

House of the Rising Son

Having reinvented himself as a vintner, former Costco corporate heir DAVID SINEGAL tells GERRIE LIM about his new Napa Valley lifestyle

DAVID SINEGAL PLUNGED into uncharted waters when he became a vintner. It was a decision partly bolstered by the retirement in 2012 of his father, James Sinegal, who'd amassed a net worth of US\$2 billion from nearly 30 years as CEO of the American discount-retail giant Costco, which he'd co-founded in 1983 with partner Jeff Brotman. The father-son team now owns and operates Sinegal Estate Winery in Napa Valley. Their saga began in May 2013, when the younger Sinegal completed a US\$17 million transaction on a downtrodden estate south of the town of St Helena, revamping it to issue a debut vintage that met with rave reviews – notably from Robert Parker, who awarded 95 points to the Estate Cabernet Sauvignon and 97 for the Reserve version.

That early success might well be due to David Sinegal's nerve in selecting his crack winemaking team, one with pedigree roots (Anthony Biagi from Plumpjack,

Ryan Knoth from Staglin and Craig Williams from Joseph Phelps), resulting in a modest initial output of 12,000 bottles or 1,250 cases. The benchmark wines included 600 cases of Estate Cabernet Sauvignon at US\$90 a bottle, 275 cases of Reserve Cabernet Sauvignon at \$195 a bottle, and a Cabernet Franc at \$140 a bottle.

Of the second vintage, 2014, Sinegal promises "a more elegant, restrained, feminine wine, one more reflective of my approach", after he'd apparently devised "a proprietary approach to making wine, a protocol of 1,403 steps", the exact details of which he politely declines to share.

Accordingly, I leave him to his trade secret and instead sample his Sauvignon Blanc (140 bottles were made at \$45 each) at the Mandarin Oriental, Hong Kong, where he tells me about his new life with his wife Shelley and their two children, and how he relishes his status as the new kid on the block.

SINEGAL ESTATE VINEYARDS





GIVEN YOUR WINE PRICES, I SENSE YOU ARE TARGETING CONNOISSEURS, OR AT LEAST THE MORE DISCERNING DRINKER.

We're still so early in the process of growing our wine brand, but for what I'm putting on the table, I believe those are fair prices. The level of craft involved in making a wine of this calibre is different from wines that are made for \$40 or even \$60. It's not for the uninformed consumer or someone

without a developed sense of appreciation for this category. You could say I'm going after the same people who like to drink Dominus and Harlan and Shafer, absolutely, particularly with our Reserve Cabernet. Shafer Hillside Select is my own all-time favourite wine.

WHAT IS YOUR EXPORT STRATEGY FOR ASIA?

For Asia, the allocation is pretty small. We started out only in Japan but now we have Hong Kong and Singapore. We were only looking at Asia at the tail end of the 2013 vintage. Typically, producers in their first year don't start expanding

into export markets. I recognise this is a little unusual but we're interested in exporting because wine is an international business. There's a lot of people from Asia who come to Napa Valley, and I want to create awareness of and interest in my brand.

HOW DID YOU BECOME INTERESTED IN WINE?

My immersion in wine was through travelling with my father to Europe, to many of the great wine regions of the old world. It was all about having moments in time where I'm not preoccupied with my own issues but sitting late at night with my father, sharing stories and enjoying wine together. There is a romance to it for me. My father's involvement now is in providing wisdom, intermittently – he's not super-actively involved, if I'm honest with you. He's somewhere between a silent partner and someone on a higher level, like a board member – although our "board" is just him and me.

YOU KNOW THE OLD JOKE, RIGHT? "HOW DO YOU MAKE A SMALL FORTUNE IN THE WINE BUSINESS? YOU START WITH A LARGE ONE!" DO YOU GET IRKED BY PEOPLE THINKING YOU'RE LUCKY BECAUSE OF YOUR FATHER'S LARGESSE?

I've heard that before, it's the standard outsiders' perspective. I like to think it was all more than just a happy accident. There are a lot of new producers in Napa Valley every year but I think I am unique, my wine is unique and my ambition is unique. Of course, the wine has to be good, but in my case, I really believe the wine is better than just good. People have asked me if I thought the 2013 vintage was going to be that good and I always say yes, that I think that's part of why it's as good as it is – because I had those expectations and came out of the gate taking the endeavour seriously, expressing to my team



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that it wasn't going to be about just planting some grapes and making some wine, and if something good comes out of it, then great. It's really about making wine of quality so that it becomes about winemaking as an art form.

YOU HAVE A HARD-CORE BUSINESS BACKGROUND FROM WORKING AT COSTCO, AT FRITOLAY AND JOINT-VENTURE COMPANIES, SO HOW DID THE WINE THING ACTUALLY HAPPEN?

I already had a background in consumer markets so I understood product development and pricing strategy and branding. The twist to this that's unusual or unique is the domain or sector being wine. Working at Costco for a big chunk of my career, close to 20 years, I was involved with the wine business as a merchant, buying wine and being a reseller of it, so it wasn't new to me. But the real impetus was my living in Seattle for 30 years and wanting to come back home to California after being divorced for a number of years, to move with my new wife. I wanted to have the quintessential Napa

before even closing the transaction in May 2013.

WHY DEAL WITH THE PROBLEMS OF ACTUALLY MAKING WINE? WHY NOT JUST DRINK AND ENJOY IT?

I think it's the challenge I like, the difficulty of making a successful business out of it. Enjoying great wine is hedonism and there's nothing wrong with that, but I wanted to be involved in the craft of making it. And the lifestyle component was interesting to me – I hadn't lived an agrarian lifestyle before, and wasn't certain I would like the life of a country gentleman, but I've been learning to enjoy and appreciate it. For me, the greatest luxury in life is to dedicate your daily vocation to taking something that's already great and trying to make it better. And if you then want the extra complexity of taking that and trying to make it into something superlative, and doing it in the context of a viable business, that's actually pretty interesting to me as a challenge. It's one that I had to solve, and why I went into doing what I'm doing. **P**



TOP: PRODUCTION VATS AT THE WINERY. ABOVE, FROM LEFT: WINEMAKER RYAN KNOTH; DAVID SINEGAL. OPPOSITE: THE MAIN CELLAR