

Monterey County

Winery Corridor



What are the Opportunities and Challenges of Growing the Wine Industry from \$227 m direct (\$632.6m indirect) to \$1.3 bn direct (\$2.6 bn indirect)?

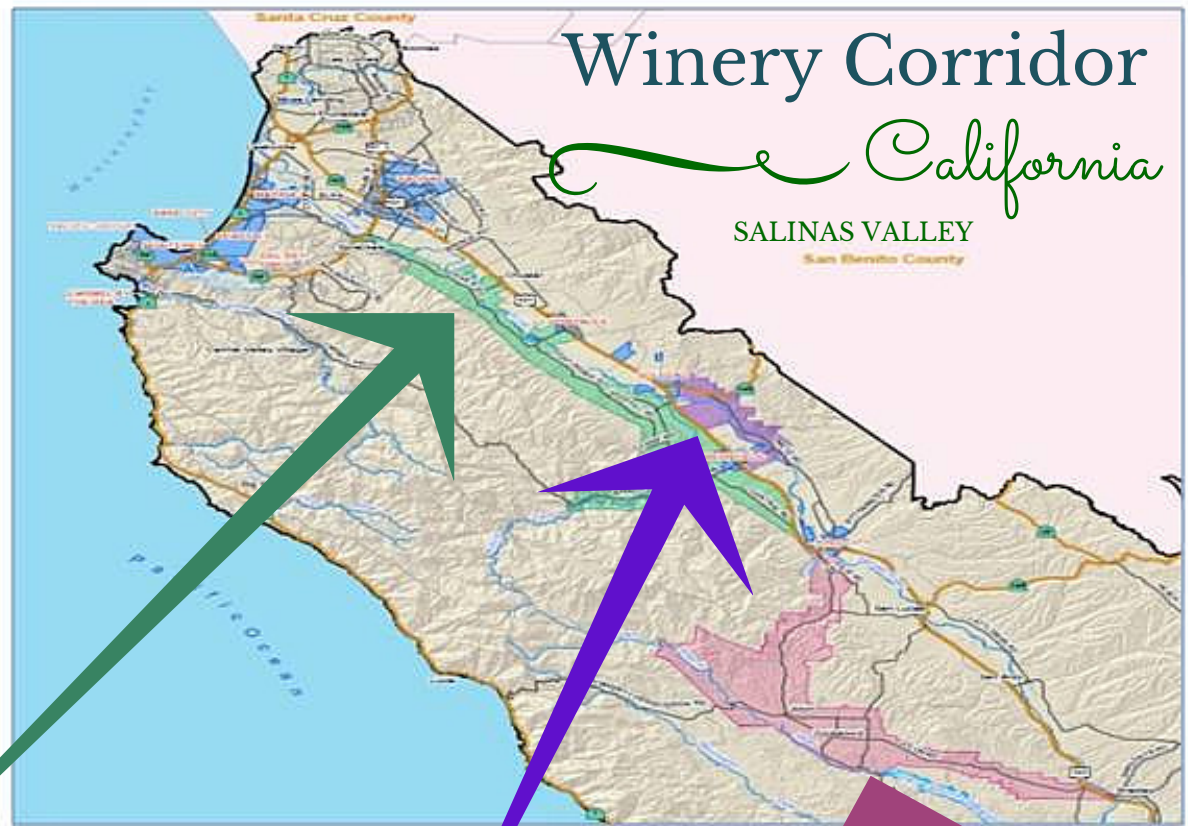
Monterey AVA's

- Monterey
- Santa Lucia Highlands
- Arroyo Seco
- San Bernabe
- Santa Lucas
- Hames Valley
- Chalone
- San Antonio Valley
- Carmel Valley



Monterey American Viticultural Areas (AVA's) are Federally regulated areas that reflect distinct combinations of geography, soil and climate. There are 9 AVA's within Monterey County, 5 of them are within the larger Monterey AVA.

