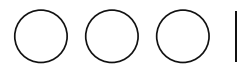


FOOD // WINE, BEER & SPIRITS

# Napa's most historic wineries are staging a comeback. Will multimillion-dollar rebrands work?



Clos du Val

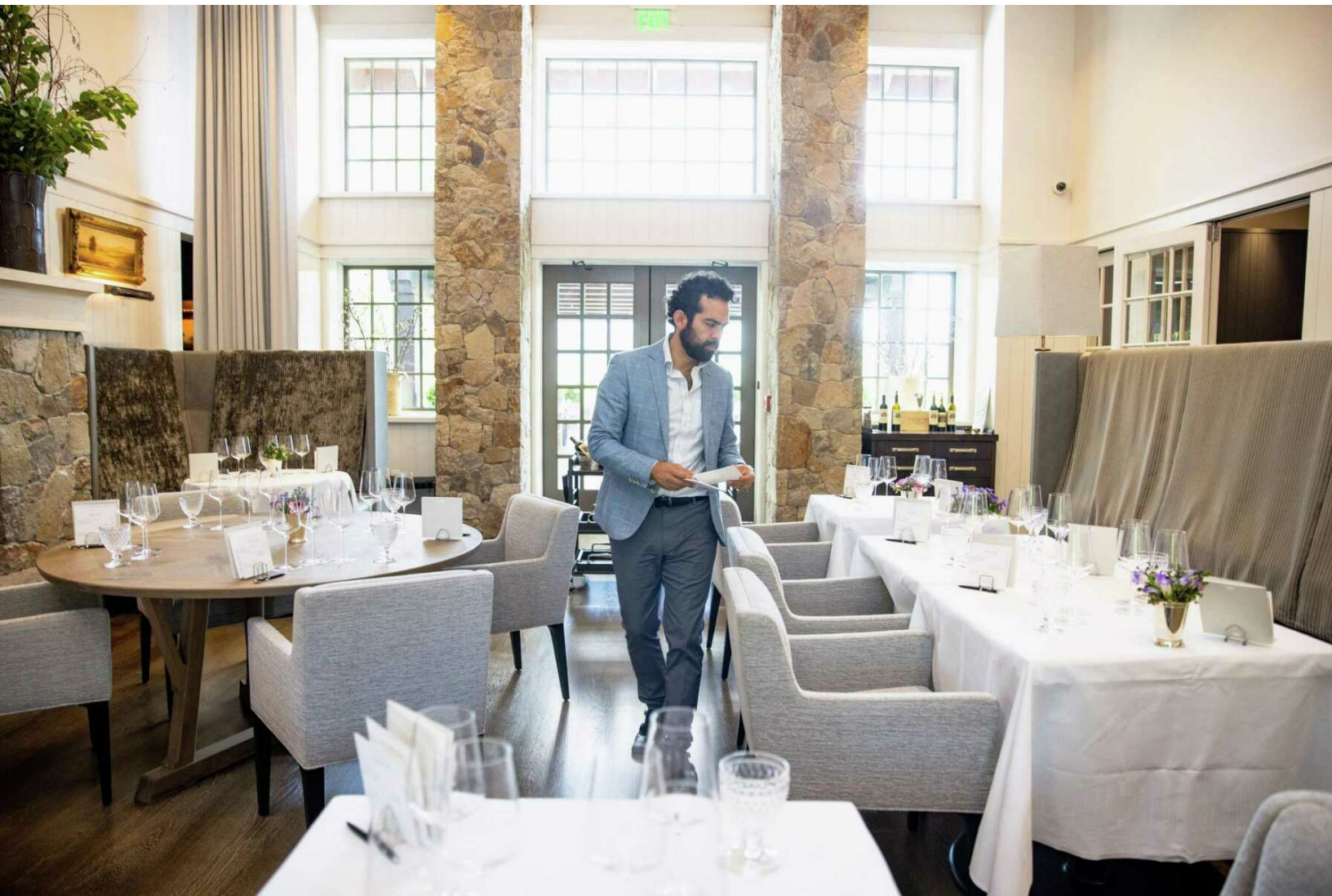
**JESS LANDER** July 27, 2022

When Heitz Cellar unveiled its renovated stone tasting room earlier this year, it had the feel of a Michelin-starred restaurant, complete with jazz music and pristine white linens. It serves wine from fancy decanters on a bar cart and slices Iberian pork tableside. Most of the staff hail from top-tier [fine-dining restaurants](#) like the French Laundry and Per Se.

