

WINE INDUSTRY & THE FUTURE OF THE NAPA VALLEY

RECENTLY THERE HAS BEEN AN INTENSIFIED DEBATE OVER THE FUTURE OF THE NAPA VALLEY SPECIFICALLY AS IT PERTAINS TO AGRICULTURE. SUCH A DEBATE IS A GREAT THING. IT BRINGS AWARENESS TO THE ISSUES AT HAND, ENCOURAGES THE CITIZENS TO THINK ABOUT AND DECIDE WHAT TYPE OF FUTURE THEY WANT FOR THE NAPA VALLEY WHILE ATTEMPTING TO AVOID THE PITFALLS. SERIOUS DEBATE CAN LEAD TO A WELL THOUGHT OUT PLAN FOR THE FUTURE WHEREBY THE COUNTY ADMINISTRATION CAN ACT PROACTIVELY (AS OPPOSED TO NOT HAVING A PLAN AND ALLOWING THE UNWANTED TO HAPPEN TO OUR GREAT COUNTY).

ELECTED OFFICIALS AND THE COUNTY ADMINISTRATION WILL WEIGH THIS PUBLIC INPUT TO DETERMINE THE COUNTY'S FUTURE DIRECTION AS IT RELATES TO AGRICULTURE. UNFORTUNATELY I FEAR THAT A SMALL BUT VERY VOCAL MINORITY ARE MAKING MOST OF THE NOISE WHILE THE MAJORITY STAYS SILENT. I AM DULY AFRAID THAT THE COUNTY ADMINISTRATORS AND SUPERVISORS WILL MISINTERPRET THIS AS THE WILL OF THE MAJORITY. IT APPEARS THAT MANY IN THE WINE INDUSTRY PREFER NOT TO SPEAK OUT FOR FEAR OF REPERCUSSIONS, BACKLASH OR SIMPLY BECAUSE THEY ALREADY HAVE THEIRS.

HERE IS MY VIEW OF THE SITUATION. THE COUNTY IS CONSIDERING FURTHER LIMITATIONS ON VISITATION AND WINERY CUSTOMER EVENTS. LET ME BE CLEAR, LIMITING VISITATION AND EVENTS WON'T LIMIT TOURISM. IF TOURISTS WISH TO COME HERE THEY WILL COME. IF WINERY AFTER WINERY REFUSES TO ACCEPT THESE VISITORS BECAUSE OF LIMITATIONS ON THEIR PERMITS THEY WILL JUST SEEK OUT OTHER WINERIES IN THE COUNTY.

THIS MEANS THOSE VISITORS WILL CLOG THE ROADS CAUSING FURTHER GRIDLOCK WITH THEIR VEHICLES LOOKING FOR THE WINERIES THAT CAN LEGALLY ACCEPT THEM. WOULD IT NOT BE BETTER TO LET THE WINERIES ACCEPT MORE VISITORS, THUS PUTTING MORE CARS IN WINERY PARKING LOTS, AND GETTING THOSE CARS OFF THE ROAD INSTEAD EXACERBATING TRAFFIC PROBLEMS.

WITH FURTHER COUNTY RESTRICTIONS ON VISITATION AND EVENT, IN TIME VISITORS WILL REALIZE THEY ARE NOT WANTED IN NAPA COUNTY AND GO TO SONOMA OR OTHER WINE AREAS. SUCH A TRAGEDY WOULD RESULT IN LESS AWARENESS OF THE NAPA VALLEY, A GREATER DISCONNECT WITH THE AREA AND ITS WINES AND DIMINISH DIRECT SALES POSSIBILITIES OF OUR WINES (THE VERY THING THAT SUSTAINS MANY SMALL WINERIES). WE WOULD LOSE OUR ALLURE AND THE ROMANTIC AND POSITIVE PERCEPTION THAT CURRENTLY EXISTS WORLD-WIDE FOR OUR AREA AND WINES. EX-VISITORS WOULD BEGIN TO DISCOVER THAT OTHER AREAS MAKE REALLY GOOD WINES AS WELL. IN SHORT NAPA COUNTY COULD LOSE ITS DOMINANT POSITION IN THE AMERICAN WINE INDUSTRY.

TRAFFIC STUDIES HAVE ALREADY DEMONSTRATED THAT TOURISTS REPRESENT A SMALL SEGMENT OF THE TRAFFIC ON OUR ROADS. LESS THAN 17 % OF TRAFFIC IN NAPA COUNTY IS ATTRIBUTABLE TO WINERIES, INCLUDING BOTH VISITORS AND EMPLOYEES. THE VAST MAJORITY OF VEHICLES BELONG TO LOCALS AND COMMUTERS. POPULATION GROWTH IN NAPA COUNTY AND THE LACK OF ROAD INFRASTRUCTURE IS A MAIN CAUSE OF TRAFFIC CONGESTION ALONG WITH THE LACK OF AFFORDABLE HOUSING.

