

GRAIN, WATER, AND YEAST

Guest: Megan McKay
Interviewer: Joshua Dolezal

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MM: People wanna talk about beer, it's interesting, it's fun. You walk into a party and you say you sell insurance and everyone's like, "Oh, it's time to go find another appetizer," or whatever. When you say you own a brewery, it's a totally different reaction and all of a sudden, worlds open up. I think beer, because it is exciting, fun, and aspirational as far as people wanna get together and have those feelings, and beer helps you do that. Both from the standpoint of you can share the beverage together – it'll take you a little while to drink the pint – and it's in a social setting. It's different, it gives you a conversation starter, "Oh, what are you drinking? What do you like about that?" It's all of those connections that you make.

JD: This is Megan McKay, founder and owner of Peace Tree Brewing Company in Knoxville, Iowa. Megan was born and raised in Knoxville, and, like many native Iowans, she left home after high school, drawn to greener pastures on the West Coast. After four years in the Bay Area, where she worked as a nanny and part-time auto mechanic, Megan felt Iowa calling her back, and in 2009 she left the family insurance business to start a brewery in her hometown. Knoxville has always been a hardscrabble place, from its roots in agriculture and coal mining to its current manufacturing economy. It's home to the National Sprint Car Hall of Fame and plenty of jacked-up trucks with gun racks. In that sense it represents much of rural America, where a heritage of hard work and self-reliance has been threatened by changes in the global marketplace. But Megan believed Knoxville could not only survive, it could become the kind of place that might have held her as a young person, even the kind of place that could grow and thrive, drawing new residents and entrepreneurs. When I sat down to hear her story, I wanted to know what pulled her away from Iowa to begin with, what drew her back, and why she thought she could sell craft IPA in a Busch Lite town.

I'm Joshua Dolezal. And this is Mid-Americana: Stories from a Changing Midwest.

MM: I grew up primarily in the country until about sixth grade. I felt extremely fortunate. We grew up in a little neighborhood, but it was ten miles outside of town. You could walk over to the painted rocks that overlook the lake, you could walk around in the forests. We spent a lot of time with the other kids in the neighborhood, building forts or making little towns within the forest to kind of hang out in. On the other hand, we also had our kickball field, and we would sell, I think we would make little pieces of driftwood that we'd paint with ground-up red rocks and our neighbors would actually stop and buy them from us on the way home from work. It was just really silly, stupid things, but again, it was like that extended village or family atmosphere that I grew up in out there. It was pretty magical, actually. We'd get snowed in together, and somebody would have a snowmobile and inevitably have to meet someone out on the highway to pick up the groceries and bring them back into the neighborhood just because we were that far from the highway.

JD: So, looking back, was the driftwood sort of a sign that you'd be an entrepreneur?

MM: It probably was, I don't think about that so much, but I think we painted driftwood, which I'm sure was fantastic, I hope there's relics somewhere in the world of that. We also started a newspaper and we did word finds, and I think we had a little article in it, and we would type it on one of our parents' typewriters. We might have only done that once, it was a lot of work and we weren't very good at typing at age eight, or whatever it was. But yeah, I think we were always looking for ways to kind of do something different and solve a problem that we thought existed. People needed to know the Painted Rocks news for the week, and whatever else.

JD: Painted Rocks News?

MM: Yeah.

JD: I'm curious where your sources of confidence came from as a business woman. You had this idea that we'll talk about in a bit, starting an all-female mechanics shop in California, and I was curious if that was something you sort of came to on your own or if you see those roots of confidence and power, independence, in your mother. Is that where you learned that?

MM: Yeah, I would say she's very much an independent person, very much had her own ideas about how to do things. And I think there's that whole childhood, growing up my best friend, Melissa coke was out there and as two young girls we could pretty much figure out what we wanted to do. We were very supported by our parents. I never got any sense from my dad that there wasn't any reason I couldn't take over the business at some point. I'm not sure it was ever discussed or encouraged or anything like that, but I never felt held back or anything along those lines. And I think just that idea again of that firm foundation of community, I'm not saying I was, or still am, the most confident person in the world, but you can fail a little bit and people aren't gonna just kill you for it. They're gonna try to help you out and get you to the next level and maybe dust you off a bit and help you build that confidence, or let you fail a little bit so you can build that confidence yourself. And I think that's the longer lasting, stronger bit of confidence maybe, too, instead of – you know, there's people who have it innately, but I don't think I was necessarily one of those people, but have built it slowly over time through outside influences and just good experiences through the years.

JD: So, relationships, community, is a source of strength, it's not just within yourself?

MM: Yeah, I would definitely say so.

JD: And you have a son, Urban?

MM: I have a son, Urban, he's ten.

JD: And are you sort of teaching him the same things that you learned growing up?

MM: Yeah, I really – it's a really interesting to run a brewery and be a mom and all these other things. I really try to instill in him that if we get to go and do something it's because we worked for it, and we had to work for that to be able to get it. There are times when "Hey Urban, we

can't go do this today because I need to go to work, so if you come and help me do this, then I can help you get to football" or do those sorts of things. I really try to instill that lesson that you're not really entitled to anything, you're not given anything, you've gotta put some effort in and whatever effort you put in, you'll get back. Maybe not tomorrow, maybe not in five minutes, but in the long run, kind of see that long view. I also think it's very important he understands kinda how to treat people and how to have those relationships and that it's not just showing up and being the boss, it's showing up and being a good team member. I think, hopefully, we're making good strides in that. He seems like a pretty good kid so far. I'm waiting for the teenage years.