Over 98%
(39,200/acres),
of the wine
growing region in
Monterey County
is located in the
Winery Corridor;
River Rd, Metz &
Jolon Segments





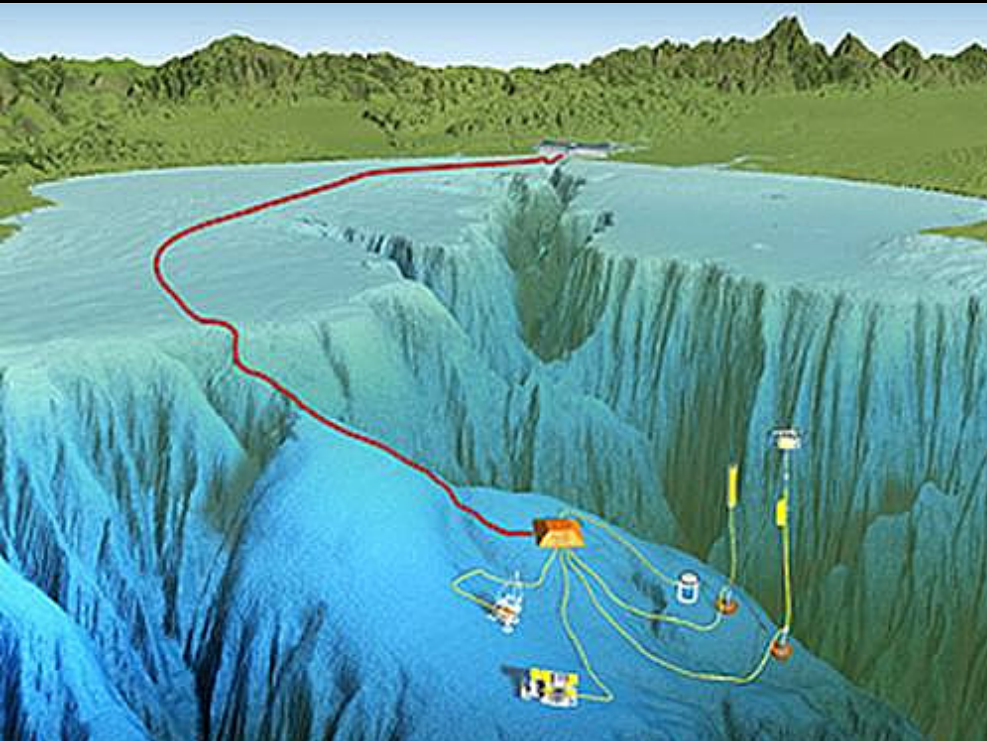
Agriculture

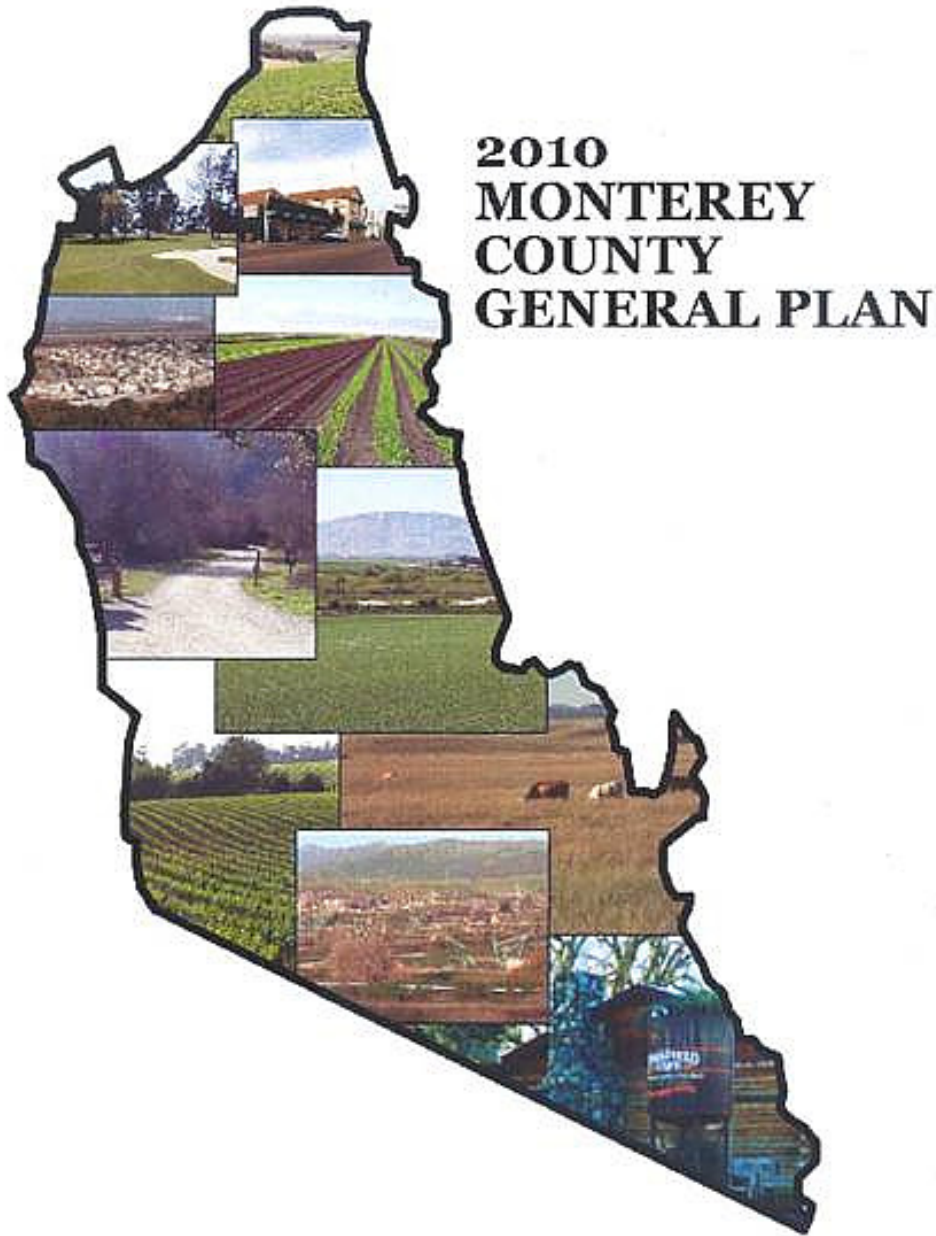
Research

Education

Tourism

Economic Development
PILLARS





October 26, 2010

Planned Approach to Wine
Industry Development

