



MEMORANDUM

Date: January 28, 2014
To: City Council
From: Kevin Romick, City Councilmember
Subject: **WORK SESSION regarding the 14-acre Vineyard within the Dutch Slough Wetlands Restoration Project Area.**

Background and Summary

The attached aerial map shows the location of approximately 14 acres of actively cultivated vines that are estimated to be over 100 years old. This vineyard property is now controlled by the State Department of Water Resources (DWR) and is within the nearly 1,200 acre Dutch Slough Wetlands Restoration Project area. (More information can be found about the Project at:

http://www.water.ca.gov/floodsafe/fessro/environmental/dee/docs/DS_DEIR_Ch2_ProjectDesc.pdf). The property is leased by DWR and the vineyard currently operated by Matt Cline.

DWR's plan as part of the Project is to remove the vineyard. In keeping with the City Council's expressed desire to preserve vineyards throughout the City, I met with DWR to discuss alternatives that could help preserve the vines. One idea involved swapping 14 acres of the future City 55-acre regional park for the 14 acres of vineyard that the City could then control and lease. While this idea seemed to generate interest, a letter sent by DWR on January 3, 2014 (attached) indicated that DWR is no longer interested in the potential land swap.

Additional information is also attached that was provided by Matt Cline about the vineyard wherein he expresses his firm opinion that the vineyard should be preserved.