JD: Well, speaking of your teenage years, you graduated from Knoxville High School in '91, is that right?

MM: Yup.

JD: Then you left pretty soon after for California to be a nanny.

MM: Yeah, so in that whole graduation thing – I was active in high school, I was busy, I took all my classes and I was done with my requirements by semester in my senior year, and so, there was kinda the option of sticking around and working at Pizza Hut, which I was doing, or going to college early, which I wasn't really interested in, because I wanted to start when my normal peers were starting, or my mom suggested maybe I should go get a job as a nanny. So, basically, I filled that time between January of '91 until I was supposed to come back to college by taking a job with a nannying firm out of Nebraska, so, good Midwestern firm, but they place people in east coast or west coast, and I ended up going out to the San Francisco Bay area to be a nanny. And that was kind of what propelled me out of there. I wouldn't really say there was a ton of forethought to it, or "oh, hey, I'm getting out of here." I had planned to go to UNI, it wasn't like I was going far for college. I think another thing – my mom was always very encouraging about trying new things, having different experiences, so it seemed like a great opportunity to try something new, see another part of the country, save some money for school, and just kind of have that as I went into college.

JD: So you weren't trying to fill a void or run away from anything necessarily?

MM: No, I really don't feel like that was the case. I would say once I was out and away, it was somewhat freeing to be able to just kind of be your own person and not have the confines of being that kid who grew up in Knoxville who you always were. You could kind of experience new things, whether it was art, music – the Bay area had lots of different cultures, that sort of thing. Once I was out there, I think it made it harder to come back and say "well, I'm gonna go back to UNI. I had no idea what I wanted to study, what I wanted to do, so I might as well stay out here where it's more interesting and I can do some different things while I'm figuring that out.

JD: What did you expect California to be?

MM: I think from just the landscape and the opportunities for more metropolitan people and lifestyles and that sort of thing, was really attractive. I loved San Francisco, it was a great place to come of age, just from the standpoint of you could be in Chinatown, and then in a ten minute walk you could be in Little Italy, and then a ten minute walk and you could be in the financial district. Within an hour, you could drive down the coast and have this beautiful, very dramatic, crashing coastline, and enjoy the natural part of the country as well.

JD: Did you feel like California people or Californians had any expectations of you as an Iowan? Did they have views of Iowa?

MM: Yeah, I think so. Later, after I was there for a while, I ended being a nanny after nine months. I was supposed to come back to school and my contract was up, so I had moved on. I can remember I worked for a woman who was – she lived in California for a long time. I wanna say she grew up in New York, she was Puerto Rican, she was really nice, but I remember her saying “oh, you’re just a nice Midwestern girl and you’re gonna go back there someday.” Or I had some friends who would be like “well you’re gonna go home and marry some guy with a big truck.” And it was like really? I don’t know if that’s really the case. On the other hand, I’m looking at my fiancé’s big truck sitting in the parking, and here I am, so. They might have seen something that I didn’t at that time, or maybe I was working hard to shed those small town, too-nice-middle-United-States roots, I don’t know.

JD: Heartland, wholesome values?

MM: Exactly, yeah. I think there’s a need to kind of – I think, one of the things we’ll talk about later is just what do people think of the Midwest, and I think they see us as very simple and, wholesome is a nice word, but sometimes I think they see it also as simple-minded or not very worldly, all those things, and I think I probably worked hard to try and overcome that sometimes and so it was offensive when someone said “oh, you’re just gonna go back and live in your small Midwest town because you can’t hang in the big city. You’re not able to do it.”

JD: Do you think in that context, if someone thinks of you, in their words, as a nice, Midwest girl, is nice code for not interesting?

MM: Yes, I think that’s very true. I think that’s a great way to put that. And I think people are often surprised by that, that in the Midwest you can be interesting and cultured and have some ideas and thoughts or have art in your house or listen to music other than country western. There’s a lot more variety and background here than I think people realize sometimes. Or even than we realize, ourselves.

JD: So, you went from being a nanny to mechanic school. Tell me how that happened.

MM: I think if there’s anything in my life that you’d notice is a pattern is that I make some pretty strange jumps. What is that – openness to experience, I think? I rate pretty high on that. So I was a nanny, and then decided not to come back to school because I wasn’t sure what I wanted to do, my friends at the time, another one was a nanny, she was also sticking around, and I think we wanted to better ourselves, so we decided to start going to community college. I had another