Encourage Wine Related
Economic Growth in
the Salinas Valley

Plan for Winery Related
Uses in Specific Area

Provide Environmental
Assessment Framework

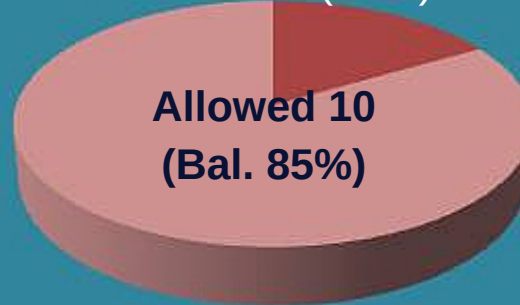
Agricultural
&
Winery Corridor Plan
OBJECTIVES

Development Guidelines

Artisan Wineries
Current 2 (5%)



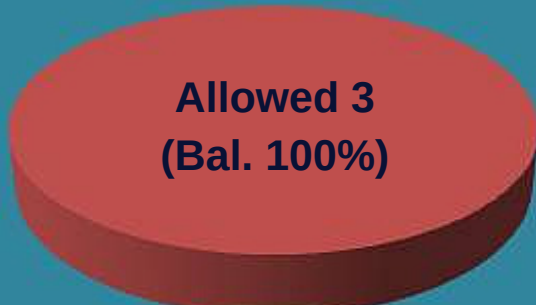
Full Scale Wineries
Current 2 (17%)



