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The rise of the Red Hills of Lake County

As land in Napa Valley gets more rarefied, a neighboring region seizes its moment.

By Esther Mobley | June 1, 2018 | Photos by Santiago Mejia / The Chronicle



From left: Partners Michael Terrien, Peter Molnar and Arpad Molnar at Obsidian Ridge Vineyard in Kelseyville (Lake County).

At Obsidian Ridge Vineyard, in the Red Hills of Lake County, enormous rocks are piled in heaps. Like a doughnut hole dredged in powdered sugar, each boulder is coated in a thick layer of dusty red ash, their glossy black surfaces just barely peeking out.

This is volcano country. The rocks are obsidian, a silica-heavy glass that formed near the end of the eruption cycle of nearby Mount Konocti, last active about 11,000 years ago. Those red soils, too, are the product of Mount Konocti, which once smothered its radius with blazing, mineral-rich lava. If you stand on the rock piles in the Obsidian Ridge Vineyard, which slopes from 2,300 feet at its base to 2,640 feet at its peak, you can see for miles.

This whorl of igneous material became a vineyard 20 years ago, when brothers Peter and Arpad Molnar first planted Cabernet Sauvignon here. The Molnars are Napa Valley folks; they took over the successful Poseidon Vineyards business from their father. But since coming up to Lake County the Molnars have been amazed by the quality of Cabernet that they can produce here. With good reason: The Obsidian Ridge Cabernet is a rich, structured, deeply delicious wine. At \$32 a bottle, it strongly contends for California's best-value Cab. (Michael Terrien, the founding winemaker and Alex Beloz, the current winemaker who makes it, have a lot to do with that.)

“Between the obsidian, the elevation and the climate here, the Red Hills has got everything you want for Cabernet,” says Peter Molnar. “We’ve been getting some recognition. But the Red Hills deserves more.”

No wonder, then, that the Molnars are expanding. To Obsidian Ridge Vineyard's existing 105 acres, they're in the process of adding 140, more than doubling its output. Hence the big boulder piles, excavated recently to make way for vines.

The Molnars are not the only ones. A burst of activity is under way in the Red Hills: In an AVA with 3,250 planted acres of grapevines, close to 1,000 are currently in the process of development or have been recently developed. That level of sudden growth is remarkable, especially for a wine region whose name is barely known.

Why the rush on the Red Hills? To find the answer, look south.

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Just north of the Napa County border, the Red Hills AVA shares many of that more famous region's crucial characteristics, not least of which is the Mayacamas mountain range, running uninterrupted from the city of Napa through Obsidian Ridge and beyond. Yes, the Red Hills are higher in elevation, less humid and warmer than most parts of Napa, but in a literal sense they are a continuation of Napa's western hillsides.

As Arpad Molnar points out, "the grapes don't know which county they're in."

Like many satellite regions, Lake County has become a reliable source of filler grapes for Napa wineries. Because a wine can contain up to 15 percent of non-Napa Valley grapes and still be labeled as "Napa Valley," many producers pad their Napa cuvees with cheaper, and similar, fruit. In 2017, Lake County Cabernet Sauvignon averaged \$2,500 a ton, whereas Napa Cab averaged \$7,510. You do the math.

So if the Red Hills is Napa's invisible understudy, quietly waiting in the wings, the interest in Red Hills Cabernet can be seen, to some degree, as a reflection of what's happening in Napa — especially in Napa's hillsides. Look at the historical planting data and a narrative begins to emerge: Whenever it gets more difficult to plant in the hills of Napa Valley, more folks come to this end of the Mayacamas. Now is one such moment.



A high soil concentration of obsidian, the volcanic glass formed by nearby Mt. Konocti, gives Obsidian Ridge Vineyard its name.

The last major boom in Red Hills plantings began in 1998. That year, vintners planted 1,178 acres of vines in Lake County — the most the county had seen in any single year, ever, by more than 100 percent. Over the next three years, 2,644 more acres were added across the county, more than doubling the footprint of grapevines here.



At \$32, the Obsidian Ridge Cabernet (left) is one of California's best-value Cabs. The \$65 Half Mile is the winery's higher-end bottling.

Much of that growth came from one prolific grower: Andy Beckstoffer, whose Napa vineyard holdings include the famous sites To Kalon and Dr. Crane, bought land in the Red Hills in 1997 and 1999. He planted 1,081 acres at the Amber Knolls Vineyard, and 678 at Crimson Ridge Vineyard. During that two-year period alone, the Red Hills saw several other major developments: Obsidian Ridge, Bertolucci, Hawk & Horse, Gregory Graham, Vigilance.

"In 1998, we were just beginning to understand the promise of high-elevation Cabernet," says Terrien.

The Red Hills rush came at the end of a decade in which Napa Cabernet flourished. For the first time, in 1991, Joseph Phelps Insignia exceeded \$50 a bottle, astronomical for its day. Wines like Grace Family, Dalla Valle, Harlan and Bryant were gaining cult status. "It was the era for Cabernet," says Sara Floyd, a master sommelier who worked at Rubicon restaurant in San Francisco at the time. "You couldn't charge enough money."