friend who, well, we had crappy cars – that was part of it – we were young and poor and all of us had crappy cars that would break down all the time, and as a young female, I think you always felt like you were being taken advantage of; did it really need a new clutch or did it just need a little work? Does it really need new brakes or is it just the pads? And you just didn't know. It was this lack of information and knowledge, and it wasn't something you grow up learning about, because you just don't get taught that necessarily. Shame on us for not asking to be taught, I guess. But, there's pretty clear gender roles, I think, too, when you grow up in the Midwest sometimes. So, we decided that we'd take mechanics classes, partially just because I thought "Well, hey, I can learn a little bit and then at least be a better-informed consumer." I enjoyed it, and then the more I got to thinking about it, it was like "Well, if I'm having this problem, I mean, who's really getting the cars fixed?" And again, when you think about early nineties, I think men were still mostly the breadwinners, especially in the Bay Area – you had a lot of stay-at-home moms. They're the ones who're getting the cars fixed, buying the groceries, doing the house stuff. They're the consumer, but yet, the auto shops aren't really catering to who the consumer is. It seemed like not a big leap to say "Why don't we have more female-oriented auto shops?" Where we could really explain things, maybe not fully educate them on it but at least give them a good sense of comfort, tell them how it works so they can do better preventative maintenance, and kind of build those relationships to have a great auto mechanics shop that would be filling that need, I guess.

JD: And you actually went to work as a mechanic?

MM: I did. So I worked in the shop, in the tool room at the college. I was the tool person.

JD: And this is Contra Costa?

MM: Contra Costa Community College, yeah. So that kind of got me in there. I ended up tutoring some of the other guys in the mechanics classes. And then there was an internship that opened up at the Z Doctor, which was a Nissan – they worked on Nissan 280 Zs, 240 Zs, all those. So I got that internship and then ended up working for them full time.

JD: Okay. And you had some allergies to the chemicals or the solvent?

MM: Yeah, so I was, well and of course, you know, I was trying to make ends meet, going to school, working, all these things, and so I would work during the day at the mechanic shop and then I would clean up quick and I would go to my waitressing job. I started to notice, especially toward the end of the week, that my hands and my face and my arms would just be really red and swollen. It was some kind of an allergic reaction, and the only thing I could ever pinpoint it to was probably the solvents and the things we were using in the mechanics shop. And it just kinda felt like maybe that wasn't gonna be a long-term solution. Although, when I came back to Iowa, I originally looked for mechanics jobs, I did. I had a decent resume and good references, and I had been a hard worker, no problem. But, I applied to probably four or five car dealerships or nicer mechanics shops and either did not get a call back or was told that they had a nice job in the service adviser role or something like that. Which I think is also entry level but I think they were also kind of like, "We are not putting a woman back there in the mechanics shop," you

know? Either because they didn't think I could do it, or they were worried I needed protection or, I don't know. It was very interesting.

JD: Was that sort of what got you thinking about coming home? The allergy, or you just didn't feel like that was panning out?

MM: I think it was a whole lot of things. I think it was – you know I think we all kind of figure out where we fit the best and at a certain point when things aren't fitting, it causes a lot of stress. I like California, I like a lot of things about it, but I would say I wasn't super comfortable there. There was a harshness and kind of – you kinda had to put on that city face where you don't look people in the eye. You don't say good morning. You're not kind. You're always watching your back a little bit because people will take advantage of you.

JD: Did that ever happen to you?

MM: Yeah, it did, in different ways. Whether it was a homeless person on the street, and then you'd always see the same person and you'd have to harden yourself to it, or friends who you thought were your friends, but they'd kind of figure out ways to take advantage of different things, whether it was money or friendships or whatever. Really the big breaking point was when I got held up at a Denny's. I was the one walking out, and the guy with the gun grabbed me and walked me back in and I think the next day I called my dad and said, "I'm ready to be done. I think I need to come home."

JD: How did you get out of that holdup at the Denny's?

MM: He walked me back in and just kind of let me go, and then they went around and ransacked the place and looked for the safe and whatever else, and then they ran off and left. I think that was a pretty common thing. This was Oakland, Emeryville, California, and I think they would just come in and just scare people and grab what they could and run.

JD: Is that something that you had to – does that still come back to you? Did that take you a while to...

MM: Um, I think it certainly comes up. I don't think I have long-lasting issues around it. It's more that I don't tell a lot of people about it, more from the standpoint of, it's a big deal, but it's not that big of a deal. I was probably gonna come back to Iowa anyway, that was just the straw that broke the camel's back, on top of all these other few things that were going on. It was time to grow up. It was time to go to real school and get a real job and have some kind of career path. That was probably the bigger part of it.

JD: That wasn't a huge climactic event, it was just a combination?

MM: But I think that whole experience and that whole lifestyle – I mean, you look back at that neighborhood, and kind of what was going on. It's given me something I can never give away. When people are sitting around a room and talking about politics or those sorts of things and in Iowa, we don't think about all of those kind of safety issues or socioeconomic status issues. We

obviously have our own things here, but, man, nothing like that. I've never been in a situation like that. We just don't have that here. I mean, you can go to the worst neighborhood in Des Moines and it's nothing compared to Oakland.

JD: That fall after she came back to Iowa, Megan finished a degree in management and moved in with her fiancée, Scott. But just as it had in California, a streak of bad news convinced Megan that fate was calling her back to Knoxville. First she lost her aunt, who was also the office manager at the family agency. Then she lost her job. A week later, a heart attack took her uncle, her father's brother and business partner, and she felt like the only thing to do was to come home and support her family. Megan and Scott got married, bought a place in Knoxville, and both went to work for the family business. Megan worried about running the agency if her father ever left, so she registered for an executive MBA. She had no way of knowing then that her degree would later clear the way for her to become owner and CEO of a beer company.

