

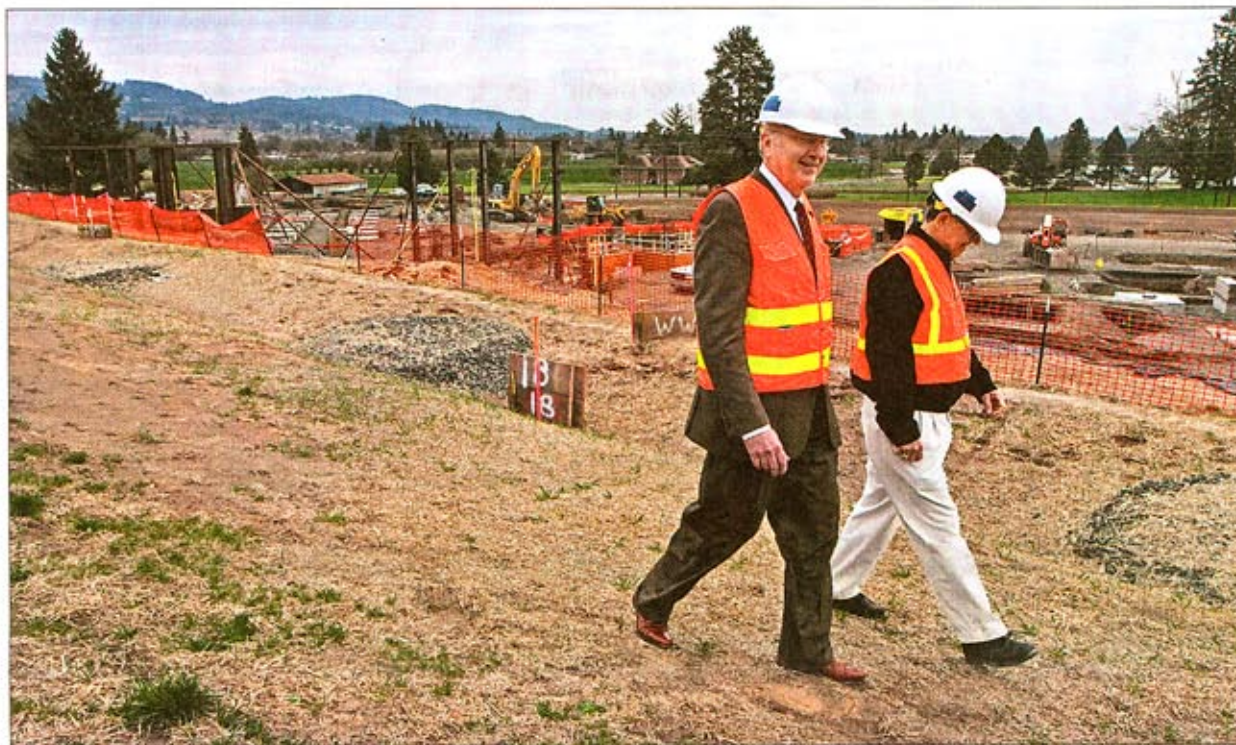
# BUSINESS

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**"The question now is how we bring tourism to the area without destroying what it is people are coming here to see."**

**Jason Lett**, son of Oregon pinot noir pioneer David Lett and winemaker at Eyrie Vineyards



RANDY L. RASMUSSEN/THE OREGONIAN

Bruce C. Hraba (left), president of Waterford Hotel and Inns of San Mateo, Calif., and Joe Kavale, assistant project manager for Springbrook Properties, inspect the construction site of The Allison resort and spa in Newberg. The 85-room facility, a first for Oregon's wine country, is scheduled to open in the summer of 2009.

## Grounds for uncorked evenings

**Growth** | Two resort options in grape-laden Yamhill County illustrate the dilemma of trying to craft lodgings to equal the wines

By **DANA TIMS**  
THE OREGONIAN

In Newberg, at the gateway to Oregon's exploding wine country, the state's first new luxury resort in decades is fast taking shape.

The Allison, located in Newberg and scheduled to open next summer, represents the most ambitious effort to date to capitalize on the Willamette Valley's growing reputation as a world-class wine center.

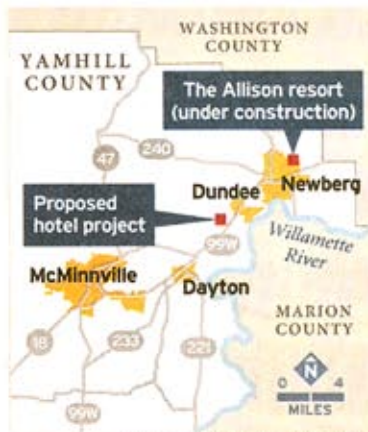
Just a few miles west, on a hillside overlooking some of the state's premier wineries, a similar proposal on farmland outside any city's urban growth boundary is going nowhere.

