



Introduction to Wine & Agricultural Heritage Districts

Wine & Ag Heritage Districts, also called Winery Improvement Districts, are a stable funding source for organizations of wineries working to improve their businesses. Owners within the district work together to market and promote their common area and attract new visitors to wineries.

What does a Wine & Ag Heritage District do?

Wine & Ag Heritage Districts can have many functions, all of which are aimed at increasing business activity. The operations of a Wine & Ag Heritage District are determined by the businesses funding the district. Wine & Ag Heritage Districts' activities can include print and internet advertising, special event sponsorship, sales efforts, and many other programs that benefit the businesses within the district.

How is a Wine & Ag Heritage District Funded?

Wine & Ag Heritage Districts are funded through an assessment placed on businesses within the district. The amount of the assessment is determined by the business owners at the formation of the district, within particular legal guidelines. The assessment may be based on tastes provided or sales made at tasting rooms. Funds raised through the assessment must be spent within the district for the benefit of the businesses paying the assessment. Funds raised through the Wine & Ag Heritage District cannot be diverted to government programs.

Who manages a Wine & Ag Heritage District?

An existing non-profit corporation (such as a vintner's association) can manage district funds, or a new nonprofit corporation can be formed to fill this role. The businesses forming the Wine & Ag Heritage District decide how the corporation will be structured and who will manage it.

Why should I support forming a Wine & Ag Heritage District?

Wine & Ag Heritage Districts provide stable funding for business owners to ensure their district is well marketed to potential visitors. As competition between visitor destinations increases, creating a stable source of funding for marketing and promotions has become increasingly vital. Wine & Ag Heritage Districts provide a unique source of funds that are not a tax for general purposes, thus they cannot be subjected to the budget cuts municipalities have been forced to make.

What are the advantages of a Wine & Ag Heritage District?

- They provide a stable funding source for marketing and promotions
- They are designed and created by those who pay the assessment
- They are governed by those who pay the assessment
- Funds cannot be diverted for government programs
- They are customized to fit the needs of their district
- A wide range of services can be provided

Wine & Ag Heritage District Examples

These innovative types of districts are now being formed for the purpose of growing and marketing their wineries. Below are two examples of these ground-breaking districts.

Temecula Valley Wine and Agricultural Heritage District - 5 year term (51 wineries)

- Estimated Budget: \$1,700,000
- 1% Assessment of gross direct to consumer sales revenue on winery sales
- Funds spent as follows
 - 50% Marketing and Brand Awareness and Events
 - 29% Business Improvement and Special Projects
 - 15% Administration and Operations
 - 4% Contingency/Reserves/Renewal
 - 2% Collection Admin Fee

Livermore Valley Wine Heritage District - 5 year term (45 wineries)

- Estimated Budget: \$500,000
- 2% Assessment gross direct to consumer sales revenue on winery sales
- Funds spent as follows
 - 35% Marketing and Brand Awareness
 - 18% Enhancement and Education
 - 15% Advocacy - Community and Industry Engagement
 - 15% Administration and Operations
 - 10% Professional Development and Education
 - 5% Contingency/Reserves
 - 2% Collection Admin Fee