The cost of its [luxurious tasting room experiences](#) ranges from \$125 to \$1,000 per person.



But it wasn't that long ago that Heitz, founded in 1961, was one of the last [Napa Valley wineries](#) offering free wine tastings in an understated setting. The winery's dramatic transformation embodies a greater Napa Valley trend among the region's most historic estates, which are fighting to stay relevant.

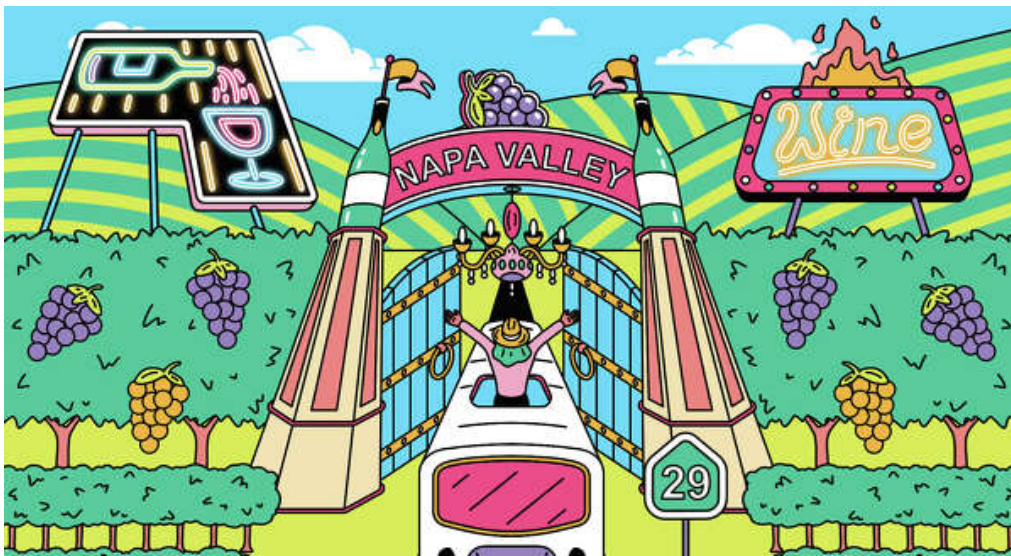


Top photo: Founded in 1972, Clos du Val Winery unveiled a new luxurious, glass-walled hospitality center in 2018, adjacent to the original winery and tasting room (pictured). Ruben Moreno, above, prepares the tasting room at Heitz Cellar in St. Helena, which reopened following an extensive remodel this year.

Ethan Swope/The Chronicle

In the decades since pioneering wineries like Heitz, Robert Mondavi Winery, Charles Krug Winery and Clos Du Val got their starts, Napa has evolved from a sleepy agricultural town to a glamorous, world-renowned [travel destination](#) with more than 500 wineries. Somewhere along the way, these brands got lost in the shuffle, slipping from the pedestals they had occupied throughout the 1970s, '80s and '90s. Their tasting rooms became outdated — at least compared to the multimillion-dollar visitor centers cropping up around them — and their wines less fashionable.



