#)):

And the other nice thing is that by having the farms spread out over the, a lot of different, uh, geographical and climatic areas, we're not exposed to independent or singular weather events as much. Um, because we may have heavy rains in the southern part of Old Mission, it may bypass the middle part or something like that. So we, we find we have, um, a lot of different characteristics that come through in our wines because of that.

Courtney Doyle, Cherryland Electric Co-op ([05:03](#)):

That's really cool. And I love how you kind of tied it back, how it does kind of operate like a cooperative, which Rachel probably made it a really attractive fit for one of the, uh, the U S D A loan programs that we have.

Rachel Johnson, Cherryland Electric Co-op CEO ([05:15](#)):

Yeah. When, when Brian came to us, the loan program we were looking to access is actually one that we had not worked with historically. So what we've done historically at cherryland, we have a zero interest revolving loan fund, which we can certainly talk about today. But the, the fund that Brian wanted to work with is A U S D A pass through loan. And the way that works is, uh, essentially cherry land is the borrower from U S D A on those dollars. We pass those directly through to Brian to help with this project, and then as Brian pays them back, we pay them back to U S S D A. So we don't get to revolve them, but what it did allow us to do was access a higher dollar amount than we do in our normal revolving loan fund. And, uh, certainly I think what one of the things that made Brian's project attractive was the fact that it did feel like a really good mission fit in terms of this idea of collaboration better together than on our own, as you mentioned, Courtney, but also supporting agriculture within our region is certainly a very good fit for where Cherryland came from.

Rachel Johnson, Cherryland Electric Co-op CEO ([06:07](#)):

Right. We were started by Farmers 85 years ago, and, and so this was just a, an incredibly nice fit for us in terms of our mission as a cooperative and a really interesting opportunity for us to expand how we do our loan program and how we access these U s s d A funds as well.

Courtney Doyle, Cherryland Electric Co-op ([06:24](#)):

So we'll get a little more detailed on the loan in just a second, but Brian, do you wanna tell us a little bit about the project that made you go, maybe I could use a little help on this and, and had you sought out Cherry Land's loan?

Bryan Ulbrich, Left Foot Charley ([06:37](#)):

Yeah, absolutely. Be careful what you asked for. I might talk forever, but, um, we, as left foot developed, um, we also recognized that in order for us to grow as a company, um, we had an opportunity to work with other wineries, um, not just other vineyards. And the differences, a vineyard grows, fruit Winery makes wine, and most places are, they do both, but there's many growers out there as well that have enough, um, grapes and they want wine made, but they don't want the processing facility on their farm. Wine making, as romantic as it is, does involve trucks and forklifts and things like that. And so sometimes you want the serenity of the vineyard where people can taste the wines that were grown there and not have to hear the backup noises and all that. So we've been working with other wineries as well, um, since 2007, making their wines at Left Foot Charlie.

Bryan Ulbrich, Left Foot Charley ([07:24](#)):

And so we have a cooperative model based on production as well. Um, some of the wines when you go out into wine country, were made at our place, um, with their fruit and their guidance and what they wanna see out of their farms. And so as we've grown, we've, our building has not grown. We're in, um, we're in the asylum property in, uh, at the village at Grand Traverses Commons, and there's a limit on how much we can do. We can't expand the buildings, and we've reached a point where we just had to say, no, we couldn't make any more wine for people, and yet there's still more farms that want to have this kind of relationship. And so as I looked at what the possibilities were for us to expand that offering, um, this loan program came around as a concept because we, Jen and I realized we weren't in a spot to go and buy, um, a big palatial estate. And, uh, we wanted to keep this model going that we've been running on, and not limit the other wineries nor limit our, our independent farms that we work with. And so here was an opportunity, um, to finance, um, without changing ownership structure and, um, be able to accommodate this demand for new, uh, wine making potential.

Rachel Johnson, Cherryland Electric Co-op CEO ([08:30](#)):

One of the cool things also about, um, Brian's location that he is moving into for this production facility, it historically housed Great Lakes potato chip, and it, and that location is served by Cherry Land, which is fun for us because we would rather have someone there using electricity than no one there at all. Um, but in addition to that, we gave Great Lakes potato chip alone when they were getting started 10, 15 years ago, and they eventually outgrew that facility and moved to a different place on our line. So it's actually really fun, I think, from my perspective, to see the ways in which this loan helps all kinds of businesses and is now kind of rotated to through this location in more than one way, but still supporting the growth of businesses in our community, which I think is just a kind of a cool, fun fact.

