

Crafting his firm's expansion

Owner John Urlaub left a career at Kodak to start Rohrbach Brewing Co.

By TOM ADAMS

John Urlaub experienced his first microbrewery in the early 1980s, while working in New York City for Eastman Kodak Co.

"I thought it was the greatest thing," he says. "(But) microbreweries really weren't popular at all. It was before the (craft beer) revolution really started."

His job at Kodak eventually took him to Rohrbach, Germany, near Heidelberg.

"I had two years in Europe, sampling as many German beers as possible," Urlaub says. "I loved the quality and knew domestic beers in the United States were such that there were only a few major players. In my opinion, they were very high-quality, very consistent products but somewhat without flavor."

Urlaub, 49, had an idea. He accepted an early retirement package from Kodak in 1990 and founded the Rohrbach Brewing Co. in 1991, not long after returning from Germany.

On March 27, Urlaub will hold a grand opening for his new brewery, on Railroad Street near the Public Market. The event, from 4-8 p.m., will feature tasting stations

allowing visitors to test Rohrbach's craft beers. Tours of the brewery also will be offered, including demonstrations on how the beer is made.

"As much as I enjoyed Kodak, working for a large corporation wasn't something I wanted to do long term," Urlaub says. "Microbreweries were getting popular on the West Coast but were not too big yet on the East Coast. I decided Rochester would be a good market for it."

Rohrbach has grown in each of its 17 years, Urlaub says. He oversees 50 employees, including 30 full-timers, most of whom work at the company's restaurant in Gates. Six are employed at the brewery, which was moved last summer from Buffalo Road in Gates to 97 Railroad St.

"It starts out like a lot of things: a conversation over a couple of beers about how great it would be to own your own restaurant and own your own beer-making," says Herbert Ego, vice president of sales and marketing at Bristol ID Technologies and a longtime friend of Urlaub.

Both were graduated from St. Bonaventure University and worked at Kodak. Urlaub was in the consumer products division and Ego the copier division when they were selected to go to Germany to participate in military sales.

"We certainly drank a lot of beer," Ego laughs. "We, honestly, were in a country that probably has the best beer in the world, so it was pretty easy to gain affection for the beer itself."

While debating Kodak's early retirement offer, Urlaub again bounced the brewery concept off Ego.

"I thought he was nuts," Ego remembers. "I didn't think it would ever happen. When he left Kodak, I still probably wasn't all that confident. I knew he'd have to raise money, and I knew he didn't have any background, per se, in brewing. That didn't seem to deter him.

"He really pursued it. He found some folks at RIT that knew something about the restaurant business and knew something about brewing, and



Photo by Kimberly McKinzie

he started it from the ground up.”

Urlaub earned a bachelor of arts degree in finance from St. Bonaventure. He joined Kodak upon graduation and stayed for 10 years.

“It was basically offered to everyone, but it wasn’t very lucrative to me because I didn’t have that many years in,” he says. “But it gave me enough of a push to take that half-year’s salary or whatever it was to help me out.”

Studying his craft

He spent two months in Chicago at the Siebel Institute of Technology and World Brewing Academy to prepare for his new career. But much of what he has learned has come by trial and error.

“Once you get the basics down, it’s like being a chef,” he says. “We have certain ingredients we can work with. It’s unbelievable the different styles of beer you can come up with with just those ingredients.”

The brewery is named after the German city in which he lived for two years while working for Kodak.

“We had a long list of names—all sorts of different names,” Urlaub says. “But Rohrbach had that beer sense to it.

“I would say that our restaurant still has a German flair to it. It’s an American-style restaurant, but we have some outstanding German dishes.”

Urlaub decided to launch his business in leased space at the German House in the South Wedge neighborhood. It opened in 1992.

“The restaurant wasn’t part of the initial plan,” he says. “But it would be hard to knock on Wegmans’ door and say we have this great product and great packaging, but we have no market share.

“We thought the restaurant would bring people in, allow them to sample the beer and then ultimately we’d be able to get our product on the market.”

Being in the city was important to Urlaub.

“I’m very much a proponent, and I love the city,” he says.

Three years later, however, he moved the brewery to Gates.

“When the lease was up there were things going on with the building,” Urlaub says of the German House. “They were utilizing the upstairs more. Parking was a little tight.

“In 1995, I got the property on Buffalo Road. We really needed to expand the brewery operation.”

Urlaub retained the South Wedge restaurant until 2002 before closing it to focus on the Buffalo Road eatery.

“The German House was going very

well. The space lent itself to doing a restaurant. Buffalo Road, ever since we opened in 1995, has been growing. The one thing it didn’t have was enough seats.

Rohrbach eventually outgrew its space on Buffalo Road, forcing Urlaub to look for another location for the brewery.