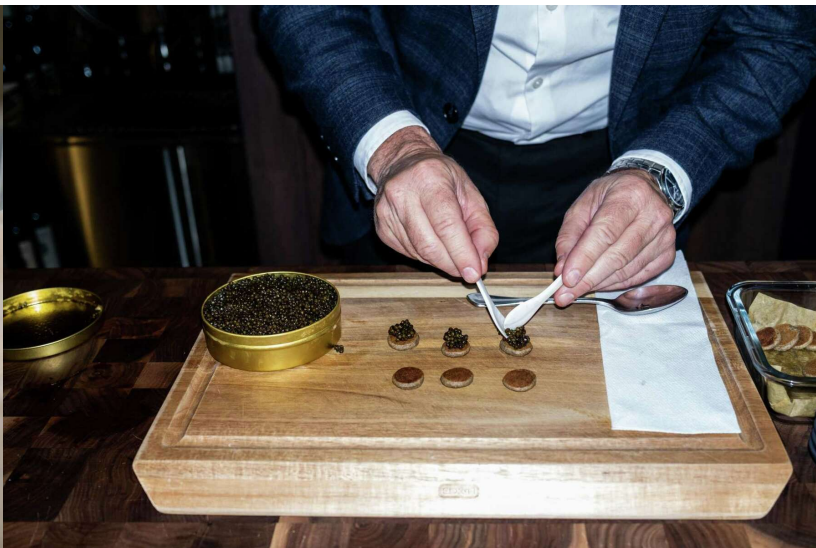


Napa Valley has reached a turning point. Here are 4 more stories that explain how the wine destination is changing.

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“Would you buy a Louis Vuitton purse if you walked into a store that looked like a JCPenney that hadn’t been remodeled in 10 years? When you talk about wine as a luxury item, you have to provide a luxury experience,” said wine business analyst Rob McMillan, who founded Silicon Valley Bank’s wine division. “You can’t just put balloons on a mailbox anymore.”

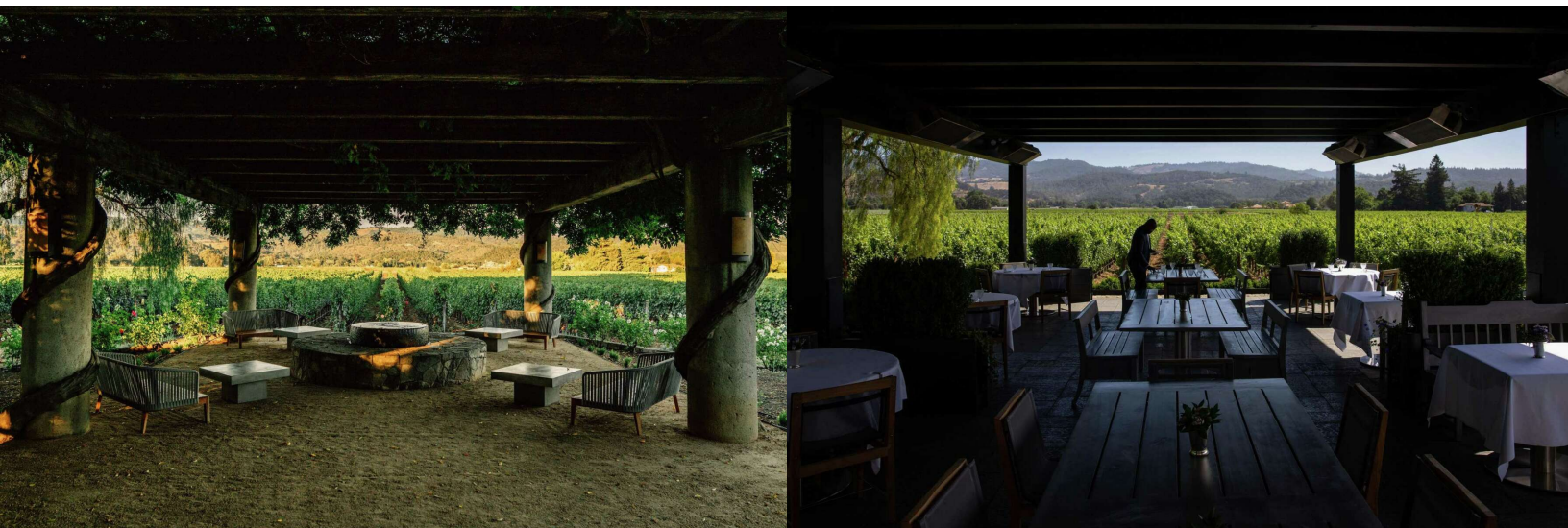
Over the past several years, many of these wineries have staged comebacks, embarking on head-to-toe rebrands with costly remodels, label redesigns, price increases and a renewed focus on wine quality. But such transformation comes with its own challenge: preserving some semblance of their humble roots while also standing out among an increasingly homogenous Napa.



