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Brewery Ommegang to expand

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MIDDLEFIELD — Brewery Ommegang is beginning another expansion of its facility to keep up with demand for its Belgian beers.

“In a down economy, beer is the place to be,” said company Controller Wendy Hunt.

The foundation has been dug and the footings poured for the first phase of the \$1.8 million project — the construction of an 8,000 square foot warehouse. Currently Ommegang has to warehouse its products off-site in New Jersey and California.

Their beers are bottle condition and as soon as that process is complete, the beer is trucked to the warehouses out of state, Hunt said.

The new warehouse will also provide additional warm cellaring space for the bottle conditioning and will free up space for production.

Hunt said that demand has been so high for Ommegang’s beers that for a time it was being brewed in Belgium and shipped to the United States. Recent increases in production capacity, like the four new fermenting tanks added last year mean Ommegang is again brewing all its beer at its 136-acre farmstead facility on River Road in the town of Middlefield.

The next phase of the expansion will see the creation of a new bottling hall, store, restaurant and office space, Hunt said.

She said the expansion has been in the planning stage for more than seven years and is now becoming a reality.

“All the right things have fallen into place,” she said. “It’s going to be wonderful.” The brewery expects the expansion will result in five new jobs in Middlefield and others off-site in sales positions. Ommegang is receiving assistance with the expansion from the Otsego County Industrial Development Agency. The IDA will hold a public hearing Dec. 2 in regard to its participation in the project.

If approved following the hearing, Ommegang would be in line for a \$200,000 low interest loan, according to the IDA’s Administrative Director Carolyn Lewis.

The IDA, Lewis said, would take title to the property in name only and enter into a lease back agreement with Ommegang.

The proposal would also exempt Ommegang from real estate transfer taxes and sale tax relating to the project.

The brewery would receive a 15-year tax abatement on property taxes. In the first five years, 75 percent of the taxes from new assessed value would be abated. In years six through ten there would be a 50 percent abatement and in the remaining five years, a 25 percent abatement.

Lewis said the current taxes would not be abated. Ommegang would agree to make a payment in lieu of taxes in the amount of the current taxes on the existing facility in addition to a percentage of any new taxes.

In the first five years, for instance, the brewery would pay an amount equal to current taxes plus 25 percent of any new taxes from an increased assessed value. Lewis said it is possible the proposal could be approved the day after the public hearing.

“They’re ready to go,” she said.

The public hearing will be held in the Otsego County Meadows Complex at 9 a.m. on Dec. 2. More information may be obtained from Lewis at 432-8871.