Milwaukeeans Campaign to Buy Pabst from Calif. Company

CARRIE ANTLFINGER, Associated Press Writer

This image provided by the Pabst Mansion museum shows beer wagons and horse teams lined up to carry one day's delivery of beer for Milwaukee establishments in 1900. A small group of Milwaukee residents wants to revive the city's beer brewing tradition by buying Pabst Brewing Co. from a California executive in hopes of returning the brand's headquarters to its birthplace. **(AP Photo/Pabst Mansion)**

MILWAUKEE (AP) — Long before it was known for fine cheddar cheese or the Green Bay Packers, Wisconsin was famous for beer, especially the national brands brewed in Milwaukee: Schlitz, Blatz and Pabst Blue Ribbon.

The brewing tradition [1] started by Milwaukee's German immigrants in the 1800s endured for more than a century, until industry consolidation in the 1980s and '90s began sending familiar brands to other companies and cities.

Now a small group of Milwaukee residents wants to revive part of that proud history by buying Pabst Brewing Co. from a California executive in hopes of returning the brand to its birthplace, possibly as a city-owned brewery.

The effort appears to be a distant long shot, requiring hundreds of millions of dollars to acquire the 170-year-old beer best known as PBR. But Milwaukee officials like the idea enough to talk about it, and at least one industry analyst says the plan is not beyond the realm of possibility.

"When I think about Pabst being anywhere else but Milwaukee, it just doesn't make sense," said Susie Seidelman, an organizer of the "Bring Pabst Blue Ribbon Home" effort. "Milwaukee made this beer what it is. ... It's right on the can."

The beer, with its pale gold color and light, fizzy taste, has become especially popular over the last decade among urban hipsters, in part because it's one of the cheapest on the market.

The company that started in Milwaukee in 1844 is now headquartered in Los Angeles after being bought by food industry executive C. Dean Metropoulos in 2010 for a reported $250 million.

Reports surfaced last month suggesting that Pabst might be looking for buyers. Organizers of the group want Metropoulos to give them first rights of sale so they can begin raising money toward any asking price.

Pabst representatives would not comment on any potential sale or the efforts to bring the brand back to Milwaukee, saying only that they "are considering financial alternatives" that will help Pabst "aggressively pursue its next phase of growth through strategic acquisitions."

The effort to buy Pabst has a core of seven people with various business and nonprofit backgrounds. It also has a Facebook page titled "Milwaukee Should Own Pabst Blue Ribbon" and a website at bringpbrhome.com, which lets visitors sign a letter to Metropoulos. The letter acknowledges that the purchase proposal might seem "crazy" but asks readers to "humor us for just a moment."

"We want to bring PBR home," reads the letter, expected to be sent next week.

In 1996, Pabst headquarters left and beer production ceased at the company's main complex in downtown Milwaukee, opening a "gaping hole in our city's economy," according to the letter. PBR is now brewed in another part of town as part of a deal with MillerCoors.

Bringing Pabst back is less about the beer and more about "investing in the city of Milwaukee," Seidelman said.

A letter to the Milwaukee mayor and city council asks them to consider the purchase of Pabst using a community ownership model similar to that of the Green Bay Packers, in which the public buys stock that does not increase in value and pays no dividends. But, Seidelman said, they are also considering other options, including forming a cooperative.

Another organizer, Erika Wolf, said the group wants to hold town-hall-style meetings and online chats about how to buy and run PBR. The first meeting is scheduled for April 23.

Regardless of the business structure chosen, they want to put the profits back into the city, she said.

The group's website was put together by the great-great granddaughter of brewery founder Frederick Pabst. Bridget Byrnes, a web designer in Missoula, Montana, volunteered after seeing the Facebook page. The return of Pabst back would hopefully create jobs and "bring Milwaukee back to the beer city it was."

The plan is being floated at a time when some Great Lakes cities are trying to

develop a "blue economy" by attracting industries that rely on water. As growing water scarcity casts a shadow over the economy in warmer states, many northern communities want to use their abundant freshwater to attract businesses, including breweries.

Jeff Fleming, a spokesman for Milwaukee's development department, said city officials know little about the effort so far but look forward to discussing any plan with the organizers.

Paul Gatza, director of the Colorado-based Brewers Association trade group, said he's seen reports the company could go for $700 million to $1 billion. He said Metropoulos' business is acquisitions, not brewing, which might explain the interest in selling.

Raising that sort of money from Milwaukee's 600,000 residents would be tough, but it might be more feasible if a private-equity group stepped in, Gatza said.

Beer is personal to beer drinkers, and Gatza has seen social media backlash when beer drinkers grow unhappy with other companies' changes, he said.

"There might be some PR value in selling it to a group of Milwaukee fans," he said.

The Pabst family sold their controlling interest in the company in 1933, and the last family member, August Pabst. Jr., retired from the board of directors in 1983.

One of the city's tourist attractions is the Pabst Mansion, a masterpiece of Gilded Age architecture that was once home to Frederick Pabst. And one of Milwaukee's main music venues is the Pabst Theater, which was run for many years by the family.

Jim Haertel owns Pabst's old administrative building and bar in the company's former brewery complex. He said he would buy into Pabst if given the opportunity and even scrap his plans to put a bed and breakfast in the building with beer taps in the rooms.

Renting offices would make less money than a bed and breakfast. But, he said, "it just seems like the right thing to do."

Source URL (retrieved on *09/21/2014 - 10:08am*):
http://www.foodmanufacturing.com/news/2014/04/milwaukeeans-campaign-buy-pabst-calif-company

Links:
[1] http://www.foodmanufacturing.com/news/2013/07/5-years-later-millercoors-

partnership-still-going-strong