Winery Tasting Facility



Restaurants



Delicatessen (at winery)



Inns (B&B type)



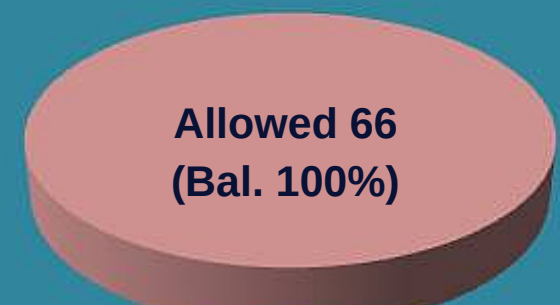
Wine Industry
Business Cluster



Visitor Center
Current 1 (50%)

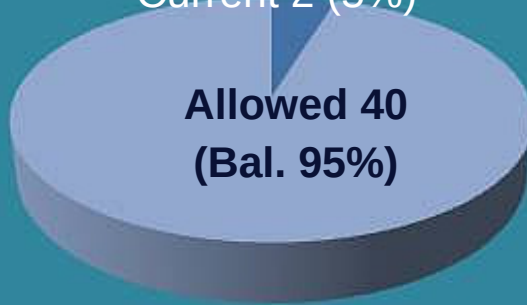


Small Parcels - Sec. 3.5

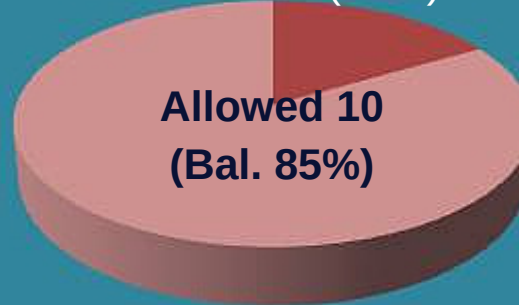


Proposed Amended Development Changes

Artisan Wineries
Current 2 (5%)



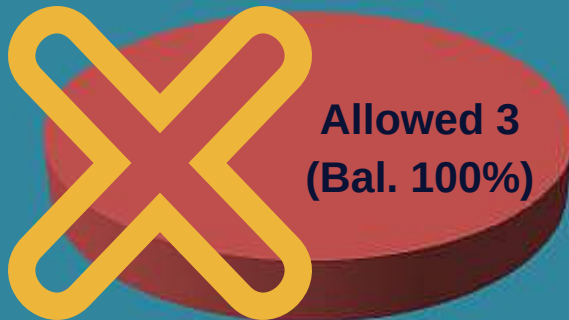
Full Scale Wineries
Current 2 (17%)



Winery Tasting Facility



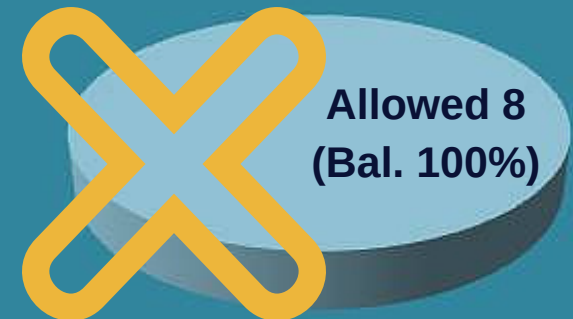
Restaurants



Delicatessen (at winery)



Inns (B&B type)



Wine Industry
Business Cluster



Visitor Center
Current 1 (50%)



Small Parcels - Sec. 3.5



Winery Adjunct Uses: Restaurants, delicatessens, events and concerts.