MM: This sounds bad, but I really flailed about until, well, probably age 41 or so, just trying to figure out what I wanted to do. I think sometimes you look at people and you think, "Oh, they're gonna go be an English professor, or go do sales, or do whatever." I never knew what I wanted to do. Like I don't think I even had a clear thought of being, "This is exactly how I'm gonna spend the rest of my life." When I was in college trying to figure out a major, I didn't necessarily want to just have a business major, so I took classes in anthropology. I took classes in sociology, management organization, some business classes, and at one point was thinking about creating my own major around basically – it pretty much ended up being the management and organizations degree that I got, which was fairly new. One of the classes in that was this personal leadership, personal development. You had to figure out your personal mission statement. For me, that was I wanted to make work better for people. I felt like we spend so much of our day at work, and people pour so much into it that if work is better, they'll do a better job. They'll pour more of themselves into it, but they'll also not pour so much into it and be stressed about it that they'll be better people at home. They'll be better for their families. They'll be better for their communities. They'll be more engaged. All of those things. I felt like if you make work better, it bleeds over into everything else.

JD: And that stuck with you?

MM: It stuck with me forever.

JD: Peace Tree Brewing Company has become Megan's creative and professional calling, but it arose from another twist of fate: her parents' divorce. Her father wanted an apartment above a commercial unit in downtown Knoxville, so they pooled funds to buy a building with a comfortable loft. Megan says it all started with the space.

MM: It was just kind of like these weird events that all happened, and then the brewery building came for sale and we bought it, really with the intention of – we thought we'd put some new windows in the front, fix the crappy siding, make sure it had a good roof, put a for rent sign in it and someone would come and wanna rent that and create a business in it, right? And nobody did. A year or so went by, maybe two years, maybe not quite that much, and so we're like, "Well, nobody's gonna be creative to know what to do with this thing." It was 5,000 square feet on

Main Street. It was an open span building because it was an old car dealership. And so, we started brainstorming ideas and came up with like, we didn't really have a nice laundromat in town, people could use indoor storage, and those both seemed really like – they didn't do anything to create jobs or help the community, or it wasn't gonna add any vibrancy to Main Street and so we kinda let those sit. Then my dad read something in the Wall Street Journal one day about breweries, and this is in 2009. This was early 2009 because he had the idea – he said something to Scott. Scott had home-brewed just a little bit, maybe a handful of times. And I knew they were up to something but they never really told me what. So finally, I cornered Scott one day, and I was like, "What are you guys thinking about for this thing?" And Scott's like "Your dad thinks we should start a brewery." And I'm like, "That is the stupidest thing I've ever heard." So, I went in and I go talk to my dad, and I'm like, "Dad, seriously." And he's like, "Why not?" And then he threw out the challenge, and this is, you know, this is what always gets me in trouble. He says, "You have your MBA, why don't you go write a business plan?" And so it's like, well, alright. Let's see if this thing has any teeth to it. And it seemed really stupid and really crazy and really far out there, as all good things do in hindsight, but it was perfect for the space. We had a lot of open space. It was good concrete floors. You could have this night front retail taproom space that would be very appealing from Main Street. It would be a place where you could bring tourists in. You could make a product and sell it outside of Knoxville, so we weren't gonna depend on our local economy to support it. It was a place where we could – you know, I think that was the thing where Scott and I actually really miss, and my dad too, from the standpoint of there was nowhere you could go and hang out that was nice, meet people, hear music, see art – have that cultural exchange. That just didn't really exist in Knoxville at the time.

JD: Is it fair to say that craft brewing was a bigger deal elsewhere – you were kind of on the cusp of it in Iowa, right?

MM: I would say we were very much on the forefront of it. I think there was a resurgence, a renaissance of it, definitely, right around that time – 2008, 2009.

JD: There'd been Raccoon River, Court Avenue. There'd been some places in Des Moines.

MM: Yeah, I think if you look at the bumps. Back in the late eighties, early nineties, there was a little resurgence, which would be like kind of when Raccoon River, Rock Bottom, there was a brewery in Solen at that time, Millstream kind of got its wings then. And then the industry kind of fell off. There was some contraction. Those who made it, made it, but a lot didn't. Then all of a sudden, we were very much on the front of this new expansion. 2008-2009, the economy's terrible, but people are starting to get interested in more locally produced things. I think some of those old holdovers who'd had craft beer from the one who'd started in the nineties and eighties were interested in that again. There were people who were interested in home brewing, those sorts of things. But there were only 1,500 breweries in the U.S. at that time. There were only maybe 25 in Iowa. Only 2 or 3 of them were packaging legitimately, actually putting stuff out on the shelves.

JD: And how many are there now?

MM: Oh man, today, in the United States, I think we're up around 6,500. In Iowa there's over 70 or 80. I feel like every time I say a number it changes the next day. Market share went from like maybe 5% back when we started to today, it's up over 13, 14% if you look at it nationwide.