Tasting menus, above left, sit on a table at the Heitz Cellar tasting salon. Caviar bites, above right, are prepared as a treat for guests visiting Heitz Cellar. Photos by Ethan Swope / The Chronicle

“We needed the estate to represent how we knew the wines needed to be perceived and deserve to be received,” Heitz president and CEO Carlton McCoy Jr. said regarding the remodel, which followed the [Lawrence family’s 2018 acquisition](#) of Heitz. “The quality was always there in the wines, but (founder Joe Heitz) started in an era before there was any glam in Napa. There was no tourism and they just didn’t live in that world.”

As at Heitz, the multiyear transformation that’s underway at Robert Mondavi Winery came after the business changed hands. Mondavi was sold to Constellation Brands as part of a \$1 billion deal in 2004. In 2021, Constellation announced the first step in a brand overhaul: the formation of a new council of advisers aimed at elevating Mondavi wines back to the top of the premium wine sector. For this, Mondavi brought in two of the biggest winemaker names in Napa: [Thomas Rivers Brown](#) and Andy Erickson.



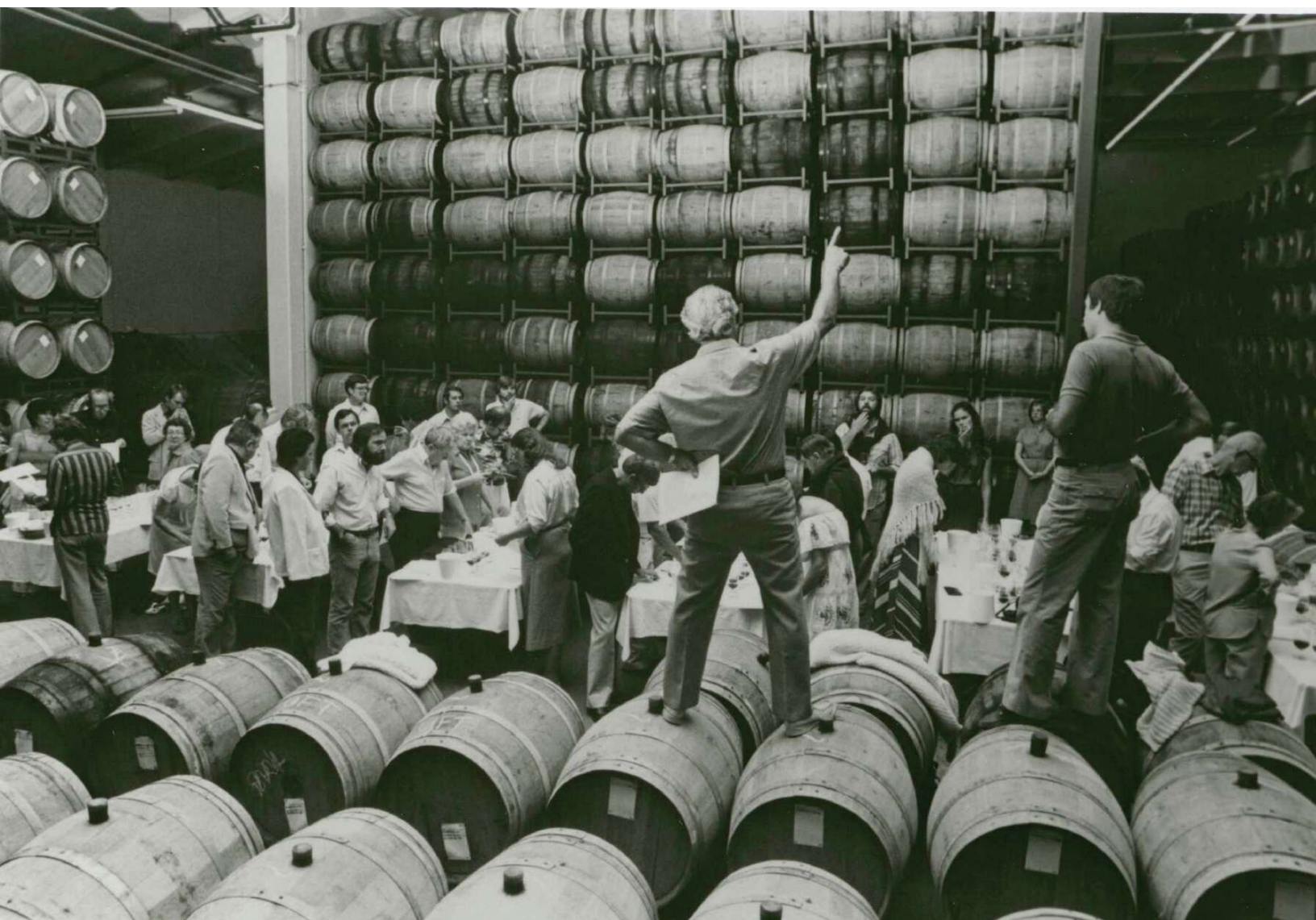
An outdoor seating area at Heitz Cellar, above left, before the recent remodel. In its place today, a large terrace, above right, faces out to the vineyard. Photos by Matt Morris and Ethan Swope / The Chronicle