Corridor Wineries Defined

2010 General Plan Agriculture & Winery Corridor Plan

ARTISAN (40 new)

Produces between 2,000 to 50,000 cases per/yr, w/avg. 35,000/sf. building size & Winery Tasting Facility up to 2,300 sf.

FULL SCALE (10 new)

Produces more than 50,000 cases per year and avg. building size of 300,000 sf.



GROWING *Exceptional Wines*

—
at Exceptional Value



Sustainability in Practice (SIP)

Sustainability in Practice – aka SIP – is sustainable agriculture certification standard and verifies for savvy consumers that wines were sustainably grown.

Since 2008, when the program was launched, SIP's independent auditors have inspected 60 California vineyards representing 15,000 acres of wine grapes, confirming that those vineyards meet the strict eligibility requirements. Final certification is granted by an outside advisory committee of agency, academic, and industry experts.



Adding 44 NEW Wineries

CURRENT WINERY LEVELS



\$227 m (direct) Source: Ag. Commissioner Crop Report,



\$632.6 m (multiplier*) Source: MIIIS Economic Impact Study

ADDING 44 NEW WINERIES



\$1.6 b (direct)



\$2.6 b (multiplier) Source: Applied Development Economics

** Multiplier includes indirect and induced benefits.*

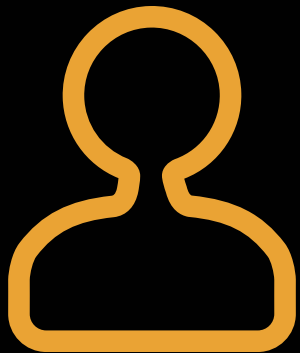
The Ripple Effects of Adding 44 New Wineries