LOW COST HOUSING IN THE LOCAL TOWNS WOULD ALLEVIATE MUCH OF THE COMMUTER TRAFFIC, AS WORKERS COULD THEN AFFORD TO LIVE IN NAPA COUNTY. GIVING PREFERENCE TO NAPA

COUNTY RESIDENTS WISHING TO WORK IN THE AG/WINE INDUSTRY WOULD HELP AS WELL. CONCENTRATING MORE PRODUCTION AND BOTTLING IN THE SOUTH COUNTY INDUSTRIAL AREAS WOULD LESSEN TRAFFIC. THE VISITOR EXPERIENCE IS PARAMOUNT. THE WINE INDUSTRY NEEDS TO BE PART OF THE SOLUTION, BUT LIMITING TOURISM IS NOT THE ANSWER. IT WOULD ALSO CREATE MASS UNEMPLOYMENT. 26 % OF THE NAPA COUNTY WORK FORCE WORK AT JOBS DIRECTLY RELATED TO THE WINE OR TOURISM INDUSTRIES.

SUGGESTING ALTERNATIVE WINE TOURING ROUTES TO GET CARS OFF OF HWY. 29 AND THE SILVERADO TRAIL, SPREADING THEM OUT OVER THE PERIPHERAL ROADS IN THE AGRICULTURAL WATERSHED COULD HELP AS WELL. GIVEN THAT THE VAST MAJORITY OF NAPA WINERIES ARE IN THE AG WATERSHED AREAS, ALTERNATIVE WINE ROUTES WOULD ASSIST THE OUT-OF-THE-WAY WINERIES BOOSTING THEIR DIRECT SALES AND EXPOSING THEIR WINERIES AND VINEYARDS.

RESIDENTS NEED TO ASK THE QUESTION WHAT DO THEY WISH THE NAPA VALLEY TO BE LIKE IN 20-30 YEARS. I THINK MOST WOULD RESPOND THAT WE NEED TO PRESERVE THE RURAL AND AGRICULTURE NATURE OF THE COUNTY. TO DO SO I BELIEVE WE HAVE 2 CHOICES.

WE CAN DENY FURTHER DEVELOPMENT OF VINEYARDS, ESPECIALLY IN THE HILLSIDES, DENY EXPANDED WINE PRODUCTION AND LIMIT VISITATION AND EVENTS AND INCREASE BARRIERS TO BEING IN THE WINERY/VINEYARD BUSINESS. THAT WOULD EASE TRAFFIC PROBLEMS SOMEWHAT BUT SLOWLY KILL OFF THE WINE INDUSTRY HERE. THE WINE INDUSTRY AND ITS SATELITE BUSINESSES, THE MAJOR EMPLOYER IN NAPA COUNTY, WOULD IMplode CAUSING GREAT UNEMPLOYMENT. THE RESULT WOULD BE INCREASED PRESSURE TO BUILD HOMES IN THE AG AREAS, AND IT WOULD BE ONLY A MATTER OF TIME BEFORE OUR COUNTY WENT THE WAY OF THE SANTA CLARA VALLEY, ONCE PRINCIPALLY AG AND NOW COMMERCIAL, HOMES AND ASPHALT WITH NO AG REMAINING. THE LIVERMORE AREA, ONCE A PRIME GRAPE GROWING AREA IS MUCH THE SAME. THAT ALL HAPPENED IN THE TIME FRAME OF 20 YEARS, AND IT COULD EASILY HAPPEN HERE.

NOTHING IS PERFECT, BUT IF NAPA CO. WISHES TO REMAIN A RURAL COUNTY IN CLOSE PROXIMITY TO THE BAY AREA WE MUST PROTECT AND NOURISH OUR AG INDUSTRY. AG IS THE LIFE-BLOOD THAT KEEPS THE HOMES AND ASPHALT AWAY AND KEEPS NAPA COUNTY BEAUTIFUL.

TO ACCOMPLISH THIS WE MUST DO EVERYTHING IN OUR POWER TO MAINTAIN A STRONG AG COMMUNITY, NOT DIMINISH IT. THIS WOULD INCLUDE ALLOWING PRODUCTION PERMIT INCREASES AND REASONABLE HILLSIDE DEVELOPMENT. THIS MEANS NOT CAPPING DIRECT TO CONSUMER TASTING AND SALES OR WINERY EVENTS. AS OFTEN DIRECT SALES AND PERSONAL CONTACT IS THE ONLY VIABLE ROUTE FOR THE LESSER KNOWN WINERIES. MOST OF THESE GET LITTLE HELP FROM THE TWO GIANT DISTRIBUTORS. DUE TO THE GREAT CONSOLIDATION OF DISTRIBUTORS THAT HAS TAKEN PLACE IN THE LAST 20 YEARS THEY HAVE ALL THE POWER AND THE LESSER KNOWN WINERIES FEW ALTERNATIVES.

