

The next generation: Walla Walla provides incubator for infant wineries

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Photo: Matt Hagen

The Port of Walla Walla incubator project provides entrepreneur winemakers with discounted winery space for up to six years.

Now that Washington's wine industry is coming of age, Jim Kuntz is busy plotting how to push it to the next level.

As executive director of the Port of Walla Walla, Kuntz helped mastermind a new winery incubator project that is now getting off the ground. The innovative project provides entrepreneur winemakers with discounted winery space -- and employs a make-or-break strategy that forces the startups to move out within six years.

With its first crop of wineries getting set to open their doors, the project illustrates not only Walla Walla's newfound notoriety as a wine center -- the participants hail from France, California, and Oregon -- but also the challenges facing Kuntz and other city officials as they try to groom a new generation of upstart winemakers that could help their city jump from boutique player to wine epicenter.

Kuntz said Walla Walla's leaders have long recognized that for their wine industry -- with its roughly 80 wineries -- to keep growing, they would need to both educate new winemakers and give them venues to ply their trade.

In 2002, Walla Walla Community College launched a two-year degree program through its Institute for Enology and Viticulture to help accomplish this. Designed to satisfy a growing thirst for wine education, the program operates a vineyard and a commercial teaching winery, and has granted roughly 80 degrees since its launch, according to Stan Clarke, the institute's associate director.

The college "sees it as an opportunity to help make an investment in the industry's future," Clarke said.

As Walla Walla produces more qualified winemakers, it faces another challenge: keeping them. After cutting their teeth at independent wineries, many winemakers feel driven to start their own ventures. One of the biggest hurdles to doing this in Walla Walla is finding space that suits their needs.

Wineries need utilitarian buildings featuring climate-control systems, high ceilings that facilitate barrel stacking, and floor drains that make it easy to wash away sticky wine residue, keeping the winery bacteria-free.

While these spaces are relatively common in Seattle or other cities with industrial infrastructure, Clarke said new Walla Walla wineries face the expensive prospect of either building their own space or renovating a barn or other building.

"There's a lot of space around, but there's very little quality space," Clarke said.

To solve this problem and help reduce wineries' startup costs, the port's incubator project built three, 1,600-square-foot buildings near the city's airport. Each building incorporates the structural features wineries need, including a 500-square-foot, outdoor "crush pad" where grapes can be squished into juice.

The project cost a total of \$1.2 million, of which \$985,000 was supplied via a state government grant. Walla Walla's port and airport authorities kicked in the remaining capital, and are considering building at least two more spaces if the project is successful.

According to Kuntz, the program is meant to help ensure that new winemakers stay in Walla Walla instead of moving to other locales where they might find cheaper, better space.

"We have a lot of highly motivated, entrepreneurial winemakers," Kuntz said. "We need to keep finding ways to keep their energy here."

Those accepted to the program -- the first three wineries were selected from a six-applicant pool -- sign a six-year lease, and initially benefit from what Kuntz said are below-market rents.

Kuntz said the program is structured to help wineries get up and running without turning them into port dependents. While rents start out at \$1,223 a month, they climb to \$2,242 by the lease's end, an escalation Kuntz said helps ensure that wineries can pay market rents by the time they move.

Wineries also must supply all of their own barrels and other equipment, which Kuntz said cost each winery around \$150,000.

After six years, the wineries must leave, making way for a new crop.

"The wineries understand that these leases won't be renewed -- the program is designed to encourage graduation," Kuntz said.

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