“Microbreweries were getting popular on the West Coast but were not too big yet on the East Coast. I decided Rochester would be a good market for it.”

This gives us the space,” he says from his Railroad Street office, “and it also will help me to take the space from Buffalo Road where the brewery used to be and convert that into dining. Urlaub is glad to be back in the city.

“From the minute we closed (the South Wedge operation), I missed the customers and the people and the neighborhood,” he says. “We tried to get back into the South Wedge when we came back into city. We looked extensively in that area. But this location by the Public Market’s going to be perfect for us.”

Urlaub declines to say how much he paid for the Railroad Street property or how much he has invested to renovate it.

The building is a two-story, 37,221-square-foot warehouse purchased for \$375,000, city records show. The building is listed as having \$103,400 in renovations.

“Part of my commitment to moving back into the city was to try to purchase property,” Urlaub says. “That was somewhat of

John Urlaub

Title: Owner, Rohrbach Brewing Co.

Age: 49

Home: Rochester

Education: B.A. in finance, St. Bonaventure University, 1981

Family: Wife, Patty Yahn-Urlaub; daughters, Kasey, 16, and Jamie, 13

Hobbies: Snow skiing, water skiing, boating, basketball

Quote: “In the states, because of the microbrewery or craft beer revolution, there are so many different styles of beer. Even at Rohrbach’s, we have eight to 12 on tap that are unique. It’s wonderful to go into these pubs and try all the different beers. You don’t get that in Europe.”

a challenge because we are manufacturing. I couldn’t get real high-rent space or a real expensive building on Monroe Avenue or Park Avenue.”

The brewery takes up less than 10,000 square feet, Urlaub says. A portion of the building—located next door to James Costanza’s Station 55 mixed-use development—is being used by 15 vendors, with space for more.

“The key purpose of this (Railroad Street) operation is to increase our manufacturing,” Urlaub says. “We had an outstanding year last year. The demand for our products is way up. We’re increasing our distribution. So we need the extra capacity.

“The beauty of being by the market is there’s so much traffic. We want to liken ourselves to some of the wineries that let people try their products on-site, do a tour and then ultimately purchase those products.”

There are no plans for a restaurant on Railroad Street, Urlaub says, but he wants to establish a retail outlet and perhaps a brewery-related museum.

“Long term, as we develop the rest of the building here, I’d like to take some of the space possibly for private parties. In fact, we’ve already booked a few events where we would bring some people in, they’d do a tour and we’d put a little bit of food out.

“I don’t want to do another restaurant where we’d be open every day. I’m very happy with the operation on Buffalo Road. But if somebody wants to do their Christmas party here, we have the space to be able to do the tour and make it real fun and interactive, try some beers and put some food out.”

Rohrbach beer is sold in refillable half-gallon growlers, a symbol of the early days of beer sales.

“Before they had packaged products, where you could go into your supermarket and get a six-pack or whatever, the only way you could get beer was at the tavern,” Urlaub says.

“You’d pull up a stool and ask for a glass of beer. If people wanted to consume it at home, they would bring a bucket and fill it up out of the draft. When they were done with that bucket, they’d go back to the tavern and fill it up again.”

Rohrbach customers can do the same.

“As long as they clean it up, we can refill that growler,” Urlaub says.

That is why the Public Market appeals to him.

“I’d love to say at some point half the people walking around the market will have a growler under their arm, and on their way out they’ll grab some Rohrbach beer as they pick up their fresh produce and homemade food products,” Urlaub says.

"It's a natural fit for us. We're a small business, like most of these farmers who come to the market. We sell the highest-quality product you can get. Everything we put into our beer is 100 percent natural. There are no preservatives or pasteurization. It's a very fresh product."

Urlaub declined to disclose the brewery's financial information.

"We have had very slow and steady growth since we opened," he says. "I'm not saying we didn't have our challenges as we opened the new location. We had some very challenging months just recently because we had to shut the brewery down and move all the tanks, reinstall, and start to brew and let it ferment."

"So we were a little low on product. I'm not saying we haven't had our challenges, but our product almost from the beginning has received very good market acceptance."

Renovations

More renovations are coming to the 88-year-old city location, Urlaub says. He is negotiating with an undisclosed bakery interested in taking space on the east end of the building.

"The people at Station 55 put \$3 million into that building," Urlaub says. "I don't plan to do that anytime soon. But we will be renovating the building. We're going to continue to invest in the building. I think it's a great space."

Renovations for the brewery are completed, he says. The space for vendors is sandwiched between the brewery and the potential bakery.

"I really envision the middle space as being market space," he says. "It's a flea market now. We want to continue to go in that direction because it's a natural fit for the market."

Urlaub would not name the interested baker, but says the owner is considering wholesale production, with some of its foods made for restaurants and other retail outlets.