IT IS NOT MY INTENTION TO CLEAR CUT HILLSIDE TREES, FOUL OUR ENVIRONMENT AND DEplete OUR WILDLIFE OR TO HAVE EVENT CENTERS POSING AS WINERIES. REASONABLE IMEDIMENTS TO OVER EXPANSION OR EXPANSION IN ENVIRONMENTALLY SENSITIVE AREAS MUST BE STRICTLY ENFORCED. I LIKE TO THINK I PUT MY ACTIONS WHERE MY MOUTH IS. WE HAVE PUT MOST OF OUR LAND (AND IN TIME WILL PUT ALL OF IT) IN THE LAND TRUST TO NEVER BE BUILT UPON. FURTHER I SUPPORT MANY WILDLIFE AND ENVIRONMENTAL ORGANIZATIONS.

LIKEWISE WITH VISITATION CERTAIN BOUNDARYS MUST BE MAINTAINED. SUFFICIENT PARKING, SEWAGE AND SANITATION AND SAFETY STANDARDS SHOULD BE PRIORITIES. YET RESIDENTS WHO MOVE INTO AG AREAS BECAUSE OF THE RURAL AND VINEYARD BEAUTY AND THEN COMPLAIN ABOUT AG GENERATED DUST, ODORS, WIND MACHINES, TRAFFIC, TRACTOR NOISE, LIGHTS AT NIGHT WHEN HARVESTING, VISITORS, ETC. SHOULD HAVE NO SAY AND THEIR OPINIONS DISREGARDED WHEN THE COUNTY IS FOMENTING POLICY OR MAKING AG DECISIONS.. AG SHOULD NOT GO OUT OF ITS WAY TO BE A NUISANCE, BUT AG HAS PRIORITY. PLEASE REMEMBER THERE IS A "RIGHT TO FARM" ORDINANCE. THESE RESIDENTS MUST REALIZE THAT THEIR VINEYARD AND HILLSIDE VIEWS ONLY EXIST BECAUSE OF AG, NO OTHER REASON. THAT IS WHY THESE PEOPLE MOVED HERE IN THE FIRST PLACE. THERE IS A PRICE TO PAY TO KEEP US BUCOLIC AND IN AG. THERE IS NO FREE LUNCH.

THE CHOICE IS SIMPLY AND OBVIOUS. YOU EITHER ALLOW WINERIES TO EXPAND THEIR PRODUCTION AND HAVE REASONABLE VISITATION AND EVENT NUMBERS AND REMAIN ECONOMICALLY STRONG, OR NAPA COUNTY BECOMES A BEDROOM COMMUNITY OF SAN FRANCISCO. THERE IS NO OTHER WAY.

SOME WINERIES CHEAT ON REGULATIONS, BECAUSE WITHOUT BREAKING SOME RULES IT WOULD BE DIFFICULT FOR MANY OF THEM TO SURVIVE. WHEN FACED WITH THE POSSIBILITY OF GOING OUT OF BUSINESS GOOD PEOPLE WILL BREAK AND SKIRT RULES.

NAPA COUNTY BEAUCRACY IS ANOTHER REASON SOME WINERIES CHEAT. COMPARE TWO NEIGHBORING COUNTIES: NAPA AND SOLANO. IN NAPA COUNTY IT CAN TAKE YEARS AND AN INORDINATE AMOUNT OF STUDIES AND MONEY TO OBTAIN A WINERY PERMIT OR EXPANSION. WHEN WE TALKED TO SOLANO COUNTY THEY PROMISED WE WOULD HAVE AN APROVED WINERY PERMIT WITHIN 3 TO 6 MONTHS OF SUBMITTING OUR APPLICATION. WHEN REGULATIONS ARE TOO UNREASONABLE GOOD PEOPLE ARE TEMPTED TO AVOID THE RULES.