- * Est. 120 m New Bottles
- * Expanded Monterey Brand



* \$1.634 Billion In
Wine Sales

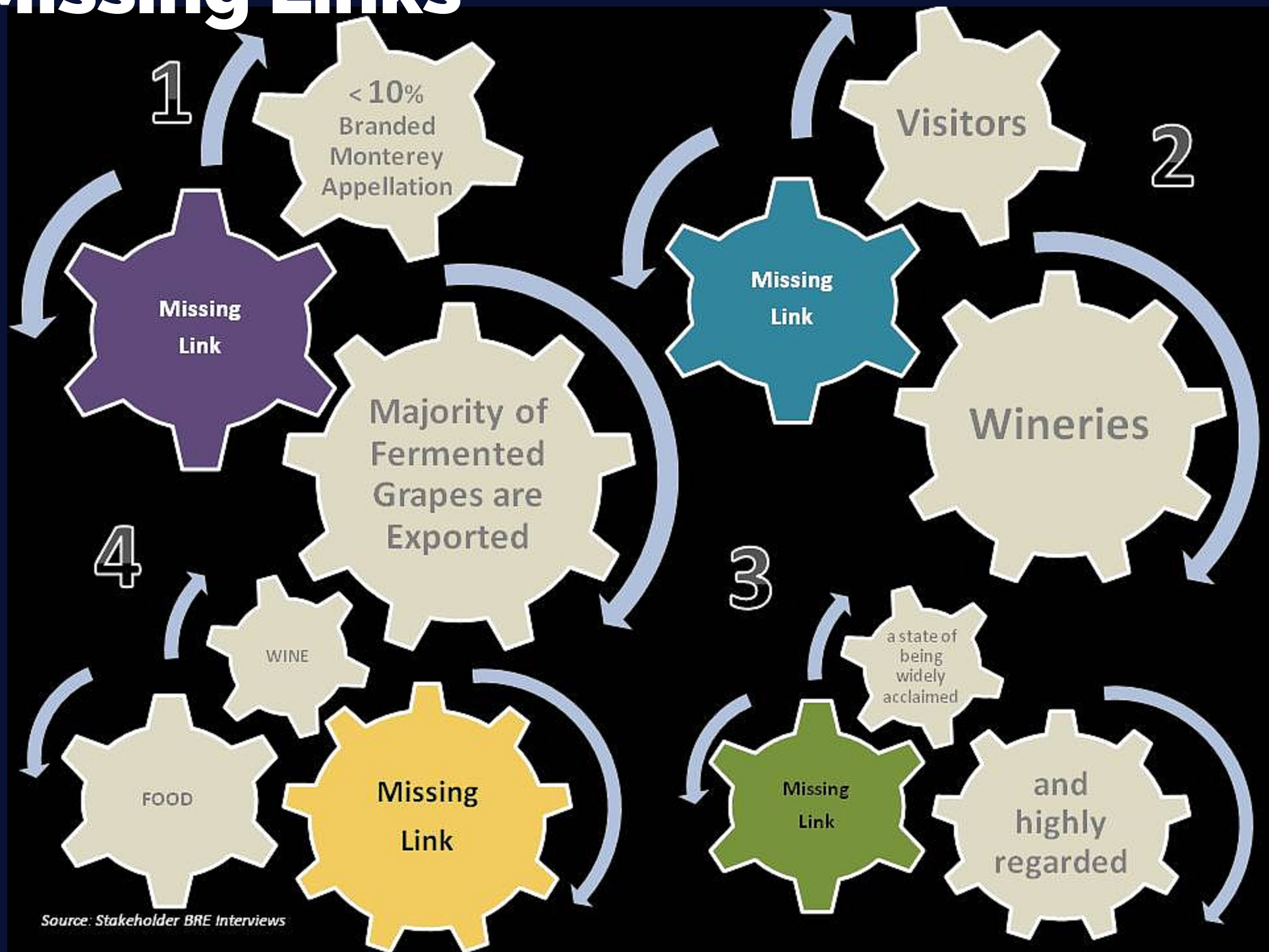


- * Increased Tourism
- * Tax revenues
- * Jobs
- * Other impacts



* Multiplier Effect
\$2.6 Billion

Missing Links



Source: Stakeholder BRE Interviews

Missing Links



Bottling under
Monterey Brand



Visitor Serving
Facility



Road
Infrastructure



Reputation



Farm to fork
culinary experience

Missing Links



Wine Tourism Development

Tourism related to wine activity depends on local wine production and related tasting facilities; as well as visitor serving facilities in the wine region; which are currently lacking.

Tourism Development Formula



= Lengthen Visitor Stay
and Tourism Related Jobs



Wine Tasting

Monterey County

Tourism Increase of 44 Wineries



Creates
\$237 Million
Increase
in Tourism
Revenue
Potential

Source: Applied Development Economics

Conjunctive Labeling

(Labeling of a wine to show both region and sub-region (AVA) of origin)

All wines that include a Monterey County sub-AVA on label, will also include "Monterey County" or the "Monterey" (AVA) on the label.

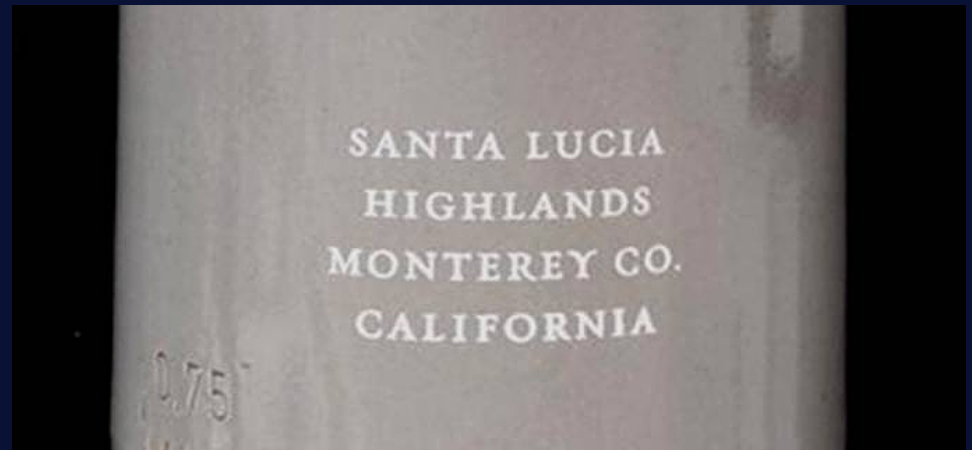
(Monterey Co.)