Around the same time, the winery released wines in limited-edition, \$3,500 porcelain bottles that came with an NFT (non-fungible token), an effort to prove that Mondavi can compete in the luxury wine tier and also be at the forefront of innovation. In 2023, the winery will break ground on a redesign of the winery and visitor center, though its iconic Mission-style archway and bell tower will remain.

[Generational shifts](#) have been another trigger of winery revitalization projects. That’s the case with Charles Krug Winery, which dates back to 1861. Recently, four sisters from the family’s fourth generation have become heavily involved in the business.



“New generations bring in new ideas,” said Judd Wallenbrock, who took over as president and CEO five years ago to lead the winery’s renaissance before retiring in April. Wallenbrock remembered reading about Charles Krug in James Conaway’s book “[Napa at Last Light](#)” and wanting to change the narrative of the “frumpy old Charles Krug” where people go for weddings and picnics.



Napa pioneer Robert Mondavi, founder of Robert Mondavi Winery, addresses a group from the barrel room in the late 1970s.  
Robert Mondavi Winery

The transformation of Charles Krug started with hospitality. “Functionally, it was like a double-wide trailer in a parking lot,” said Wallenbrock of the former tasting room. “Everyone had accelerated up and we had stayed the same.”

The winery hired notable Wine Country designer and architect Howard Backen to renovate the original wine cellar into a modern hospitality center, featuring a showy barrel room and a kitchen that serves cheese, charcuterie and pizza. But Wallenbrock had bigger ideas. His goal was to turn the winery into “the cultural hub of Napa Valley,” which led to after-

hours comedy shows, concerts and movie nights. It has hosted some of Napa Valley's biggest events, including the Napa Valley Film Festival and Festival Napa Valley.



People gather for the groundbreaking, above left, of a new tank and bottling room at Charles Krug Winery in 1959. A group of visitors, above right, takes a photo in front of Charles Krug Winery. Photos by Charles Krug Winery and Brian L. Frank / Special To The Chronicle

Overall consumer perception of wine brands isn't limited to tasting room visits; it's more often formed via their presence on retail shelves and in restaurants.

That's why Heitz changed its label, switching from a burnt orange to a more sophisticated cream. Clos du Val, founded in 1972, refocused its portfolio on the wine it built its reputation on, Cabernet Sauvignon, while scaling back on Pinot Noir, Chardonnay and Merlot.

Many also have raised their prices to be more competitive with the rest of the premium wine market. Clos du Val added a barely noticeable \$3 increase to the price of its Cabernet Sauvignon, for example, while Mondavi upped the price of its wines by \$12-\$50 a bottle. "Our pricing was always value pricing compared to the rest of Napa Valley," said Wallenbrock, noting that Charles Krug has also increased prices over time. "Whether we want to admit it or not, price is an indication to the consumer of quality."

Brands like Charles Krug and Mondavi have grown exponentially, leading to sister brands that sell entry-level wines at a lower price point, typically under \$10. While these spin-offs — Woodbridge and Private Selection for Mondavi and CK Mondavi for Charles Krug — may be good for business, they can also tarnish the pedigree of the main brand.