JD: Market share of the beer industry?

MM: Craft beer, yeah.

JD: So, you've felt like there was a landscape that looked good for you to open that kind of a business?

MM: Yeah. We thought so. I don't know if we knew what we were getting ourselves into, to be honest. We kind of thought we would maybe just throw some haphazard tables in the taproom and we'd make some beer and hang out and our friends would like it and we'd sell a little at the store, and you know, no big deal. It'd just be this thing we did on the side. Create a couple jobs, right?

JD: That sounds good to me.

MM: Seems easy. No big deal. I think what we quickly realized and through our planning process was that, well, if you're gonna put it on the shelves, you've gotta get to a certain size to make that work, because otherwise distributors aren't gonna look at you. I don't think I was as aware of that as I am today, but we kinda thought, oh some distributor will pick us up, no big deal. But it quickly became apparent we needed to be legitimate, or we needed to not do it, or we needed to just say we're just gonna be a little taproom in Knoxville, Iowa, and serve our local community. And I don't think that would have been a good long-term solution. I just don't think there's enough population here to support it.

JD: Backing up a little bit, why do you think – because I've seen this across other breweries – why is it so important for craft brewers to have a kind of regional identity or a local sense of place?

MM: I think the local sense of place is important because it gives you a testing ground for your products. It helps you identify who you wanna be. It really drives that sense of community and creativity. I think it takes a lot of energy to be creative, and so, I think you need that local space to be able to do that. As far as the regional footprint – again, it just goes back to the scalability. You've gotta have that in order to be able to have big enough tanks to get on the store shelves, to be able to have a distributor look at you.

JD: Part of where I was going with that is the names that people come up with or the identities they build into the, I guess, the brand or the face of it, so, one of our favorite towns in Minnesota is Grand Marais, and they have the Voyageur Brewing Company there, which is harkening back to the trappers and whatnot. And that was important to you with your name?

MM: The original name my dad just kinda threw out off the cuff, that same day when he told me this crazy idea. He's like, "I even have a name, it's White Breast Brewing Company." And it was

like, well that really rolls off the tongue, sounds great. White Breast is a great recreation center around here, people know it, nobody thinks twice about it. I started reading the history books to figure out where the White Breast name came from, and then we decided, Joe, bless his heart, was like “We can’t name a brewery White Breast. People don’t know what that is. You’re gonna get all kinds of comments when you’re out in the market.” Thank goodness we did not keep that name and we changed to Peace Tree.

JD: And Joe is your brew master?

MM: Joe is our brew master. Yeah, I think he was a week on the job, and he’s telling like, the owners of the company they need to change their name. Kudos to Joe, you know, for having a good strong conviction about things, that was good. But as we were researching that name, we came up with all these other names and I’d read the history of Marion County and I’d read the Grace Carr books, I’d read whatever I could get my hands on, basically, and kept coming back to this idea of this tree back in the lake.

So, the Peace Tree, the treaty tree, really kept kind of coming back to the forefront from that. Just from the standpoint that my mom’s family grew up out there. I actually grew up across the lake from the Peace Tree. This idea where cultures kind of came together and it was really something we were trying to recreate, obviously in a really different way, but that same idea. I think for us, it was fun to settle on that and from the standpoint of tricking people into learning about history, we were able to do that, too.

JD: Like a mystery, right?

MM: Yeah, people are like, “What’s the Peace Tree? Where’d that come from?” And then you start telling them the story and then remind them that 50 years ago there was no lake there, it was a river. And there were towns. My grandparents farmed out there, that was their livelihood. And it’s like, “Oh, that was not that long ago.” So it’s been a great way to kind of awaken people about our history, locally.

JD: You’re preserving that history as much as you’re selling beer, in a way?

MM: Yeah.

JD: Now, randomly I just heard that the Peace Tree came uprooted?

MM: It did.

JD: And you’re trying to get it, or buy it, or something?

MM: Yeah, I don’t know. I’m a little torn about that. It’s the marina, a guy name Gary out there, actually found me on Facebook and sent me a message as they were towing it in and he was giving me updates. It took them a long time; they were going like a mile an hour towing this thing in and then they hit the bottom at the marina. So, it’s sitting in the parking lot right now, the old parking lot, which was well under water at that point. And then as the water went down,

that tree that's been submerged for 50 years now, over 17 feet tall, I don't know circumference, but it's two or three people wide, and it still has this root ball. There was a lot of talk from a lot of people, "Oh, you should go get that tree," this and that and the other. I don't know. I'm not super sentimental about it. I like the tree story and the idea and the history. I don't know if I need the physical tree. But I do think from the standpoint of preserving the idea and having this visual cue for people to stop, look at, and then make some connections there so they understand where it came from and why it's significant. But I think that can be done at the Lake Red Rock visitor center or, frankly, it's just fine out there in the marina parking lot. It's gonna take a lot to move.

JD: So, you had the name. I guess, what was your expectation of what owning a brewery would be like, and then what was it really like? You said something about hanging out with friends. Is that really what it turned into?