(Sub-AVA)



Labeling:

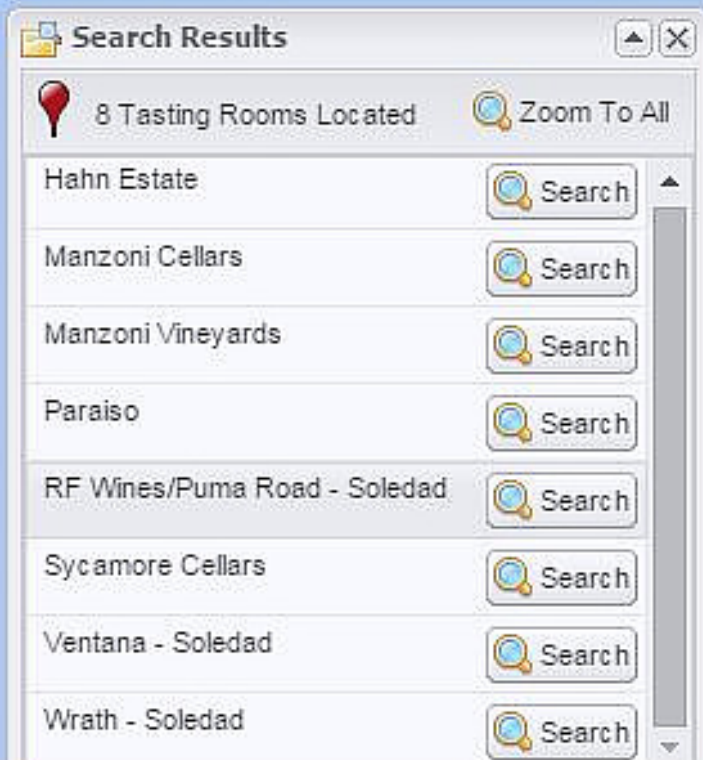
- * Builds brand equity/loyalty
- * Increases sales of wines produced from Mo.Co.
- * Increases AVA recognition



