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LEDA assistance awarded to Luna County brewery/distillery and canning facility

Little Toad Creek launches major product expansion and boosts hiring

DEMING, N.M. - New Mexico Economic Development Department (EDD) Cabinet Secretary Alicia J. Keyes announced today that the State of New Mexico is providing LEDA economic assistance to a Luna County-based brewery and distillery that plans to significantly boost manufacturing capacity in order to expand sales across the Western United States.

Silver City-based Little Toad Creek Brewery & Distillery is owned by a local Silver City couple, Teresa Dahl-Bredine and her husband David Crosley, both graduates of Silver High School. The business recently purchased a 76-acre property in Deming with two industrial metal buildings to house a distillery, with new stills for producing base spirits and a canning/packaging line for its unique ready-to-drink line of cocktails.

The state has pledged \$200,000 in assistance from the Local Economic Development Act (LEDA) so the business can hire an additional 21 manufacturing-distillery employees over the next three years, up from the current 15 today.

This is the second time EDD has pledged a LEDA investment in Little Toad Creek. The first grant of \$100,000 was made in 2016 when the company first opened the location in downtown Silver City, creating 11 jobs.

"This state LEDA investment is poised to help a local Silver City couple that started a brewing business in their garage and is now set to hire more employees in Luna County, so they can grow into a regional company that sells beverage products across the West," Gov. Michelle Lujan Grisham said.

The couple started in the hospitality end of the business, opening Little Toad Creek Inn and Tavern near the Gila Wilderness in 2012, and beginning small-scale brewing in their garage. They expanded and opened tasting rooms in Silver City and Las Cruces, and in 2020, a canning line at the Silver City location, 203 S. Mill Rd.

The 5,000-square-foot facility is limited to processing 25 cans a minute and cannot meet the demand for Little Toad products. The new manufacturing space in Deming has 45,000 square feet and the ability to handle 300 cans a minute with automated pasteurization, an important asset since Little Toad does not use preservatives. Little Toad plans to invest \$4.8 million into the expansion.

"This is a great partnership for the state to leverage its LEDA fund to create jobs in a business led by a local family that wants to stay in Luna County and invest in their own community," Secretary Keyes said. "The Little Toad expansion will allow them to expand production and create steady year-round jobs in an area with the highest unemployment rate in the state."

The growth comes as the popularity of Little Toad's specialized ready-to-drink canned beverages has ballooned. Sold under the label Mixed Up Mule, offerings include a Classic Mule, with juice and agave, Mojito Mule, Gin and Grapefruit Mule, and a Watermelon Jalapeno Mule.

The beverages are available in over 100 grocery stores, including Sprouts, Whole Foods, Total Wine, and Smith's Grocery in New Mexico, Colorado, and Texas. The new facility will allow for sales to pending customers in California, Nevada, Arizona, and Idaho.

Dahl-Bredine said the business prides itself on sourcing quality ingredients – the agave nectar, for instance comes from a farm in Mexico.

"Ready-to drink beverages have really taken off since the pandemic – it's now more acceptable to drink a cocktail out of a can – and our products are unique," Dahl-Bredine said. "We have a cocktail that is full strength and full flavor. None of the juice is from concentrate and we have no preservatives, no chemical taste. It tastes like a bartender made it. [The ingredients are] all more expensive but it makes a real difference in the quality."

She added the state's partnership through LEDA, as well as help from a U.S. Small Business Administration loan, gives the business more certainty as it grows and adds jobs. "The state support is a big boost; this is an expensive endeavor with a lot of capital. With LEDA we can move forward with more certainty and bring on the needed employees faster."

There are 20 distilleries in New Mexico without a canning line and Little Toad has been approached by several regional distilleries and by seltzer producers looking for contract canning facilities, Dahl-Bredine added.

The Deming City Council approved the LEDA grant on July 19 and serves as the fiscal agent for the project.

"The City of Deming is committed tobeing business friendly – not just saying we are. Businesses are the backbone of our community, and we want to use every tool and resource available to help our business community thrive.LEDA is a great example of a tool being well utilized in Deming, Luna County, and Little Toad Creek is an even better example of the kind of project Deming needs," City Administrator Aaron Sera said. "We are excited to welcome Little Toad Creek to Deming and will continue to support economic development projects that bring prosperity and opportunity to our constituents."

"Little Toad Creek choosing to expand within the region is a huge win for New Mexico and a truly momentous development for Deming, Luna County," Cassie Arias-Ward, Economic & Tourism Development Coordinator/Exec. Director, said. "The Little Toad expansion is such a viable project for Deming, bringing an attainable number of jobs and investment to benefit the community. Furthermore, this project really helps us tell our community's story: we are rural, but we are *accessible* – and that makes us a great place for opportunity."

The LEDA funding will be used for a fire wall, fire doors, a sprinkler system and fire alarm system for bringing fire suppression up to required code, overhead warehouse doors to accommodate the heavy forklift traffic in and out of the building, paved loading docks, glycol and steam plumbing, and heating/cooling upgrades.

The renovations on the Deming facility are expected to be complete next month, with expanded production at the new facility in October.







The New Mexico Economic Development Department's (EDD) mission is to improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive. EDD's programs contribute directly to this mission by providing funding to train our workforce, providing infrastructure that supports business growth, and helping every community create a thriving economy. Since Jan. 1, 2019, EDD has supported more than 13,000 new jobs and trained 8,323 New Mexicans for better pay. EDD has utilized LEDA to make investments in 53 businesses, supporting more than 7,500 new jobs at an average wage of \$70,000, \$531 million in annual payroll, \$5.2 billion in new capital investment, and a ten-year economic impact of \$30+ billion. Thirty-nine communities across 22 counties have benefited from EDD programs.

New Mexico Economic Development Department <u>EDD.NewMexico.gov</u>









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