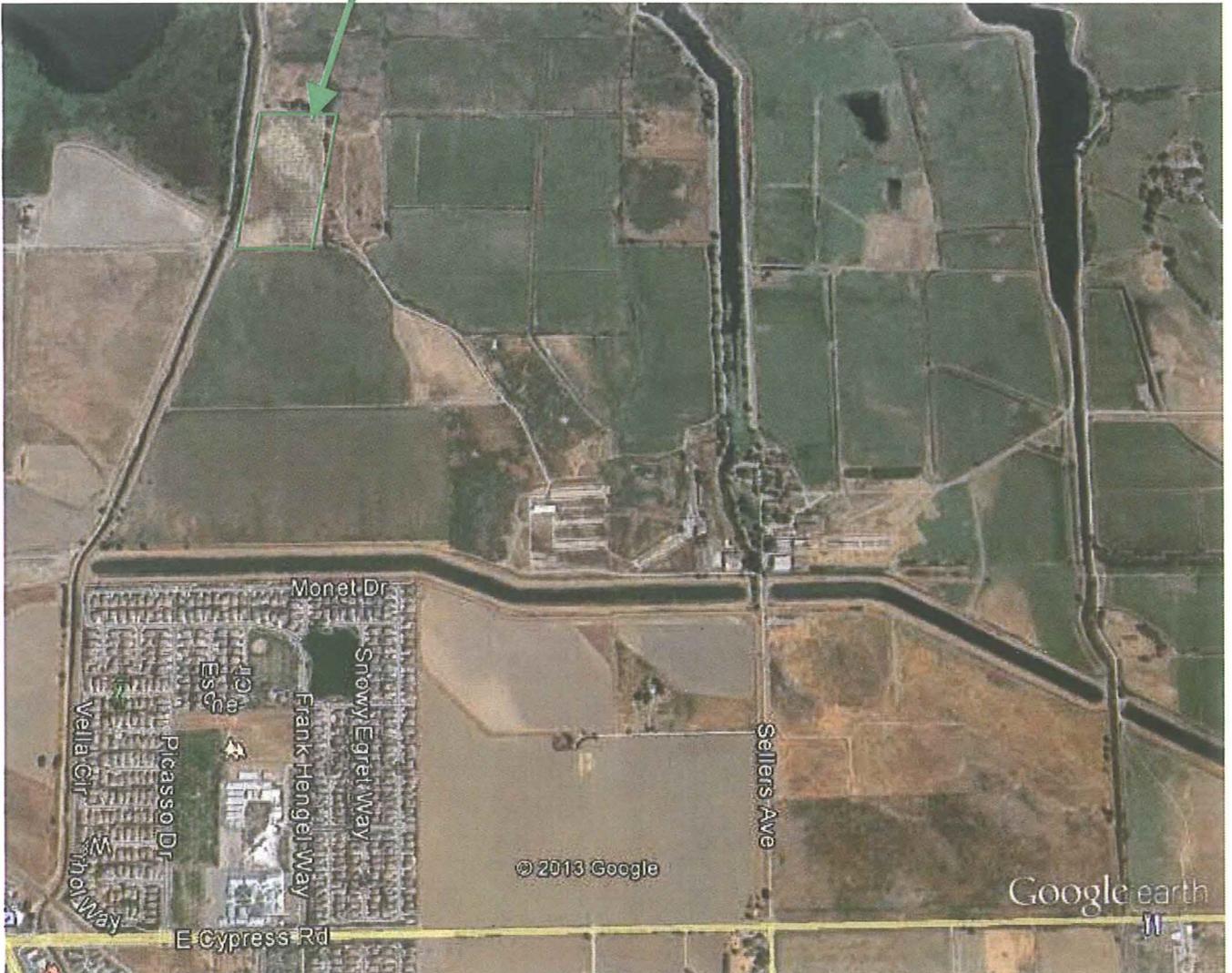
Recommendation

Receive the information regarding the potential loss of this vineyard and discuss possible actions to assist with the preservation of the vineyard.

Attachments

1. Aerial view of the 14-acre vineyard parcel
2. January 3, 2014 letter from the Department of Water Resources
3. Background information prepared by Matt Cline – operator of the vineyard

**14-acre Vineyard within the
Dutch Slough Wetlands Restoration Area**



DEPARTMENT OF WATER RESOURCES

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January 3, 2014

Councilmember Kevin Romick
Oakley City Council
3231 Main Street
Oakley, CA 94561

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CITY OF OAKLEY

Dear Mr. Romick,

Thank you for meeting with me to discuss the potential for trading the Dutch Slough vineyard for 14 acres within the Emerson property designated for the City Park.

After a decade of planning, the Department of Water Resources is looking forward to beginning construction of the Dutch Slough Project (Project) in 2014. The Project is planned to meet three objectives: restoring natural Delta habitats, providing education and recreational opportunities, and applying the lessons learned to future restoration projects. In addition, the project is a significant action toward fulfilling the Delta Levees Program mandate of net habitat improvement in the Delta through expenditure of State funds, which elevates habitat restoration to the primary Project objective.

Disposition of the vineyard is one of the remaining issues to be resolved before starting the restoration construction. As you know, the Project plans to restore 14 acres of tidal marsh to the area currently occupied by the vineyard, and to use the soil excavated from the site to restore an additional 20 acres of tidal marsh. These 34 acres of marsh represent 12% of the tidal marsh to be restored on the Emerson parcel. If the vineyard were preserved in place, the resulting reduction in tidal marsh acreage would be a significant change to the Project and would run counter to our primary objective of tidal habitat restoration. Several other factors are of concern if the vineyard remained in place, including:

- Potential conflicts between vineyard operations and the restored habitats, including increased groundwater elevation and potential flooding of the vineyard, risk that sulfur and other chemicals applied to the vineyard would runoff into the restored marsh, and agricultural vehicle traffic which would require maintenance of proper roadways and could conflict with recreational use of the restoration site.

- Legal (and public perception) issues with the use of State property for private gain.

- An agricultural operation within a tidal marsh restoration is incompatible with the objectives of the restoration.

In considering how to manage the issues around the vineyard and the overarching restoration goals for the property, we reviewed a land swap option with the City's park land in-holding. However, the land swap idea that we discussed would not relieve these concerns, except for the use of State land for private gain. In addition, going forward with the land swap has a number of other negative consequences for the Project and

DWR. Both parcels of land would need to be appraised by the State; these appraisals customarily take many months to complete, which could delay Project implementation. As part of the appraisal, a site assessment for hazardous materials would need to be conducted on the portion currently owned by the Emerson family. In addition, the swap could only occur if the appraisals resulted in very similar values for the two parcels, which is unlikely given the need to remove dilapidated buildings from the Emerson family's parcel. The appraisal, site assessment, and building removal would all increase the Project budget. Finally, the current vineyard site is at higher elevation and will provide more fill material and result in more tidal marsh acreage. All of these factors make the 14-acre vineyard more valuable to the Project than a 14-acre parcel of the land designated for the City Park.

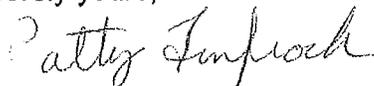
I also talked to Assemblyman Jim Frazier about the land swap idea, and he indicated that such a land swap might require a change in the Oakley General Plan, and may also complicate agreements with some of the ongoing and future developments, which have been promised a 55-acre park that does not include a vineyard.