International, national & regional visitors come to the Monterey Peninsula



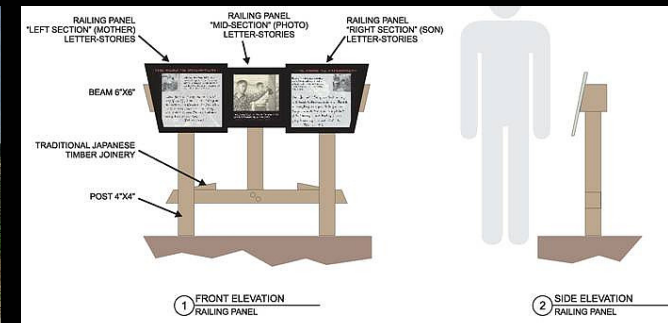
From Peninsula to Wine Corridor



Way-Finding Signs



Entry Signs



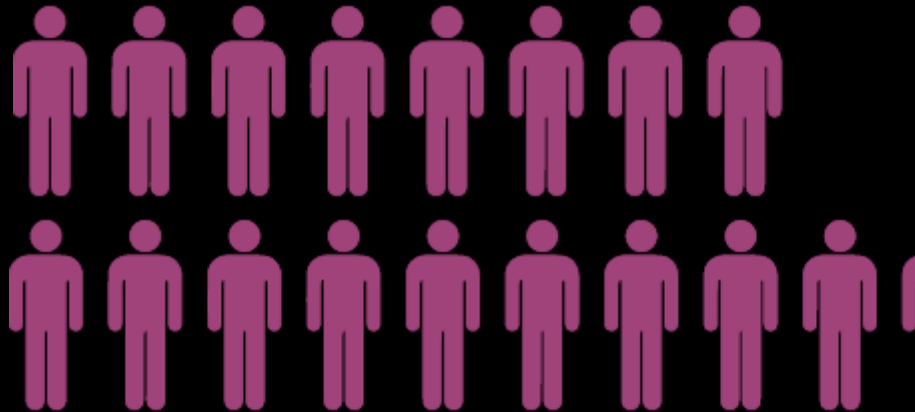
Interpretive Signage

Job Creation Multiplier



784 jobs in 2014

\$71,664 Avg. Earnings



1,727 projected jobs

\$63 to 73,000 Avg. Earnings

Assistant winemaker
Bottling line operator
Cellar worker
Facility maintenance coordinator
Fine wine sale
Fine wine specialist
Internal auditor
Managing chemist
Production assistant
Seasonal cellar workers
Sustainable wine growing director
Tasting room staff
Vineyard manager
Wine broker
Wine club administrator
Wine consultant
Winemaker
Wine sales manager
Wine sales representative
Wine tracking analyst

Adapting the Workforce

1. The goal:

Grow the Winery industry by retaining greater value added dollars within the county from existing grape production



2. Workforce challenge:

Shortage of skilled wine related workers trained in wine making techniques and new technologies

3. Training resource:

Hartnell College
Agricultural
Technology &
Training Center



5. Skilled workforce:

Prepare and place skilled workforce with wine making knowledge and new technologies



4. Workforce Development support:

Workforce Development
Board and Business
Services Office



Opportunities & Challenges



WINERY INDUSTRY:

- Branding
- Visitor Serving Facilities
- Lack of Skilled Wkrs in Wine Making



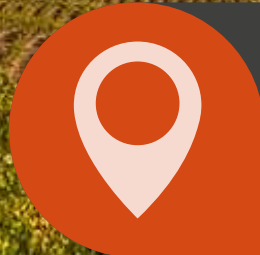
SUSTAINABLE AGRICULTURE:

- Water
- Slopes
- Erosion
- Wildlife Corridor Linkages



SAFE CIRCULATION:

- Traffic Conflicts
- Narrow Roads
- Safe Driving



ECONOMIC DEVELOPMENT:

- \$1.6B Direct Benefit/\$2.6B Multiplier
- Sustainable Tourism
- Job Creation

Winery Corridor Strategic Plan

CREATE ADDITIONAL:

- Small scale boutique
- Larger scale production

Impact:

- Retain value added \$'s within county

ADD ANCILLARY:

- Lodging and restaurants, in nearby cities

Impact:

- Increase length of visitor stay

Opportunity/Benefits

IMPLEMENTATION

Increase:

- Boutique wineries
- Large sale production
- Visitor serving facilities
- Winery staff positions

SUPPORT & FOLLOW

- City Winery Projects
- Wise water/transportation management

BENEFITS

Increase:

- Local brand production
- Production
- Visitor serving facilities
- Winery jobs

- City winery projects
- Water conservation / sound transportation practices

PERFORMANCE MEASURES

Increase:

- Target: _____ % of \$1.6 B
- Target: _____ % of \$1.6 B
- Target: \$24 M
- Target: 2,300 direct jobs

- Target: 10%
- Target: 10%

Action Plan

ACTION

- Market wineries
- Create visitor serving facilities
- Support city winery related projects
- Promote scenic & safe circulation corridor

NEXT STEPS

- Create marketing plans, goals and metrics
- Collaborate with partners
- Collaborate with city staff
- Define transportation fees

Next Steps?



Monterey County
Economic Develop. Dept.

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