

REBUTTAL TO STAR EDITORIAL OF JAN 12. 2015: WINERY FACTS
by Sandra Ericson

St. Helena offers a useful case study in why the growing debate over wineries and the 25-year-old Winery Definition Ordinance has to be based on facts, not fear. **Agree.**

In 2013 the Planning Commission started reviewing the city's policies on small wineries, recognizing the industry-wide movement toward direct sales and on-site marketing events. **Agree.**

The commission, and later the City Council, made a valiant effort at finding a balance between maintaining wineries' economic viability and accommodating neighbors who were concerned about wineries' impact on water, traffic and noise. **Do not agree. There were no accommodations to assure neighbors that ag parcels near them would not be developed. There were only testimonial assurances by Donna Oldford, Dave Phinney, Brian Russell, etc. who all actively stood to gain by the revisions.**

Try as they might, they failed because of a lack of factual groundwork. **What is factual groundwork? Numbers, opinions, historical record? It did not fail for those reasons. It failed because the residents, the voters, did not want such commercialism and industrial activities in residential neighborhoods.**

Neighbors were told that 21st-century wineries need to make face-to-face connections with their consumers, but without statistics to quantify that need and a broader understanding of the economic forces at work, the message never sank in. Winery defenders and neighborhood defenders were talking past each other, and the ordinance was rescinded. **Do we live in a country in which wineries rule and can change land use laws continually to meet their sales trends? This implies that wineries should be heard and neighbors should step aside and it also questions the mental acuity of voters. Should IQ be a qualifier to vote?**

Therefore when the Davies Family Winery sought to expand production and offer a long list of public events, the city lacked policies that were based in current economic reality. The result was more conflict, and now litigation. **If the point of this column is the importance of fact, then why were the facts, the actual numerical reality of the impact of the Davies project not presented. We received no cost benefit analysis, water numbers that did not meet county standards, no auditory analysis of open air music on a roof in the middle of town, no EIR and no cumulative analysis of the total traffic impact combined with other event center projects already approved.**

Napa County is facing the same dilemma, with controversies over projects like Yountville Hill and Girard Winery on Dunaweal Lane. On March 10 county officials are determined to start a discussion of wineries that's based on facts, not emotions or blithe assertions. **Good.**

The details of the March 10 meeting are still being hammered out, but everyone with a serious interest in Napa County's future should consider attending. Supervisor Diane Dillon and Napa County Planning Director David Morrison hope to involve the cities in the ensuing discussion, which might lead to a rewriting of the county's Winery Definition Ordinance. **They need to involve the residents of the cities, not just the politicians.**

Dillon and Morrison say winery applications dipped a little during the recession, but the number of projects we're seeing in the pipeline now is nothing out of the ordinary – in fact, it's right in line with projections in the county's General Plan. **Not true. Napa County is smaller than Sonoma County with more heat and less water and yet according to The North Bay Business Journal on 1/12/15, Jeff Quackenbush reports: "Sixty percent of wineries in the unincorporated areas of Sonoma County have tasting rooms, compared with 90 percent in Napa County, according to planning officials who have been analyzing winery use permit activity recently and trends in response to a growing number of applications for more direct-to-consumer marketing and hospitality activities where the wine is made. Sonoma County has approved 439 winery use permits, and of those 152 allow production only; 121, production as well as on-site tasting and events; 111,**

production and tasting; and 35, just tasting.” From the US Treasury Winery Permit List, Napa County has 943 permits issued.

What has changed is marketing. Like the rest of the country’s economy, the wine industry is decentralizing and becoming less reliant on traditional distribution channels. Small wineries aren’t even trying to compete for shelf space at BevMo. **True.**

As we’ve seen in St. Helena, even established winemakers like Schramsberg’s Hugh Davies are resorting to direct sales. The new sales model is winery-consumer, not winery-distributor-retailer-consumer. **True.**

That trend isn’t limited to grapes. We’re seeing it throughout agriculture, with a boom in small organic farms and a new “cottage food” industry. We’re seeing it in the rest of the economy, too, with young consumers looking beyond the Amazons and Wal-Marts for products that are authentic, unique and handmade. **True.**

Neighbors have very legitimate concerns about water, traffic and how this new wine sales model will affect the valley’s agricultural character. **True.**

Yet unlike in the past, a limit on the number of people who may visit a winery is a de facto limit on sales. A balance has to be struck, not on the application-by-application basis envisioned by the Winery Definition Ordinance but through new policies based on facts. **True.**

Here are a few facts: There’s no evidence that a winery has used water at the expense of residential supplies. There is evidence that most of the traffic during peak hours is made up of workers, not tourists. **Partially true. Due to the lack of affordable housing due in turn to lower wages, excessive commuting is forced upon the whole society here. It is also because of wineries’ focus on the high-end customers whose 2nd homes and vacation rentals drive up the price of housing and limit rental housing.** Of the 10 largest employers in Napa County, only one, Treasury Wine Estates, is a member of the wine industry. Only one, Solage, is a hotel. **Size is not the determining factor of local impact, quantity is. The wine industry and their political supporters are in denial about the cumulative effect of so many wineries and event centers. Based on their statement here, can we assume that fewer wineries would not have a significant impact on employment?**

Here’s another fact: Tweaking local winery regulations is tampering with the valley’s economic lifeblood. It has to be done rationally and with the greatest care. **True. But in more and more cases we are not tampering with life blood; we are asking people who for the most part already have significant wealth to limit their desires so other people can retain their own economic life blood too. A truly stable economy does not have only one blood supply.**

It’s also a fact that the economic viability of wineries is the reason Highway 29 is lined with vineyards, not subdivisions. **While that may have been true in the 1960’s and 70’s, it is not necessarily true today. Today the State has mandated that housing be centered around major transportation hubs (St. Helena’s State housing requirements have dropped sharply); today there is CEQA to protect the natural environment; Calif. is in the 4th year of drought and lack of water precludes building housing (see last week’s SH Council agenda of new Housing Ordinance amendments); today there is renewed emphasis on locally grown foodstuffs, not only grapes. So to assume that if we do not have grapes and more wineries that we then have subdivisions is a broken party line, not a fact.**

The county’s March 10 meeting will offer a lot more facts. Mark your calendars.