Despite my initial enthusiasm for the land swap idea, careful reflection resulted in consideration of the foregoing issues and how they will negatively impact the Project budget, schedule, and objectives. Unfortunately, it does not appear to be a feasible option and we are no longer pursuing the land swap.

However, we will offer the vines for salvage. Matt Cline has been offered right of first refusal and he has indicated in a letter to DWR that he plans to pursue this option. If he does not salvage all the material in the vineyard, we will offer the City and other interested parties the opportunity to take cuttings or to salvage any remaining vines for transplantation.

If you would like to discuss this further, please feel free to call me at (916) 651-0851 or email me at pfinfroc@water.ca.gov.

Sincerely yours,



Patty Finfrock

cc. Mayor Randy Pope
Councilmember Diane Burgis

Oakley City Council – Historic Vineyard Preservation
Agenda Item – January 21, 2014
Prepared By Matt Cline

Reasons for Vineyard Preservation

1. This ancient vineyard needs to remain intact as a living museum for our world renowned California wine industry now, and to inspire our winemakers and viticulturists in the future.
2. It preserves a natural pre-historic sand-dune (up-land habitat) within this wetlands restoration project as open space. This open space enhances the overall wetlands project and the Bay-Delta ecosystem. Historically, these upland habitats were also a dominant feature in and around these wetlands.
3. Provides a starting point for future vineyard preservation projects and gives a civic identity to the City of Oakley. Development in and around other ancient vineyards in the future could be done in a way that preserves the vines and rural character that they provide. This could make Oakley a more desirable location to live which might spur higher end housing and therefore higher tax base. This may ensure that the current owners of these properties will continue to maintain a high re-sale potential use for their land. I know this is a very complicated issue but there already seems to be interest in preserving old vines and agriculture within our urban growth areas locally, at the state level, and nationwide.
4. Preserving this historic vineyard would show that the City of Oakley is interested in the quality of life not only for its citizens, but for the environment as well. The DWR's focus on habitat restoration is important but this vineyard is special. Because this vineyard is non-irrigated and farmed sustainably, it is a model that will show that we can coexist within our environment and can show the public and future generations of farmers how we need to live and grow.
5. This ancient vineyard, because of its historic and scientific value, including the ecological lessons of dry-farming, will be an interesting and educational focal point for the public to see as they wander through the restored wet lands. There is also interest in providing an educational opportunity to middle and high school children which would expose them to an agricultural learning experience.

Future Uses of the Vineyard

1. This vineyard could be used to generate revenue.
2. Volunteer docents from 501(c)(3) organizations such as The American Wine Society, The Historical Vineyard Society, and others should be willing to provide pre-scheduled on-sight tours since these organizations have an educational purpose in their by-laws. These tours could coincide with either the Heart of Oakley Festival or the Harvest Festival. Local growers and winemakers that are utilizing Oakley fruit should also be willing to educate the public about the value of old vines.
3. The vineyard can be the focal point of a community park that focuses on our local agricultural roots. A "community farm" can be built on part of the property around the Emerson Dairy that will be acquired as a result of the development. The local agricultural industry and grocery store chains might be interested in corporate sponsorship of a "community farm".
4. Local 4H Chapters can conduct pruning demonstration projects teaching the art of spur pruning on head trained vines. Then conducting a fun "pruning competition" with the project attendees.
5. Produce a community wine label that can be used for local events.
6. The Vineyard site could be used for charity events on a limited basis such as a catered lunch with wine tasting.

Vineyard Site & Varietal Historical Information

Archaeological data and discussions with Stan Emerson indicates that the vineyard located on the west edge of the Emerson parcel that is now part of the Dutch Slough Salt Marsh Restoration Project was established by Joaquin José sometime in the late 1800's and is most likely between 120 and 125 years old. Joaquin José was a Portuguese subsistence farmer from Madeira Island who had fruit trees and row crops as well. The vineyard was planted on a natural "upland habitat" which is a rare but important formation within