And it wasn't just Cabernet that was booming: It was hillside Cabernet in particular. Until then, the precedents for American Cab had largely been in Napa's low, flat valley floor, but suddenly it was the higher slopes above them — Pritchard Hill, the Oakville hillsides — that became the prized terroir.

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Yet the hillsides had scarcely begun to gain notoriety before massive restrictions were instated on their planting. In 1991, Napa County passed what's known as the Hillside Ordinance, forbidding any plantings on slopes exceeding a 30 percent grade and requiring erosion-control permits for plantings on any lesser slopes. Prices for vineyard land in Napa's hillsides shot up.

The more that Napa Valley hillsides grew out of reach for would-be vintners, the better the Red Hills started to look.

"The economics had gotten totally prohibitive," says winemaker Gregory Graham, who had been making wine in Calistoga when he and his wife decided, in the late '90s, that they wanted to buy vineyard land. "I looked in Napa and Sonoma, and there was nothing available to me that I thought was quality."

A friend knew of a property in the Red Hills. "I've walked a lot of vineyards," Graham says, "and this was the hillside, it was rocky, it was this dry Mediterranean climate — it was all the things that make good wine." In 2000, he purchased a 13-acre Zinfandel vineyard and a house. He later added 13 additional acres of Cabernet.

Without a doubt, it's easier to buy land and plant vineyards in Lake than in Napa. But the Red Hills has its own unique challenges for growers. The rockiness of the terrain, while great for wine quality, also requires extensive excavation. We pulled 9,000 tons of rocks, some the size of a Volkswagen," says Ron Bertolucci, who began planting in the Red Hills in 1997. (Fortunately, the state of California bought most of the rock from him to use as highway riprap.)

Most of the AVA's vines are planted at 2,000 feet or higher; the high elevation means greater sun exposure, which can result in unruly tannins if a viticulturist isn't careful. Terrien calls the first vintage of Obsidian Ridge, with its monstrous tannins, "undrinkable." And humidity levels here are extremely low, which can overstress the vines.



From left: Partners Peter Molnar, Arpad Molnar and Michael Terrien at Obsidian Ridge Vineyard in Kelseyville, Calif. (Lake County).

But in the 20 years since this first big wave of Red Hills plantings, vintners have proven the extraordinary potential of the land here to produce distinctive and age-worthy Cabernet. "We're in a sweet spot right now," says Bertolucci. "We can grow really beautiful Cab, and Napa Valley prices are so astronomical that a lot of wineries are looking to get their costs down." Of the 10 wineries to whom Bertolucci sells fruit, only one is in Lake County.

"We know that 80 percent of the fruit grown in Lake County goes out of the area," says Graham. "It's a commodity, gone to augment other brands. Some are labeled as Lake County, but most are labeled as Napa."

If that phenomenon began to rev up after the initial Red Hills planting boom in 1998, it's now gone into overdrive. Whereas the average price per ton of Lake County Cabernet rose by 2.3 percent between 1997 and 2007, it jumped an astounding 81.5 percent between 2007 and 2017. Percentage-wise, that's a bigger jump than prices for Napa Cabernet grapes from the same period. Debra Sommerfield, president of the Lake County Winegrape Commission, estimates that about 25 wineries vinified Lake County fruit in the late '90s, and about 200 do today.

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It's not hard to see why.

Today, more than ever, the Napa hillsides are a battleground — arguably the most contested agricultural land in the United States. This week, Napa County will announce the results of Measure C, the ballot measure that seeks to limit further plantings in the hills in order to protect oak trees and streams. The fate of that already-precious ground stands to become even more precious. If Measure C passes, hillside land in Napa will become even more expensive to buy and more cumbersome to plant, and fruit from existing hillside vineyards will almost certainly skyrocket in price.

In that scenario, you'd expect Red Hills fruit to follow in a predictable trajectory, rising in price as demand for filler fruit increases. But the real question is whether the region can chart a less predictable course — and whether its success can come not simply as a byproduct of Napa land politics but by virtue of its landscape's inherent promise for high-quality wine.

Beckstoffer, certainly, is banking on that. “We know the grapes here are very good,” he says of the Red Hills, “but they're still going into \$20, \$30 bottles of wine.” That's why, two years ago, the grower announced that he would be giving away Amber Knolls Vineyard Cabernet grapes for free to a group of talented winemakers for a period of three years. It's a publicity stunt, to be sure, but maybe the Red Hills could use a publicity stunt.

All of Beckstoffer's chosen winemakers — whose names he will not reveal until the first wines are released, in 2019 — are, he says, “people who have made \$150 Cabernet.” Obviously Beckstoffer's hope is that Amber Knolls, too, could produce a \$150 Cabernet.

And maybe, through a cynical lens, \$150 Cabernet is the eventual destiny of all California wine regions. But is that truly where every up-and-coming appellation has to end? Do the Red Hills have to transition from Napa's invisible understudy to Napa's wannabe imitator?

At least one Red Hills grower — Vigilance Vineyard owner Clay Shannon, who just planted another 60 acres in the AVA — sees things differently. “We can't be too greedy,” he says. The beauty of the Red Hills is “that we sell good wine that's affordable. It adds value.” •

“We want a good margin,” he says, “but if we're not careful we can price ourselves right out of business.”

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