



New City Gate Spirits distillery adds to taste of St. Augustine

By Stuart Korfhage
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One of the things that sets St. Augustine apart from other Florida beach towns is its increasingly sophisticated and diverse culinary scene, which, of course, includes cocktails.

Already a force of innovation in that department, St. Augustine Distillery partners Philip McDaniel and Mike Diaz are now co-founders in a new venture that's expanding the offerings downtown.

The latest project is a craft distillery at 11 St. George St. called City Gate Spirits.

However, both the ownership group and product line for City Gate is different from the Distillery.

Whereas the Distillery makes premium brand spirits that compete regionally with top whiskeys, vodkas, gins and rums; City Gate Spirits sells flavored spirits on site only with no distribution to stores and restaurants.

"It's a completely different approach to providing the visitors to St. Augustine something that they can enjoy while they're here and also to take home as a souvenir," McDaniel said. "What's in here you can't get anywhere else. It truly is unique to this location."

Like the microbreweries, winery, independent restaurants and other culinary artisans that are thriving here, this new distillery, which will include interactive tasting sessions, will add another opportunity for visitor experiences, one tourism expert said.

"The idea that we have unique, and in this case, eclectic types of experiences is important because it kind of goes with what we are," said Richard Goldman, president and CEO of the county visitors and convention bureau.

"I like to view it as expanding culinary experiences, and that it's unique is essential. It is a different enough twist on its category that it seems like it's appropriate for the destination, adds to the tapestry that we have."

Currently there are five products offered at City Gate, and they're all different from what is made at traditional distilleries. They're lower proof than regular liquor — 60 proof (30% alcohol). By comparison, major brands of vodkas are 80 proof, and most other popular spirits are 70 proof or higher.

“What we’re trying to do here is make stuff that is approachable in its flavor so we can reach kind of a broad market,” said Will Hensler, general manager of City Gate. “They’re all things that you can just pour over ice and enjoy.”

The new distillery is currently in its soft opening period, serving its first customers on Aug. 29. Now that staff has had more than a month to get acclimated to the new business, City Gate will conduct its grand opening Oct. 12. The all-day event will include free tastings, giveaways, games, live music and local food.

So the brand is really just getting started. Although there are a handful of spirits available now, Hensler said the product line is expected to grow and change in the future. The plan is also to allow Ric DeMontmollin, director of production, some room for experimentation.

“The cool thing about spirits like this is: Since they’re not aged and not high-proof, we can really adjust and pivot and make very small batches and make things like seasonal flavors,” Hensler said.

The ability to make something unique is important to customers right now. According to L.E.K. Consulting, the number of distilleries has increased approximately 35% per year since 2011. It also said the U.S. craft spirits market has grown by approximately 20% per year by value since 2012 and is forecast to grow by approximately 15%-20% per year through 2022.

So it’s clearly a good time to be in the business.

McDaniel, who helped open the St. Augustine Distillery more than five years ago, said he didn’t really plan to start a new, separate business doing almost the same thing. But the market was there, and he thought a slightly different concept could be relevant after seeing others have success in similar tourist destinations.

If he and Diaz hadn’t acted, someone else likely would have tried something along the same line here — and probably on St. George Street, too.

“We’ve seen certainly in Key West and Savannah and others it’s like sooner or later there are going to be others who will say, ‘That seems like a good idea, I’ll do that, too,’” McDaniel said. “We felt like there was a timing opportunity to perhaps be that alternative product offering.”