"They also want to do a small store where you come in and have coffee and eat their cakes and pastries and other things they make," he says. "That would be a great fit here."

Railroad Street is a homecoming of sorts for Urlaub, who was born and raised in the city and lives there now.

"We really are a Rochester company," he says. "We will continue to expand geographically in Upstate New York. But we really focus on this area."

"When I was young, they used to deliver milk in a refrigerated truck. We do the same thing. None of the major distributors of beer have refrigerated trucks. Rohrbach's does. We go to the extra expense of making sure it comes out of our cooler into a refriger-

ated truck and into the customer's refrigerator because it's unpasteurized."

Rohrbach's commitment to the city is reflected in its sponsorship of the Flour City Brewers Fest at Frontier Field.

"We want to be the leader in the area, if we can, to make sure people at least have the opportunity to expose themselves to craft beer," Urlaub says. "It's an industry that has a small percentage of the (beer) market. I want to bring as many people in here to let them at least try it."

The craft beer industry has grown an average 10 percent in each of the last three years, Urlaub says.

"We're more than double that," he says. "Last year was our best year ever."

Rohrbach's growth has been fueled by its contract agreement to sell beer during Rochester Red Wings baseball games.

"We immediately formed a really good relationship because I wanted to expand some of the things we were doing here with food and beverage at Frontier Field," said Jeffery Dodge, the Red Wings' general manager of food and beverage.

"John was an important ally in that. John is the kind of person who is willing to help out—spending some money, taking some risk—in order to not only build his brand but also build the Red Wing brand. Over time, we've been able to build a great fan base of his beer here at the stadium."

Urlaub's affiliation with the Red Wings came before Frontier Field.

"He had an opportunity to create Red Wing Ale for the Rochester Red Wings back when they were still at Silver Stadium," Ego says. "They closed Silver Stadium and built Frontier Field, and he was able to maintain his business relationship."

"All of a sudden, it was a much bigger venue, and right downtown. I think that really propelled the name Rohrbach's beer. That was probably the biggest break."

Rohrbach's most popular beer is its Scotch Ale. Its McDermott's Ale is named after head brewer James McDermott. Other brands include Highland Lager, BlueBeary Ale, Old Nate's Pale Ale and Sam Patch Porter.

"Because we have the pub, which has a good customer base, they're definitely willing to tell you if they like it or if they don't," Urlaub says.

"We never have to throw product out because all of it's good. But we tweak it a little bit, depending on how that batch has come out. Once we get it the way we want it, we start in production. As we come out with season specials, we try it at the pub first, get it just the way we want it, then start production."

Rohrbach beer is shipped as far as Buffalo. With brewery capacity increased by

30 percent with the move, Urlaub is considering getting into the Syracuse market.

He hopes to increase annual production to 5,000 barrels within five years, compared with 2,000 barrels last year.

"Our ability to grow is huge," Urlaub says. "By the end of the year, we're hoping to add some more fermenters. Next year we'd like to do a bottling line, which is really going to change things significantly. We may even consider going through a distributor."

His own boss

Because he is a restaurant owner, Urlaub usually works six days a week.

"But I have a lot of flexibility," he says. "If I need to take off for basketball at 3 in the afternoon, if I work for a big company that would be hard. If I work for myself, I can do my practice at 3 o'clock and then if I need to I'm back at work at 6."

Urlaub coaches basketball in the Catholic Youth Organization, in which he and his children are involved. He also is involved in outdoor activities.

"My family loves to ski," he says. "I'm a boater, a water skier. Whether it's running or just working out or playing tennis, most of my outside activities are doing things with my kids and sports."

Urlaub is a member of the Rochester chapter of the New York State Restaurant Association and the South Avenue Merchants Association, and a past president of each.

Urlaub is encouraged by the growing popularity of craft beers. Sales increased by 12 percent in volume and 16 percent in dollars in 2007, the New York State Brewers Association reports.

U.S. craft brewers produce 3.8 percent of beer in the industry and have 5.9 percent of retail sales, the brewers association reports.

"That means 95 percent of those people out there haven't tried our products and don't enjoy it yet," Urlaub says.

"Even if it's with a competitor at our Flour City Brewers Fest, with 25 or 30 breweries shoulder to shoulder sampling products, that's good for me. I don't feel that as a threat. Thousands of people come to that to appreciate good craft beer. That's a great thing."

There were 1,449 U.S. breweries in operation in 2007, the Brewers Association reports. Of those, 1,406 were small, independent and traditional craft brewers. Nearly 70 percent of craft breweries are brew pubs that sell most or all of their beer on premises.

"Microbreweries have taken a noticeable chunk out of the big guys," the Red Wings' Dodge says. "That's certainly reflected here, but maybe even more so because the Rohrbach product is excellent and has struck a chord with local beer drinkers."

tadams@rbj.net / 585-546-8303