

MEMO

TO: Mike Voth, Director of Corporate Revenue
City of Saskatoon

FROM: Cam Broten, Chair
SREDA Board of Directors

RE: Great Western Brewing Co. Business Development Tax Incentive Application Review

DATE: August 30, 2023

The Saskatoon Regional Economic Development Authority's Board of Directors reviewed the tax incentive application from Great Western Brewing Co. and has determined that it meets the eligibility requirements of the City of Saskatoon Business Development Incentives Policy, C09-014.

The brewery was originally built in 1927 and operated under a number of various names prior to becoming Great Western Brewing Company (GWB) in 1986. Great Western is now one of Canada's most successful regional brewers and an internationally recognized producer of world-class beer.

In order to address fundamental risks in its aging brewhouse infrastructure, GWB is planning a three-phased expansion, which will also allow the company to develop a roadmap for future business plans. Phase 1 will include the physical expansion to the property, as well as the infrastructure for future cellars. Phase 2 includes the acquisition of a new cold block (cellar), which will allow a significant gain in efficiency improvements as it relates to the use of energy and water during the brewing process, reducing their environmental footprint and increasing annual savings by ~\$750,000. The completion of Phase 2 will position GWB as one of North America's most modern and green brewing facilities. The third and final phase involves the decommissioning and renovation of the old brewhouse to become the administrative office tower; additionally, the old cellar will be renovated to become four leasable units on 2nd Ave.

Overall, GWB's expansion will result in a new 17,500sq/ft building which will be built on the existing property atop the parking lot adjacent 2nd Ave and 26th Street. Construction is estimated to begin in Q3 2023 and take 10 months to complete. GWB plans to invest approximately \$40M in leasehold improvements and new capital equipment, in addition to the creation of 10-15 new jobs within 5 years.

SREDA's Board of Directors approved the following resolution on August 30, 2023:

Recommendations

THAT the SREDA Board of Directors recommend Great Western Brewing Co.'s Business Development Incentive application for approval at City Council.

The Board's recommendations are forwarded to City Council for consideration and approval. A summary of the tax abatement application is attached for reference, along with the Eligibility Criteria Checklist.



Cam Broten
Chair, Board of Directors
SREDA