MM: In those first days, we were, it was Scott and I and my dad, and Joe, our brew master, would bartend. We had Betsy come on and help bartend, and Joe's wife, Danny, sometimes. Then we didn't really have any other employees those first six months. But it was fun. We could stand up here and sling beer and it was our business. And we would only open on Thursday nights, and we had a lot of friends who would come in and we met a ton of new people. You think you know everybody in a town of 7,000, and you don't, at all. It was a really fun way to see this whole other community that exists outside of my little world. And then I think once we added some employees those first two or three years, it very much was, Joe said it the best one day, it was just magical. We would work our tails off, we had young children at the time, Joe has two boys and Scott and I had Urban. The kids would run around, we had an old table from the junior high and we'd unfold that in the back of the brewery and we'd order pizza in and we'd let people go in the back and watch us bottle or you know, whatever project we were working on, people were in and out. It really was this big kind of extended community and it was a lot of fun. Mind you, we had a full-time job. Scott and Dan and I were still running an insurance agency and so I think it did get to this point of tension where every time I was over here, I felt guilty because I wasn't back over there doing what I needed to do for those employees or those clients or whatever. But every time when I was over there, there was some fire to be put out here. We didn't really have a manager, per se, it was just kind of Joe brewing and running it, and in the taproom, Danny was kind of here working on that. The underlying day-to-day accounting and business operations and all of that, I did a lot of that from my desk at the insurance agency.

JD: With some of that pressure, that feeling torn, is that why you decided to buy everybody out and be the sole owner?

MM: Yeah, I think there was some of that. We were almost five years in that point. Scott and I were divorced by then, so, we'd been separated a couple years. My dad was ready to retire. The brewery was at the point where either we needed to get in there and make it happen, or we needed to not do it anymore, whether that meant closing it or selling it or doing something else. But it couldn't exist in the form that it was very much longer. So, again, kind of a lot of soul searching and trying to figure out what I really wanna do – what's my life look like for the next thirty years until I wanna retire? I loved the insurance business. I felt a big duty to be there because I was the fourth generation of that family business. If I sold, I was the last of the McKays that was in there. On the other hand, the brewery, man, it ticks all my boxes. It's

creative, it's fun, it's a puzzle, I love growing and developing something. I felt like the insurance agency was gonna exist whether I was there or not, you know? It's gonna fill that space on Main Street, it's gonna fill that need for those clients, whether I was there or not. Whereas the brewery, I felt like it was precarious, and I could continue to build that. Or, if I sold it, it probably would get moved somewhere other than Knoxville.

JD: And it was important for you to stay here?

MM: Well, it's kind of, you know, it's my second baby. I have one child and I have one brewery. I'm not saying I gave up having another child for the brewery, but in some respects, it's kind of hard to do both. I feel very invested in it from that standpoint. I've poured a lot into it.

JD: Okay. You've mentioned when we've talked before that over these years of growing the company, you've learned a lot about tenacity. What is, personally and on the business side, what have you learned about tenacity since you've started being the sole owner?

MM: It's not easy and especially when you think about, "Hey, let's start a brewery in Knoxville, Iowa, sprint car capital of the world, where everybody drinks Busch Lite and nobody really wants craft beer." You've gotta have a little hardness about you to say, "No, that's what we're doing. And I know it sounds crazy but it's gonna work. We're gonna make it work."

JD: Yeah. You just described your brewery as like a child, and I'm wondering what you've seen in the brewery if you imagine it as like a person growing up or coming of age. What are some of those maturity signs?

MM: I think now we are – I say this a lot – we're in those really awkward teenage years. I think we're getting to be closer to maybe eighteen or so. We're starting to figure it out. But I talk about that a lot. I think in the early years, you can be cute and throw tantrums and throw food on the floor and everybody thinks it's really fun because you're like a young entrepreneurial company and you're cool and your customers, as far as wholesalers, let you get away with a lot of stuff and they're willing to hold your hand and wipe your face off while you figure out how to eat at the big boy table. And then you kind of get into that grade school era and it's like, "Ooh, we gotta kinda figure out how to have an attention span and be a little more focused and mind our p's and q's and do things consistently in the right way all the time."

JD: What would some of those things be, when people weren't cutting you the same slack? Was it customers or the distributors?

MM: When I talk about distributors, we've been really fortunate to have extremely supportive distributors. I think they've done a great job helping us grow, helping us develop as a company. But it's things like, if you have your beer on a store at HyVee, they're not gonna hold that space open because you didn't get enough beer made this month. They're gonna fill it with somebody else's, especially when you look at going from 1,500 breweries to 6,500. There's always somebody new wanting to put their beer there in your place. So, holding you accountable for things like that. Making sure that if you say you're sending a keg of this, that's what actually shows up on the truck. You can't have somebody who's kinda sleeping when they load the truck

and put the wrong thing on the pallet, you know, some of those sorts of things. Simple business stuff.

JD: How do you balance that? Because you say creativity is really part of why you wanna do it, part of your business' identity.

MM: How we balance that was, I bet the farm and I built a brewery in Des Moines as well. We were getting to the point of, we had to produce as much beer as we could out of Knoxville, and we're at the point now where my next expansion plans in Knoxville are expensive and maybe not even smart to do as far as building out more tank space and those sorts of things were a little hamstrung with building space and all of that. So, for us to keep that creativity piece going, it was like, we can't produce any more variety in Knoxville. We've gotta keep those store shelves full and consistent and all of that. So, we're gonna build this other brewery in Des Moines where we can have the taproom but also the small brewery so Joe can go up and create whatever he wants to create.

