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Georgetown Brewing Co. buys property to expand

Puget Sound Business Journal (Seattle) - September 14, 2007 by [Justin Mattick](#) Staff Writer

One of Seattle's hottest small breweries is buying a \$4.7 million property for its new headquarters, laying the groundwork for a rapid expansion and underscoring the state's craft-brewing boom.

Georgetown Brewing Co., maker of the ultra-hip Manny's Pale Ale, has purchased 38,000 square feet of space, situated in two buildings on a 1.26 acre parcel in Seattle's Georgetown neighborhood. The move solves a capacity crunch at the brewery's current, rented location, and puts it in position to expand beyond Washington's borders, according to Georgetown co-founder Manny Chao.

"It definitely gives us a lot of flexibility," Chao said.

Founded in 2002 by Chao and Roger Bialous, Georgetown has followed a tightly focused growth strategy that hinges on its pale ale product. While many upstart breweries open pubs, offer multiple beers, and bottle their products, Georgetown has focused almost exclusively on selling a small number of beers in bars and restaurants.

Buoyed by the popularity of its pale ale, the strategy has worked. The company will produce roughly 16,000 barrels of beer (that equals about 32,000 kegs) this year, and its production is growing by between 5,000 and 6,000 barrels a year.

Chao declined to disclose company revenues.

According to Paul Shipman, president, chief executive officer, and chairman of Redhook Ale Breweries Inc., Georgetown's growth figures "puts them in the elite" tier of craft breweries, "particularly in the environment in which businesses aren't growing that fast anymore."

The growth also delivers a glimpse inside Washington's craft-brewing sector, which, with more than 60 breweries, is widely considered one of the nation's brewing hotbeds.

But Georgetown's growth hasn't been easy, in part because with just 9,000 square feet of space, Georgetown now runs a brewing facility that was essentially designed for a large brew pub, not a large-scale brewery.

To keep up with demand, "we're running the system around the clock," Chao said.

The new facility will solve that problem, with room to spare.

Chao said he and Bialous have longed dreamed of owning a building, but had to look for a year to find a space that could accommodate their brewery and keep them in Georgetown. The new building, located on a 55,000-square-foot lot at 5200 Denver Ave. S. formerly occupied by Merlino Fine Foods, accomplishes both of the goals. It also invests the brewery in Seattle's booming commercial real-estate market.

"We think it's a smart investment, especially with all the things going on in South Seattle," Chao said.

Chao hopes to have the new space up and running within a year. The company has to make a range of modifications to the new building, such as installing the sloped floors and drains



Photo: Dan Schlatter

Roger Bialous, left, and Manny Chao of Georgetown Brewing Co. will move their brewery into new space and increase production to supply other markets.

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necessary to keep the facility clean. The space will allow the brewery to quadruple its capacity. Georgetown hopes to eventually produce around 80,000 barrels a year.

The added capacity could help Georgetown expand both its offerings and its geographic footprint. With its core product firmly entrenched, the brewery has added two new beers to its lineup, and would like eventually to expand that to six beers, Chao said.

Georgetown sells those beers almost exclusively in Washington, and has been contacted by distributors about expanding into Alaska and Idaho. The company is also considering pushing into Oregon and California, Chao said.

Shipman, of Redhook, likes the company's chances. Given the buzz around Georgetown's beers and the brewing industry's dynamics, Shipman believes the company can keep growing at a rapid clip.

"All the factors contributing to their success will still be in place when they're four or five times (their current) size," Shipman said.

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