Courtney Doyle, Cherryland Electric Co-op ([09:09](#)):

Yeah, that is, that's kind of wild. It's a little like farm team building. I know. It's, you go, it

Rachel Johnson, Cherryland Electric Co-op CEO ([09:14](#)):

Was, so when Brian's done there, when you're ready to expand your palatial estate, oh, you'll see who wants

Bryan Ulbrich, Left Foot Charley ([09:18](#)):

To go there next long. We're be here for a long time. One step. Yeah. It used to, uh, it was built to produce honey as well, so it's had a long agricultural background on this site. Um, and it's conveniently right across the street from Roe Estates, who has been one of the wineries that we have wanted to make wine with, but haven't been able to accommodate due to spatial limitations. And, um, so now with this new opportunity, we're gonna be able to, uh, bring their fruit right across the street and work with them on wine production. And so they don't have to recreate the, the whole process and the, the systems. Um, you know, again, we can work together much more efficiently than every winery having its own bottling line, its own crew, its own facility, and all of that. So it's, uh, another, another excellent opportunity out of that spot.

Rachel Johnson, Cherryland Electric Co-op CEO ([09:59](#)):

And, and Rove is also a Cherry Land member. So by, by supporting this loan with Brian, it's a way of us also tangentially supporting some of these other member businesses as well. So it feels like there's the initial investment we're making in Brian's business, but it feels like what that pays off on is Leg

leveraging the growth of all these other wineries. And, um, and like Brian said earlier, supporting the agricultural community. So it's, it's, it's a really fun loan. I'm very excited about it.

Courtney Doyle, Cherryland Electric Co-op ([10:22](#)):

Yeah. Big trickle effect there. So can you walk us through either one of you, um, this is a huge investment. Can you talk us through the numbers a little bit about, you know, what, what is the loan and then what are those pieces going towards and how's that gonna fund this?

Rachel Johnson, Cherryland Electric Co-op CEO ([10:36](#)):

Well, Brian, why don't you start by talking about what you're gonna do with it. I can talk on the kind of process piece with U S D A.

Bryan Ulbrich, Left Foot Charley ([10:41](#)):

Okay. Um, so the, we listed the entire project as 1.6 million. Um, that was, it's technically more than that, but it's, there's certain ways you have to peg what you're spending on it. So anyways, uh, 1.6 was our operating number, and of that this loan is, is funding 80%. So it's, um, not quite 1.3 million and that we've used to acquire the building, the, and or the land, the building, and then some of the improvements. And then we are providing the other portion of that, uh, to complete out the 1.6 million build out, which is about what it's gonna take to get the building to a state where it can be functional and, um, to the quality level that we need for wine production. So yeah, 80% U S D A, uh, cherry land loan, and then 20%, uh, from us directly.

Rachel Johnson, Cherryland Electric Co-op CEO ([11:29](#)):

And then on that, that 80% that Brian's borrowing from U S D A through us, the way Cherry Land's role in this is we essentially act as the guarantor with U S D A. It makes it easier for U S S D A because they know we can't go anywhere. We've got 3000 miles of wires in line out there that they can chase us down with. So, so they, they, they kind of look at and say, is Cherry land financially able to guarantee this \$1.3 million loan? Which obviously we were. Uh, and then that's their, their piece is done and then they leave it up to our board to really vet the project and make sure it's a good fit for the portfolio. And we feel comfortable taking that risk on Brian's project, which our board did. And so that's, that's the role we play with this, which is a little different than the role we play with our revolving loan fund.

Rachel Johnson, Cherryland Electric Co-op CEO ([12:09](#)):

So with this fund, we're, we're serving as the guarantor, it impacts our equity. And so one of the things that our boards, like I said, this is the first time we've done this particular loan program. We probably won't have an appetite for another loan of this size for several years because we have to manage all of these different equity, um, impacts for every time we, every time we make a capital investment, it impacts our equity. So this is one more thing that impacts our equity. Um, but our role is really as guarantor. And then Brian has basically 10 years to pay that that loan back. If Brian doesn't pay it back, we still have to <laugh>, which we know you will, Brian, we're not worried at all. I'm on it <laugh>. But, um, but anyway, so that's kind of, that's kind of the role that, that Sherry Lamb plays.

Rachel Johnson, Cherryland Electric Co-op CEO ([12:43](#)):

And so once, once Brian and met with our board and discussed his project and they felt really comfortable, um, serving as the guarantor on his loan, then we went through a process with U S D A to get approved, which they could not have made that easier. They were great to work with. I mean, all in,

we were able to kind of move this through in a, about a six month period of time, which I think is pretty fast, all things considered. Um, and, and now we just wait and, and Brian pays us back and we pay them back. So it's a, it's a pretty simple easy process, uh, I think with both the U S D A and on the cherry land side of things.