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tidal wetlands. Most all of these formations have been destroyed throughout the Sacramento Delta after the levees were built. The vineyard is planted to the Carignane varietal which itself has become quite rare here in California. At one time this grape represented about 30% of all the red-wine grapes in all growing regions of the state. The majority of the vines were planted in the Central Valley and used to make inexpensive box and jug wines. In 1974 California had only 30,700 acres of Carignane but that total has dropped to only 2,547 bearing acres in 2012 with 744 acres disappearing from the previous year (mostly from the Lodi Region-District 11). In District 6 which includes Contra Costa County there is only 87 acres left in 2012 with the Emerson parcel representing 16% of that total. Most of the surviving quality vineyards of Carignane mainly exist here in Oakley, Sonoma County, and Redwood Valley in Mendocino County. The reasons for this decline in popularity include the 12 years of Prohibition (1921-1933) which resulted in the loss of all the smaller wineries which were and are today the innovators of our industry, but it was our industries marketing strategy over the last 50 years or so of varietal labeling that had the biggest influence. Using a single grape name reduced the number of varietal options we have today. As the wine market changed, we choose to only market a hand full of French varietals such as Cabernet Sauvignon, Chardonnay, and Pinot Noir that were not part of California's original planting. These "branded varietals" will be hard to knock off their pedestals but the recent interest in blended red wines, over the last ten years, is encouraging.

The Emerson Vineyard and most of the ancient vineyards surrounding Oakley are world class vineyards and have played a significant role in California's viticultural history. In February 2013, the California Legislature unanimously passed House Resolution No. 9 which was introduced by Assembly member Daly and co-authored by Assembly member Jim Frazier among others. Here is the link to his amendment: http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140HR9.

Carignane (and all of its various synonyms and enunciations) worldwide is number two in red wine production. It is such a dominate grape because yields of 10-15 tons per acre are easy to attain due to its vigorous growing characteristics. Even without intensive modern farming methods this variety tends to over produce. In general, efforts to restrain yields usually results in higher quality. This vineyard is a model for how to grow productive crops sustainably while also being dry farmed. Most of the time, this variety is blended with Mourvèdre, Syrah, and Grenache (among others). It is grown predominately dry-farmed in most countries where it grows.

Vineyard Production

I have leased the ancient 14-acre Carignane vineyard on the Emerson parcel either directly from Stan Emerson or sub-leased it from Brent Gilbert for the past 25 years and I have made the wine from that vineyard stretching to almost 30 years. The vineyard is still economically productive. The last eight year harvest totals are:

<u>Vintage</u>	<u>Tons</u>
2006	30.95
2007	75.88
2008	47.54
2009	72.96
2010	67.06
2011	64.25
2012	53.66
2013	61.00

This is an average of 59.16 tons per year. The yearly variations in yields are consistent with the alternate bearing nature of most grape varietals. The 2006 vintage is an outlier due mainly to a poor crop set because of the weather during bloom. Overall, the yield over the past 8 years is an average of 4.2 tons per acre. The block is not uniform though. The southwest corner is not producing because of the lack of vines. The crop along the west side along Marsh Creek is particularly productive due to the heavier soil type and has been harvested early for export to Japan. Stylistically, the larger yielding vines work well for the Japanese export market because they can be bottled early and at lower alcohol levels. That is not to say they can't make full-throttle California style reds if left to ripen on the vine a little longer. The east half of the field produces arguably some of the best Carignane anywhere in the world. The Delhi Sand series results in reductions of the vines vigor and average yields per vine.

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Winemaking

Juice yields for Oakley Carignane can be between 180 - 195 gallons per ton. All of the grapes are used in no less than 6 different blends including a Carignane Rosé, a traditional Oakley field blend of Zinfandel, Carignane, and Mataro (Mourvèdre) that is supported by smaller quantities of Petite Sirah, Alicante Bouschet, and Black Malvoisie (Cinsault), a traditional Old Vines (varietal) Zinfandel, two red blends that are 60%-85% produced from these grapes and exported to Japan, and even a rare varietal bottling all from this block.

Summary

The vineyard can co-exist with this wetlands restoration project because it was planted before the levees were installed; therefore these vines will survive the process of re-flooding the surrounding acreage. While the state is intent on converting this vineyard that stands on a natural upland environment to additional wetlands, some natural uplands are also being restored as this one should be as well. The value as a living museum and as an example of sustainable agriculture let alone 16% of the remaining Carignane vines in Contra Costa County are undeniable. The precipitous drop in planted acres is, in my opinion, one of the greatest reasons to save it. Especially, because this vineyard could very well be the very best example of what this grape can do that we have anywhere here in the state.

The State of California has offered a proposal that would mitigate the loss of this ancient vineyard with a land trade with the City of Oakley which would result in no net loss of restorable habitat. This proposal, which would be a win-win for everybody involved, may cause minor delays of starting the Dutch Slough Salt Marsh Restoration Project but after 12 years, what is the difference? This vineyard is over 100 years in the making!