JD: And you've described yourself as a kind of patron of the arts? My interpretation of brewing is that it's more chemistry. What's the artistic side of that, I guess?

MM: I think, I don't know. You should spend an hour with Joe and have him talk to you about it. When you think about – it is chemistry. There is very much a prescribed way you need to do things. There's a lot of cleaning. It's very specific about time and temperatures and recipes and those sorts of things. But if you think about looking at a glass of beer and what the color looks like and what the taste looks like and what kind of flavors you wanna have out of it, what kind of aromas you wanna get – to be able to go from knowing the four main ingredients and the varieties that are available to be able to actually have this finished product in your hand and visualize that and come up with it without doing it two or three times and tinkering – he can do that in a big batch of beer without ever brewing a small batch first. He can just take it from this stuff that's simply – grain, water, yeast – and all of a sudden have this thing that comes together in a wonderful way that's well planned and exactly what he wanted it to be. I think that's very artistic.

JD: Well I know from talking to a friend that you've gathered some wild yeasts. Do you know much about that? Or do I need to talk to Joe about that?

MM: I can tell you the basics. So, in Belgium, the very old breweries that have been doing this for years and years and years – centuries, really – we didn't have yeast strains, per se, that you'd buy, so they'd collect wild yeast. Whatever was in that local neighborhood or from that farm where they'd brew the beer, they'd have naturally occurring yeast. And then that would be what came into the beer and fermented it, and then from there they'd have this beer. So, it became very local, very specialized. It was that localized yeast. Joe has been a big fan of those Belgian-style beers and that style of brewing because you have to really treat it in a certain way so everything comes out the way you want it to. It's very natural and spontaneous, yet you have to have that discipline and organization to make sure it's set up well to be able to do it. So, what he's done here is taken it out to Blue Gate Farms, set it out, waited for the right time of year when the fruit trees have the appropriate amount of blossoms, that gets into the science part of it.

And Jill was really sweet when she was out there helping him set it at the appropriate angle from the trees depending on which way the wind was blowing so the appropriate particles got to the wart and then all of a sudden you create this great beer.

JD: This is Jill, who owns Blue Gate Farms?

MM: Yup. So, it's been a fun partnership. We did it last year, a lot of times what will happen with this naturally occurring yeast is that once it starts to produce alcohol, it will eat itself up, burn itself out, so you don't actually get a finished product from it that has any alcohol to it. But if you do it right and you have the right base there and you collect the pieces naturally, you get this really beautiful thing in a glass. And it really ends up being kind of like a beer, kind of like a wine. It can have a little bit of cider characteristics.

JD: It just seems like a really cool tie in with your name, that you're preserving history, and here you're literally preserving a place through these yeasts. It's like the soil regions in France, they say the wines taste differently in the different soils, it's not just the type of – so the region is actually the name of the wine.

MM: Yeah. I think there's very much a piece of that that he's very much interested in. How do you make yourself unique and stand out in a business industry where you've got this many new breweries doing this many crazy things? Some people are putting maple hazelnut chipotle whatever in their beer. Instead, Joe's taking it back to the most simple form, taking it back down to its essence and using something so local that you can only get it here. And I think you can look at that both ways, which one is more creative or more different or more better. That's the path we've taken and I think why we've done really well together is we've both – we like that authentic, local piece to it.

JD: I'd buy that as artistic.

MM: Yeah.

JD: Backing up a little bit, we've talked a lot about community and your childhood and maybe that kind of thing you felt you were missing in California and part of what drew you back here and part of why you stayed in Knoxville. Can you think of some specific experiences you've had that show how craft beer builds community?

MM: Yeah. I think just from the idea of those early nights when we'd open up the taproom and you'd look around and you'd have people who were friends of ours who were trying to be supportive because they thought we were crazy and would show up, but then you'd have the guy down the street who'd recently retired but he was in the military back in the day and he'd travelled to Germany and he was looking to relive those great beers that he'd had abroad. And then he's sitting next to blue collar guy down the street who, again, had kind of experienced those things in a different way. And all of a sudden, they're talking and new friendships are being formed and you just make these connections with people that you wouldn't otherwise make. That was really how we saw it on a basic, early level. I would say I've met more people from the greater Marion County area – Knoxville, and Pella don't always necessarily mingle

back and forth a ton, and that's been a really fun way where I feel like we have a connection to Pella and across the lake, partially because of the brewery and the people we've gotten to know through this business and the support we've received from that side.

JD: Would you have come to work at Peace Tree if you didn't have the nanny thing going on back in 1991?

MM: Yeah, I mean, I think I would have worked here when I was young. It's a little different just from the standpoint of we usually only hire people who are 21 and over and at that point I was off to college or whatever, but I think it's an attractive place for people to want to come and work and hang out and it can be kind of that fun job that's on the side. I think we have attracted people from out of town and out of state who want to come and work here, either on the brewing side or the management side. I am really proud of that. We've been able to attract new families to our community because of the type of business we have.

