

Economic - Tom Williams St. Pete Brewing

At my finance company, the number one reason that my clients go out of business or can't succeed is hostile landlord situation. So they've been there 10 years, 15 years, and the guy says, you know what? I know you were paying \$3,000 a month, but now I think it's worth \$15,000. Or my wife wants to be a restaurateur now. So I want you to move out.

So in this, we never have to worry about that. I own the building, it's ours. So I don't plan on being a hostile landlord to a company I own. It doesn't make any sense. And we also think that's a competitive advantage for us as well because we're not going anywhere.

We're the only brewery in the Bay Area that owns their place except Cigar City and Tampa Bay Brewing Company. Everyone else is a tenant. So what that allows us to do if we get into rapid expansion, which could be the case, we can expand over there.

But I can always go back to the bank and say, hey, the building is worth x, we need y. We're always in a position where we have the cash flow of the business, but we have the rent of the building and I have the appreciation of the building and the depreciation. So we're always in a position when these other breweries are going to expand, well, they have to stand on cash flow. And they have to justify it and go through all these different things.

But for me, I can call my bank, hey, we just need-- the building's worth x, let's get an appraisal, and I would like to move the bar up to borrow some more money.

It's a different realm. It was more expensive for us to do it that way. But, you know, our rent's never going up. It's not. that's why we own the building.