Courtney Doyle, Cherryland Electric Co-op ([13:13](#)):

And so that's where we are right now in this process, right? Mm-hmm. <affirmative>. And so Brian, what's next for you? Uh, and left foot Charlie, as we're kind of in this, we've done the application, you presented to the board, they said, sounds great, let's move forward. U S D A approved the loan, now what for you guys?

Bryan Ulbrich, Left Foot Charley ([13:29](#)):

So we've closed on the loan and we have acquired the, the building and the land and we are in the process of the construction and, uh, build out of what we need, which, uh, is occurring as we speak. And we're, we have to do everything. We had to gut the inside of the building. Um, we

Courtney Doyle, Cherryland Electric Co-op ([13:45](#)):

Not making potato chips.

Bryan Ulbrich, Left Foot Charley ([13:46](#)):

Yeah. The process of making potato chips put out, um, a little bit of a impact in on the inside with all the oil and everything. So we've taken down the walls and re insulating. We're doing the floors we have to put in, um, wineries on the strange thing is one of the biggest investments in a wineries the floor. Um, because once you have your heavy tanks on top of that floor, you really don't ever wanna redo it. And it is imperative that we have a facility that can be cleaned meticulously, um, every day. Um, our, one of our big concerns is, um, volunteer bacteria and yeast and things like that. So we're trying to make clean expressive wines. We've gotta have an environment where we can maintain, um, that aspect of things. So we are doing our part right now to get those pieces in place and learning the ways of construction as we go, which is educational to say the least. And from there, we're hoping to, we're hoping to move in over the course of the winter. Um, we are not gonna be able to harvest there this year, unfortunately, but that's giving us time to make sure we get all our details done. And then definitely for 2024 vintage, which would be our 20th harvest, which is very, um, I don't know, serendipitous or whatever. Yeah. Um, so that's our, our goal at this point. So

Rachel Johnson, Cherryland Electric Co-op CEO ([14:56](#)):

The, the first bottle that rolls off the new production facility will be a 2024. When do we get to open that and drink it, Brian? That's what I really wanna know.

Bryan Ulbrich, Left Foot Charley ([15:03](#)):

Well, we can drink it right off the line. If not <laugh>. We'll, we save others for later. Let know, let's

Rachel Johnson, Cherryland Electric Co-op CEO ([15:07](#)):

Schedule that.

Bryan Ulbrich, Left Foot Charley ([15:08](#)):

The, um, yeah, the other, I think the other important part for people to know is that we will not be having, we're not planning to have any retail activities there. So there won't be a tasting room and a bar and that kind of stuff. This is gonna be solely focused around production. We are maintaining our presence in the village and keeping what we've started there and trying to help grow that as well. Because one of the things that we have backed into maybe, I don't know even if it was intentionally, is that we are where we started in a garage to, to the commons to this. We have, we've been repurposing buildings and so we, we've kind of grown attached to that. And we want to keep the project going at the Commons because that has been a long, beautiful investment in terms of seeing that place grow and where we sit within it. And we definitely want to keep, um, our, our residency there for sure. So new place is production only

Rachel Johnson, Cherryland Electric Co-op CEO ([15:55](#)):

And, and if you're listening and haven't been down to left Foot Charlie in the Commons, you have to go check it out. It's such a beautiful facility. I love the barrel room for events too. And I think a lot of people don't even know what's there. And it's just, it's just such a gorgeous facility, so I'm, I'm glad you're not getting rid of it. Yeah. 'cause we love, we love to come visit you there. They

Bryan Ulbrich, Left Foot Charley ([16:11](#)):

Don't make buildings like that anymore, so it's, they really don't, it's amazing to be part of that, that since really not day one, but we were the only ones back there for a while. And now it's a, every time we back the forklift out, you have to really watch. 'cause there's people walking around this morning there was a, a family playing kind of in our driveway. Um, I don't know what they were doing, <laugh>, but they were sitting there having coffee and the, the kids were playing with little cars and stuff. So it's, uh, it's definitely a community over there. It's

Rachel Johnson, Cherryland Electric Co-op CEO ([16:36](#)):

Grown up around you. That's cool.

Courtney Doyle, Cherryland Electric Co-op ([16:37](#)):

And Rachel, on the Cherryland side, I know you said, um, probably not going to pursue a loan like this for quite some time. What does our revolving loan program look like right now? Yeah,

Rachel Johnson, Cherryland Electric Co-op CEO ([16:47](#)):

No, thank you for asking that because that is an ongoing loan program that we continue to have dollars available. And so if anyone listening to this is a small business owner who is looking to grow your business or if perhaps you're looking to start your business, uh, that, that program is, is, is very, very simple. Cherryland has, over the course of kind of 20 years taken three independent grants from U S S D A and those grants, we get to keep them as long as we continue to revolve them in the form of zero interest loans. The max loan amount in that program is 300,000. The average loan amount we do is about a hundred thousand. So they're, they're very good loans. They're great for people who are looking to grow their business. They're not, they're not huge loans. You're still, we're generally coming in as a partner with some other financing already in place.

