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New high-end custom crush operation Vinovate looks to fill a Willamette Valley wine niche

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Successful professional with ties to the Bay Area comes to the Willamette Valley to plant a small vineyard and make a little wine.

Nothing unusual about that tale, but Rob Townsend's takes a unique turn: The retired M&A and corporate attorney and his wife are also lead investors in a second project, a Dundee Hills custom-crush winery called Vinovate.

In simplest terms, it's a place where growers without a winery can have their grapes made into wine. But Vinovate isn't looking for any ol' grapes to turn into any ol' wines.

"We're hopeful to play our part in supporting the high-end growers who aspire to make amazing wines at a small scale and give them a home where we can do that with them and continue to expand the market," Townsend said.

Significantly, its services will include making sparkling wine, a small but fast-growing segment that shows great promise in the Willamette Valley.

A 24,000-square-foot winery is under construction, on course to be ready for the 2023 harvest, according to Bryan Weil. Winemaker at highly regarded Alexana Winery for a decade, Weil signed on last year as managing partner and winemaker at Vinovate.

"I'm not sure custom crush has ever fully been done in the way we're doing it at Vinovate," Weil said. "The size of the building, the equipment, the staff that we're putting together, the whole approach. It's pretty special."

And filling a niche.

"There are existing facilities who have clients doing 500, 1,000, maybe 2,000 cases, but they're full," Weil said. "Then you've got wineries that allow one or two clients to come in and make wine to help with their costs and overhead. And you've got some really big custom-crush spaces."

That's left growers who might want to expand beyond tiny but remain small and quality-focused with few options. Case in point: Knudsen Vineyards.

Looking for growth, flexibility

The second-generation owners of a historic Dundee Hills vineyard — long a grape source for Argyle Winery — began their own brand a decade ago. The wines were made at Argyle, and that worked well. But with a 10-year agreement coming to an end, Knudsen was looking for a more flexible arrangement.

"We're 3,000 cases, aiming to be 5,000 cases," Page Knudsen Cowles, managing partner at Knudsen, said. "As we looked to our future, we want to be a little more creative, do some different things. And there just weren't that many possibilities. But then along came Rob and Vinovate."

Cowles had been introduced to Townsend through a friend in the investment banking business in New York who mentioned "this guy doing this thing in Oregon very close to you."

Townsend spent 34 years at Morrison & Foerster, including co-chairing the San Francisco-headquartered firm's global M&A practice. He then had a stint as chief legal officer at Softbank Group, Masayoshi Son's multinational conglomerate, which became unworkable, Townsend said, as the pandemic hit and limited travel to Japan.

"So I then started doing a number of things that I had planned to do in retirement, one of which was get involved in the wine industry as a principal, not an adviser, and I had been working on the plan for more than a decade," Townsend said.

He was aided by a friend from junior high days in Fremont, California, Scott Baldwin, who had already found his way into Oregon wine, starting De Ponte Vineyards in the Dundee Hills. Baldwin and his wife, Rae Ellen Baldwin, joined Townsend and his wife, Pamela Turner, in scouting for possibilities. The search extended to California's Central Coast and the Napa and Sonoma areas.

Landing in Oregon

Three factors pointed them back to Oregon.

"One is we prefer the Oregon style of Burgundian wines," Townsend said. "Second, we thought Oregon would be climate resilient, and we're very focused on the impact of climate change on the industry. And third, it was just a much better value than investing in Sonoma. I could make pinot noir and chardonnay in Oregon for about two-thirds the cost and sell it for the same prices as wines made in Sonoma."

That led Townsend and his wife to founding Ambar Estate, where they planted a 15-acre vineyard and built a house and have a tasting room on the way.

As for a winery, it doesn't make economic sense at that scale, and might not have fit anyway.

That gave rise to the custom-crush idea, reviving a project Townsend had considered undertaking several years earlier with Baldwin, although then they were focused strictly on sparkling wines. They had even talked to Andrew Davis of Radiant Sparkling Wine Co., the valley's leading consultant on bubbles, about a collaboration.

That didn't come together, but now Townsend, Turner, Baldwin and Weil are the cadre behind Vinovate. The winery is permitted for up to nearly 42,000 cases, but will operate at about half that volume initially, Weil said, and build up over three to five years.

They've got six clients and are a looking for just a couple more.

"A big criteria for our clients is like-minded wineries that really want to do things right," Weil said. "But also there are wineries that have had hindrances in their past in wanting to grow. So a lot of our clients are ready to grow. They're ready to grow and we're ready to grow with them."



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