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Stratford-based nonalcoholic beer maker looking for East Coast brewery

Luther Turmelle - July 8, 2021

Bill Shufelt co-founded Athletic Brewing Co. based in Stratford.

STRATFORD — Just a year after opening its first brewery in San Diego, Athletic Brewing Co. is eyeing a new production facility for its nonalcoholic brew on the East Coast.

Company officials announced their plans for a second brewery this week after completing a $50 million funding round. Bill Shufelt, Athletic Brewing's founder and chief executive officer, said Wednesday that the new brewery "will most likely be in Connecticut."

“We are aiming for the second quarter of 2022,” Shufelt said. “The new East Coast brewery will also have a new canning line capable of 400-plus cans per minute.”

The company’s headquarters and a tap room here are located at 350 Long Beach Boulevard, as well as a small production facility that opened before the San Diego plant, officials said. .

Shufelt said the influx of cash from the latest funding round “will allow Athletic to keep doing what we do best, brewing great beer for our customers, and giving back to the communities we care about.” Investors in the recently completed funding round include high-profile athletes such as cyclist Lance Armstrong, former New York Giants football player Justin Tuck and Arizona Cardinals defensive end JJ Watt.

Shufelt has Connecticut roots, having worked earlier in his career at the investment fund Point72 Asset Management in Stamford run by Steve Cohen, the new owner of the New York Mets. Shufelt teamed up with John Walker, who was with a brewery in Santa Fe, N.M, before becoming a co-founder at Athletic.

Atheltic Brewing Co. officials aren’t saying where they plan to locate their second brewery. But they say it will be larger than their San Diego-based location in terms of production capacity, which produces 150,000 barrels per year.

Company officials say they need the extra production to keep up with customer demand in the U.S. as well as to handle expected growth from products soon to be launched in overseas markets.

John Boyd, whose Princeton, N.J.-based company evaluates locations for many of the nation’s corporate behemoths, said he is not surprised that Connecticut is a front-runner for the new brewery, despite the state’s reputation of not being business friendly.

“Food and beverage production facilities are different than other manufacturing operations because they are highly automated and don’t need as much manual labor,” Boyd said. “Being close to the company’s headquarters would produce some efficiencies especially as it relates to quality control.”

Also, he said, access to an abundance of water “is a key site selection component” for breweries, something that gives Connecticut an advantage over other locations.

“Connecticut has a very vibrant micro-brewing industry because the state has made it a priority,” Boyd said. “This is something that is right in Connecticut’s wheelhouse. And you are right next to the largest consumer demographic in North America.”

Whether Connecticut would be a desirable location for Athletic Brewing’s production facility “really comes down to who their target market is and the radius for delivery,” said Brian Marks, a senior lecturer in the economics and business analytics department at the University of New Haven’s Pompea College of Business.

“If they are viewing this as a near-term regional play, then what you have here is a very efficient supply chain,” Marks said. “But if you’re looking to supply the southeast or the entire East Coast, Maryland or New Jersey might be a better strategic fit because they have better access to deepwater ports.”

If the Lamont administration were looking for an incentive to attract Athletic Brewing to build here, it could offer to make port improvements in Bridgeport, he said.

Athletic Brewing Co. / Contributed Photo

Athletic Brewing also will use a portion of the capital to strengthen its workforce through employee hires in key markets to help build the brand and provide service to wholesalers, retailers and customers.

The company currently employs more than 150 people in 32 states and the District of Columbia. Staffing levels in Connecticut weren’t immediately available Wednesday.

The company was launched in 2018 and has a market share of nearly 50 percent in the nonalcoholic beer category, according to Athletic Brewing officials.

Last year, the company launched a new, hoppy-tasting sparkling water brand, DayPack, which is sold directly to consumers.

Alliance Consumer Growth is a New York City-based private equity investment firm that works in an advisory capacity for Athletic Brewing.

Alyssa Ferenz, chief financial officer at Alliance Consumer Growth, said Athletic Brewing "is one of those game-changing brands that doesn't come along very often and has the ability to massively change the landscape of non-alcoholic beer as we know it."

"We're thrilled to build on our partnership with the Athletic team so that they can continue to serve a huge unmet need and grow their positive impact on their communities and the environment," Ferenz said.

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