Rachel Johnson, Cherryland Electric Co-op CEO ([17:29](#)):

We require the borrower to show that they will create or retain one job per, per 20,000 that we lend them. The process is really simple and if anyone's understood, I'll, I'll walk you through it rather than

going deep into the details here. But basically just have 'em reach out to me and then we can get 'em in front of our board within a month or two. And then it takes about 60 days to close on the loan. So another one where we're able to move pretty quickly if it's a good fit for our program. We currently have about \$300,000 available in that fund, but every single month we're potentially taking an application into that fund. And it, and, and if it's a good fit and they've been vetted and the board feels comfortable with the loan, it is a little bit of a first come first serve.

Rachel Johnson, Cherryland Electric Co-op CEO ([18:05](#)):

So generally someone's gonna wanna reach out to me first and find out if there's funding available before they apply. Um, max term length in that loan is, is 10 years, although we very rarely do 10 years 'cause they're just not huge loan amounts. We usually do closer to five to seven, but again, it's zero interest money. And in today's market, I would, I would say most of us would love to have a little bit of zero interest money. So, um, if anyone's looking to grow their business or has a project they think would be a good fit, just have 'em reach out to me and we'll see if we have money available and can get 'em in front of the board. We've done since we started that loan also 20 years ago, so maybe we can do a commemorative bond. Yeah. There you, um, since we started that program 20 years ago, we've done 50 loans and we've, because we've revolved it so much, we've revolved it to the tune of about \$5.2 million that we've reinvested into the community. So it's, it's a just a little side side jam we have going on a way of supporting our, our businesses. You don't have to be a cherry land member, you have to be in our service territory, but you don't, because we know that even if it's not a cherry land member business, they probably employ cherry land members. And, um, so that, that's not a big deal to us. Just have to be in our service territory. And if there's a way we can help grow those businesses, we want to.

Courtney Doyle, Cherryland Electric Co-op ([19:02](#)):

Well, and I think that touches quickly on, you know, some people ask, why, why do you do this focus on electricity? Why are you doing this? And I think you said it beautifully, is that it, we do this for the, the members at the end of the day. Can you talk through a little bit about the why?

Rachel Johnson, Cherryland Electric Co-op CEO ([19:17](#)):

Yeah, sure. Well, and it, I do think it's very important there, there's a good philosophical reason for that, which I'll answer in a second. But there's also a very practical reason. Both the program that we worked with Brian on and this revolving loan program, those dollars have to, they require an electric cooperative for them to come from U S D A into the community. So if Cherryland didn't choose to participate, the dollars never come here. That, that's the way that the, the appropriations are written in the Farm Bill and in USDA's requirements, the do the, the, the dollars must be first lent to a co-op or granted to a co-op, and the co-op can then relend and have a revolving loan fund or a pass through loan fund. So part of it is, if we don't do it, no one else will, and then those dollars go somewhere else.

Rachel Johnson, Cherryland Electric Co-op CEO ([19:56](#)):

And that just doesn't seem like the right thing to do for our community. But in addition to that, on the kind of philosophical side, you know, when I look back, I don't look back when I think of what it must've been like 85 years ago, <laugh> when cherry land was getting started, like the whole idea was you had electricity in urban areas and not in rural areas. And it was creating an economic disparity. And we were created to make sure to close that gap to make sure that rural areas continue to have strong economies and keep up with more urban areas. This is just an another extension of that mission. So yeah, our core



mission is electricity, but our bigger mission to me is helping to protect the wellbeing, sustainability, and economy of our rural community. And this is a way that we do that. Thank

Courtney Doyle, Cherryland Electric Co-op ([20:33](#)):

You. That's, it's exciting. And, and I know we're very excited to see, uh, left foot Charlie and their new expansion and open that first bottle of wine. And I just wanna say thank you both for, uh, taking a little time to talk to us about this today. A lot to look forward to.

Rachel Johnson, Cherryland Electric Co-op CEO ([20:45](#)):

Yeah. Thank you.

Bryan Ulbrich, Left Foot Charley ([20:46](#)):

Yeah. Thank you for, for having us.

Courtney Doyle, Cherryland Electric Co-op ([20:47](#)):

For more information on Cherry Land's Economic Development Loans, visit our website at [cherryland electric dot co-op slash business](http://cherrylandelectric.co-op/business). We hope you'll join us next time for more co-op Energy Talk.