JD: And you've taken a really active role as a community leader, partly because of your position at Peace Tree, so can you tell me about some of those positions you've held?

MM: Yeah, I mean I've always been pretty active in the community, I think from the insurance agency standpoint – it was important to be out in the community, not only because it would help you grow your business so you'd get to know more people and they'd trust you and want to buy insurance from you, but also because we also kind of had a duty to develop our town so a) we had people who wanted to live here and work here and then also just continue to develop the town so you have more customers and those sorts of things. I guess that always continued with me, that you only get out what you put into it. So, if I'm gonna have my business here and hopefully be financially rewarded from that and have a good living and all those things, I have to put something back into the community so I can continue to get that back. I think where I've tried to apply myself are the places where I think it adds value. One of those – I've been on the hospital board for the last nine years. I'm coming up on my fourth term next year.

JD: And you're the chair?

MM: I'm the chair right now. I think that's important. I think if you don't have good local, stable health care, you see communities start to deteriorate because they don't have that anchor in the community. Not to mention, they employ 250 people. If you didn't have those jobs, you start to see things kind of wane.

JD: And you've been the president of the Chamber of Commerce? You're involved in more than one leadership position?

MM: Yeah, you know, last year I think internally here at Peace Tree we saw a lot of, why aren't we getting more people to our town? Why don't we know what other businesses need so we can help fill those needs, or vice versa? We just didn't feel like our chamber was very active. It seemed like there was a lot of infighting or lack of direction. If you're gonna complain about it, you've gotta go fix it. So, it ended up being four board openings so we went and recruited Maggie from the hospital, who's the CFO, and Sarah McKay, who's the manager of the

Cobblestone Hotel, and Sarah Roberts who does a lot of admin work and assists managers at real estate insurance, and we put a team together and we said we're just gonna go in and get the structure of this organization and get a good purpose so that we can start helping to foster better relationships between the local businesses, figure out ways to make it a place where people want to come and do business here, figure out how we can get more workers here and assist the city with their economic development efforts, assist the schools, the hospitals, whatever else, with those PR issues that I think we have in Knoxville. Just figure out a good way to make an impact, somewhat for self-serving reasons but also from just the standpoint of being proud of the community we live in and if we're not then we should roll our sleeves up and figure out how to make it. That was kinda when we jumped into that.

JD: So tell me if I'm wrong about this, but my assumption about Knoxville – sprint car racing, blue collar kind of image – I would assume that you've hit a fair amount of resistance as a community leader in what I would think of as a more conservative kind of community. Is that accurate?

MM: I wouldn't say we've had a lot of resistance, I'd say it's just hard to find a unified voice in this community, sometimes, would be probably our biggest roadblock that we have. But I think, again, thought the chamber we did a lot of talking about what's our brand as a community. And we've tried to pin ourselves to be all about sprint cars, or back in the day we were the VA hospital, or we are the Knoxville Panthers, or we're the county seat, you know, and none of those things are Knoxville. They're part of Knoxville. When we sifted it back down, Knoxville's all about grit. I think that was a great word that came out of it. You can see that as bad, as like blue collar, sprint car, maybe it says uneducated or whatever else. But grit to me is that people are gonna work hard, they're gonna dig in when it matters and make sure it's done. That's something to be celebrated. I don't care what part of the economic spectrum you're on, that's a team we can all get on.

JD: Is it fair to say that part of what you're doing at Peace Tree is bringing out the value or meaning that's already there?

MM: Yeah, I think so. Letting people have one more thing to be proud of, you know. Dust some things off a bit so you can say here's one more bright spot in our community. Not everybody's gonna glom onto each individual piece, but if we have 4 or 5 different things that we can say we're really proud of, then all of a sudden, you're raising the whole level of the community. It might not be that we all agree on what the one thing is, but we agree there's a pot of stuff that's pretty awesome. So that's I think what we're trying to get to – raise that overall level of pride.

JD: Yeah. And again, correct me if I'm wrong, it seems like beer has been an unconventional way for you to make a community that looks different from the community you grew up in, you're breaking down barriers that might have been there when you were younger or that might have been there for your mother, for instance? Is that fair to say?

MM: Yeah, I think beer does allow you to do that. This is a serious business and I don't wanna pretend like we just hang out and have fun all day, but at the end of the day, it's just beer. Get over it, you know? People can be really pretentious about it and there's especially the trend in

craft beer that everybody's hoarding stuff and, "I got this," and, "I'll trade for this," but at the end of the day, it's a wonderful social beverage that you can share with anybody from any background, any social status, any whatever. It's just a great common denominator where you can get together and have a conversation over beer. And probably at the end of it, you're gonna feel better than when you started. It sounds really cheesy, but when we're having the worst days – a machine breaks down or isn't working right – Joe will just look at me and say, "We gotta stop and have a beer." You do that, and it takes the pressure off and forces you to slow down and appreciate the important things and then you can get back to what you need to work on.

JD: Make work better for people.

MM: It does. It really does.

JD: Everybody should have a beer at work, huh?

MM: I'm a firm believer. I mean, yeah. Sometimes we do, sometimes we don't, but yeah.