WHY IS WINERY VISITATION CRITICALLY IMPORTANT ? WINE DOESN'T MAGICALLY SELL ITSELF, NOT EVEN GREAT NAPA COUNTY WINES. AS HARD AS IT IS TO MAKE GOOD WINE, MAKING WINE IS THE EASY PART, SELLING IT MUCH MORE DIFFICULT. VISITATION EXPOSES THE CHARMS, RURAL BEAUTY AND GREAT WINES OF NAPA COUNTY. VISITORS ENJOY AND HAVE FUN COMING TO THE NAPA VALLEY. THIS POSITIVE EXPERIENCE HELPS CREATE AND BUILD THE AURA. IT WINS OVER LONG TERM CUSTOMERS, IT CEMENTS RELATIONSHIPS, IT COMPELS VISITORS TO THINK NAPA VALLEY WINES WHEN THEY RETURN HOME. IT HELPS MAKE OUR WINES MORE THAN THEY ARE. IT IS A MAJOR COMPONENT OF HOW PEOPLE FEEL ABOUT THE NAPA VALLEY AND ITS WINES. REMEMBER PERCEPTION IS OFTEN MORE IMPORTANT THAN REALITY. AND FINALLY IT GIVES WINERIES A BETTER PROFIT MARGIN WHEN THEY CAN SELL DIRECT. AND REMEMBER REVENUE FROM DIRECT SALES AND TAXES STAY IN NAPA CO.

INSTEAD OF FOCUSING ON LIMITING VISITATION, EVENTS AND PRODUCTION THE COUNTY SHOULD, IN MY VIEW, FOCUS ON HOW TO KEEP HOUSING DEVELOPMENT OUT OF THE AG AREAS. THE MORE HOUSES IN THE AG AREAS THE MORE THERE WILL BE PRESSURE TO CURTAIL, PUT LIMITATIONS AND GET RID OF AG. GROWTH, IF IT MUST BE, SHOULD BE CONCENTRATED IN THE TOWNS AND CITIES OF NAPA COUNTY.

WINERY EVENTS ARE SIMILARLY IMPORTANT FOR THE SAME REASONS. YOU CREATE POSITIVE FEELINGS, WIN OVER NEW AND RETAIN THE LOYALTY OF CURRENT CUSTOMERS WHILE EDUCATING THEM ABOUT WINE AND NAPA COUNTY WINES IN PARTICULAR. AND MOST IMPORTANTLY WE CAN

SHOW OFF OUR WINES AT HOSPITALITY EVENTS IN WINERY AND VINEYARD SETTINGS WHERE HUGE, POSITIVE IMPACTS ARE MADE.

FINALLY A MAJOR PART OF THE NAPA COUNTY TAX BASE COMES FROM THE WINE INDUSTRY, WHETHER IT BE SALES TAX ON DIRECT SALES, SALES AT RESTAURANTS AND ELSEWHERE, TOT TOURIST TAXES ON HOTELS OR PROPERTY TAXES ON HIGH VALUE VINEYARDS AND WINERIES. AS FOUND IN THE COUNTY'S RECENT TRAFFIC STUDY, NOT ALLOWING VISITATION TO NAPA COUNTY WOULD FORCE EACH NAPA COUNTY RESIDENT TO SPEND AN ADDITIONAL \$ 10,000 PER YEAR TO MAKE UP THE LOST TOT INCOME – THE ONLY TAX THAT REMAINS COMPLETELY IN NAPA COUNTY.

VISITATION IS A HUGE BOOST TO NAPA COUNTY'S ECONOMY AND NOT JUST BECAUSE OF THE TAXES IT RAISES. BESIDES BEING THE INDUSTRY EMPLOYING THE MOST PEOPLE IN NAPA CO., VISITATION ADDS TO THE COFFERS OF BUSINESSES AS DIVERSE AS BAKERIES, SHOE STORES, AUTO MECHANICS, GOLF COURSES, STATE PARKS, YOU NAME IT. WITHOUT A VIABLE WINE INDUSTRY ALL THE FORMER CRUMBLES AND THE HOUSING INDUSTRY BOOMS.

IN SUMMATION A STRONG NAPA VALLEY AG INDUSTRY CAN KEEP THIS COUNTY BEAUTIFUL, RURAL AND IN AG WHILE AT THE SAME TIME MAINTAINING A STRONG, VIBRANT ECONOMY WITH LOW UNEMPLOYMENT. INSTEAD OF PUTTING MORE AND MORE OBSTACLES IN FRONT OF WINERIES AND VINEYARDS, NAPA COUNTY SHOULD BE ON ITS KNEES THANKING THE WINE INDUSTRY AND TRYING TO MAKE THE PATHWAY EASIER, NOT MORE DIFFICULT.

PLACE UNDUE BURDENS AND RESTRICTIONS ON THE WINE INDUSTRY, AND IT IS THE BEGINNING OF THE END. PRECISELY FOR THAT REASON SOME WELL KNOWN NAPA CO. WINERIES ARE ALREADY MOVING ELSEWHERE, OUTSIDE OF THE COUNTY.

THE SOLUTIONS ARE RELATIVELY SIMPLE. I URGE ALL OF YOU NOT TO CAVE IN TO A VERY VOCAL, WELL MEANING, BUT IN MY VIEW WRONG, SMALL GROUP OF CITIZENS.

SINCERELY,

DARIO SATTUI