

In cahoots: Wineries in Garden City

Garden City wineries save on overhead by sharing space and equipment

BY ZACH KYLE

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Lynne Funke, at right in white, brought enough girlfriends to fill a table for an afternoon tasting at the 44th Street Wineries. They chatted with Earl Sullivan, owner and winemaker at Telaya. "I come in a couple of times a month, easy," said Ali Sharp, lower left. "I like to catch up with Earl, taste what they have. There's always something new." **KATHERINE JONES** —

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Businesses aren't supposed to play nice with competitors. Bad Boy Burgers doesn't store patties for Big Jud's. Wiseguy Pizza Pie doesn't share a building with Pie Hole.

But a handful of wineries in Garden City take a different approach. Three of them share a roof as the 44th Street Wineries near the intersection of 44th and Chinden Boulevard: Coiled Wines, Telaya Wine Co. and the leaseholder of the building, Cinder Wines.

A half block away at 4338 Chinden Blvd., Syringa and Split Rail wineries share a lease. Syringa owner Michael Crowley and Split Rail owner Jed Glavin pour wine from the same bar window, and sometimes pour each other's wines.

"A lot of wineries are figuring out that it makes sense to share space," Glavin said. "Sometimes it's hard to get along because you're running separate businesses. But the industry is small enough that, if it's a smart owner, they can see it's not competitive."

Melanie Krause, winemaker and owner of Cinder, says teaming up with competitors is all about cutting overhead and equipment costs.

"Eight years into the business, we're still doing that kind of thing," Krause said. "That's why we sublet our excess space to Coiled and Telaya."

THREE-YEAR PRICE TAG

Winemaking equipment isn't cheap. Presses can run more than \$100,000 used. A de-stemmer, crusher, pumps, hoses, manual bottling line and filters can easily double that. The upfront equipment costs are daunting for young wineries that have to sock wine away for two years in barrels and another year in the bottle before their wares are mature enough to sell.

And then there are the barrels.

Telaya is run by co-owners Earl Sullivan and his wife, Carrie, with Earl serving as winemaker. They have two employees and expect to increase production from 1,600 cases in 2013 to about 2,000 cases this year. Telaya uses only French oak, which runs \$1,100 per new barrel and \$250 per used barrel. Telaya has 50 barrels full and another 50 ready for juice. Half are new, he said.

The largest of the Garden City wineries, Cinder, produced 4,500 cases in 2013, owns most of the equipment - including the press - and employs up to 11 during harvest season.

Telaya and Coiled pay rent to Cinder as well as an undisclosed per-case fee to use the equipment and Cinder's harvest crew.

Sullivan said most wineries will spend \$200,000 to produce a vintage of 2,000 cases even with using another winery's press. Any way a small winery can delay buying expensive equipment helps, he said.

"Frankly, some presses are priced where people can't afford them, and that's for a piece of equipment only used two months out of the year," he said. "If you can share, it makes a whole lot more sense."

NOT PARTNERS, EXACTLY

Customers sometimes think of the 44th Street Wineries as partners or as a cooperative, Krause said. They're not. Each makes its own wine. Telaya and Coiled sign yearlong contracts to use Cinder space, equipment and crew.

Krause refers to the Sullivans and Coiled owner Leslie Preston as "co-conspirators." Preston said the winemakers have distinctive enough wines that they can talk shop and share methods without stepping on each other's toes. And, when customers come to 44th Street to taste one label, they typically try wines from all three.

"At a basic level, of course we're competitors," Preston said. "We're all very aware of that. But we recognize we are a draw for each other."

Split Rail and Syringa's arrangement is a little less formal. Split Rail's Glavin paid Crowley a per-case fee to use some of Syringa's equipment before both moved to their current location. Glavin said he spent about \$20,000 renovating their space, which had been an auto shop, so Crowley lets him use the equipment free of charge.

"It was a little tricky, ironing it out," Glavin said. "Mike and I came up with an agreement that since I took on costs, I can use the equipment for the next few years."

Sharing space, equipment and tasting rooms is commonplace for startup wineries in other wine regions, but the Garden City collaborations are unique to Idaho, said Moya Shatz Dolsby, Idaho Wine Commission executive director. She expects the model to catch on as more wineries pop up around the state.

"It's a great model, but it's like having a sibling, and I don't always want to share with my sister," Dolsby said. "But you do it because it makes sense economically."

GARDEN CITY WINE DISTRICT

Glavin said relocating to Chinden saved 40 percent on lease payments, but he and Crowley also wanted a location where tasters could walk from the 44th Street Wineries.

And, he said, the opening of Haff Brewing in the coming year will be good for business. More traffic coming to Garden City food and beverage businesses is good for everybody, he said.

"I'd encourage other wineries just starting up to move close to us," Glavin said. "We can create a little district where people can park and make it easier to enjoy Idaho wine."

The Idaho wine industry has grown from 11 wineries in 2002 to 51 today as the state tries to carve out a reputation as a high-desert Napa Valley. All five Garden City wineries are expanding production, and the 44th Street Wineries are running out of space. Telaya has outgrown its current quarters and plans to find a bigger space to buy or lease in the coming year, Sullivan said. The winery will have to decide whether it buys its own press or continues paying to use someone else's, he said.

The Idaho wine industry will have to keep growing before wineries in the state will see each other as competitors, Krause said. Until then, she said, every high score or bit of publicity for any Idaho winery is good for the rest.

"All of those things create buzz that helps everybody in the industry," Krause said. "That's the driving factor behind why we cooperate."

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