A 1974 newspaper clipping shows Clos Du Val under construction. The winery is among several historic wineries to recently undergo rebrands and remodeling.  
Brontë Wittpenn/San Francisco Chronicle

“I think we had let the brand atrophy a little bit and let the product offering get a bit unfocused,” said Robert Hanson, president of Constellation’s Wine & Spirits division. “The Robert Mondavi name had become so associated with Private Selection and Woodbridge that it had become associated with higher-end mainstream and lower-end price points.”

Recent wine market data supports the need for a shift. According to the 2022 Silicon Valley Bank [State of the U.S. Wine Industry Report](#), premium wine sales rose 21% in 2021, the highest growth rate since 2007. Meanwhile, sales have steadily declined for bottles priced under \$9 since 2013, according to Nielsen data.

As a result, Constellation has been methodically shifting its focus to premium wines; in 2021, the company [finalized a deal](#) with Gallo to offload 30 of its lower-priced brands for \$810 million. In addition to introducing a new tiered pricing structure for Robert Mondavi Wines, the company has attempted to separate Private Selection and Woodbridge from the

Mondavi brand, removing the name from the top of the label, which now more subtly reads “by Robert Mondavi.”



Visitors passing under the iconic arched entryway to Robert Mondavi Winery. A renovation of the winery and visitor center is planned.  
Scott Strazzante/The Chronicle

Yet as these wineries find their new place in Napa, they risk not only resembling every other winery constructed in the past decade, but also losing touch with what’s made them special for so long: their storied histories and relative approachability. Like the timeless estates of Beringer and Chateau Montelena, these wineries were once known to welcome visitors of all kinds — and all budgets.

Clos du Val chairman Olav Goelet said he worries the winery’s visitor center risks alienating some customers. Unveiled in 2018, it features a swanky interior, glass walls and vineyard views. Tasting rooms should be more like resorts that offer multiple dining experiences at different price points, he said.





Clos Du Val Winery's new hospitality center, above left, which was completed in 2018. A tasting room host, above right, pours wine during a wine tasting at Clos Du Val Winery. Photos by Brontë Wittpenn / The Chronicle

“I want to be able to provide a place where a consumer can come and spend two hours talking through library vintages or come by for 45 minutes to have a glass of wine and enjoy a picnic,” said Goelet, one of six grandchildren who inherited the winery from its founders. “It doesn't have to be one or the other. It needs to be both.”

That's why Clos Du Val now offers a non-hosted garden tasting for a \$30 reservation fee, which is waived with a wine purchase of equal or greater value. Guests order wine by the glass or bottle a la carte. The winery's hosted tastings range from \$75 to \$100, while Charles Krug's experiences start at \$45 and Mondavi's at \$65. According to [reservation platform CellarPass](#), the average cost of a basic wine tasting in 2021 was \$40.62, while an elevated experience that may have included a food pairing or reserve wines, cost \$82.26.



Charles Krug has completed several overhauls and renovations to its hospitality spaces over the years.  
Brian L. Frank/Special to The Chronicle

Casual and free or low-cost tastings may not be feasible in the Napa of today. McCoy argues that Heitz's former free tasting model wasn't sustainable; even now, he said, with a \$125 tasting fee the winery still loses money on bookings.

"When you look at the definition of sustainability, it's not just in the vineyards and taking care of our employees. It's creating a business model that will be able to exist," McCoy said. "I don't know if free was ever a good business decision."

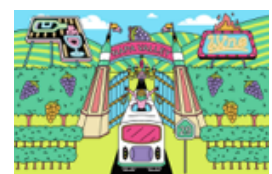
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Written By  
**Jess Lander**

Reach Jess on

Jess Lander joined the food and wine team at The San Francisco Chronicle as wine reporter in 2022. Based in Napa Valley, Jess has extensively covered California wine country for numerous national and international publications since 2014. In 2021, Jess published "The Essential Napa Valley Cookbook," a project that raised more than \$100,000 for Napa Valley restaurant workers impacted by the pandemic and fires. Jess hails from Boston, where she studied journalism at Emerson College and started out as a sports reporter before making the switch to wine.

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