Two full years after its unveiling, Portland developer David Kahn's vision for an exclusive, 50-room "Napa Valley-style" hotel exists only on paper. The controversial land-use designation to convert the land from agricultural to commercial uses has gone from the Yamhill County commissioners to a state land-use appeals board, to the Oregon Court of Appeals and back again.

A new hearing before the county commissioners, who had approved the proposal, has been postponed indefinitely at Kahn's request. Kahn, who did not return phone calls to comment on where his proposal stands, has not submitted the additional paperwork required by the court to justify the zone change, according to county planning officials.

The story of the Newberg hotel project couldn't be more different. The Allison already has three conferences and social events booked, even though the room

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MICHELLE DRAEGER/THE OREGONIAN

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## Yamhill: Lack of hotels sends tourists to Portland

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rates have yet to be released.

But the rolling out of high-end facilities to accommodate growing numbers of Oregon wine-country tourists, particularly those looking for luxury lodgings, represents what some industry members and analysts see as a crucial juncture for the state's \$1.4 billion wine industry.

If handled properly, they say, high-end components could provide the perfect complement to Yamhill County's more than two dozen bed and breakfasts, giving the area a much-needed mix of lodging options for well-heeled visitors.

But too many such offerings, they say, especially if on land needed for future vineyard development, could ruin the rustic charm and working agricultural environment that has so far defined Oregon's wine industry.

"The question now," said Jason Lett, son of Oregon pinot

noir pioneer David Lett and winemaker at Eyrie Vineyards, "is how we bring tourism to the area without destroying what it is people are coming here to see."

Lett is among more than two dozen winery owners actively opposing Kahn's proposal. Wine country needs a wide range of services, including high-end facilities, to accommodate growing numbers of tourists, he said. But those facilities should still comport with Oregon's land-use laws, which generally dictate that urban levels of service be offered within urban growth boundaries.

Others, including some winery owners and restaurateurs, disagree. They say the state could be left behind as a mecca for wine tourists if it fails to embrace proposals such as ritzy hotels and spas.

"Not everyone who comes to wine country wants to stay in a bed and breakfast or a chain motel," said Jack Czarniecki, owner of the Joel Palmer House restaurant in Dayton. "We see people here all the time from Japan, Germany, the East Coast. They are looking to stay in places commensurate with the fine wine they are buying and we need to have accommodations for them."

The Allison — named for the

prehistoric lake that formed when massive floodwaters rushed from Montana to Oregon 15,000 years ago — is the centerpiece of the Austin family's 450-acre Springbrook development in northeast Newberg. Full build-out, scheduled to take 12 to 15 years, will include 1,200 home sites, 50 acres of green-space, a retail village and other commercial development.

Most significantly, it is all being built on land inside Newberg's city limits, where state land-use laws assume that urban growth will occur. Joan and Ken Austin, owners of A-dec, one of the world's largest dental chair and accessory businesses, acquired the land incrementally over the past two decades.

Bruce Hraba, a Dayton native who is helping oversee development of the hotel, said demand for such a facility did not exist a decade ago. Today, he said, a combination of business meetings and conferences, corporate clients and individual travelers should keep the 85-room hotel hopping year-round.

Extensive market studies indicate that the strength of Oregon's wine industry and its ability to lure tourists is not about to wane anytime soon, said Mary Arnstad, another Allison management team member.

"In fact, there's not a single high-end hotel anywhere in Ore-

gon wine country," she said. "We think the market will fully embrace something like this."

The current lack of high-end hotels in or near Yamhill County has resulted in wave after wave of affluent, wine-lovers flying in to Portland, renting limousines and heading straight for their favorite winery. Once the trunks are full, they more often than not motor back to Portland, taking their wine and potential tourism dollars with them.

"A lot of them tell me they just can't find a place to stay in Yamhill County that's to their liking," said Cathleen Johnson, owner of Luxury Accommodations limousine service.

Newberg Mayor Bob Andrews is quick to admit that he is more or less neutral when it comes to the subject of fine Oregon pinot noir. He doesn't, after all, drink alcohol. But given the growth he sees coming, now is the time to ensure that new projects blend with their surroundings and don't spoil the small-town ambience that still typifies the industry.

"I think this one is being done right," he said of the Allison. "It's being put together with strength and insight and should hold up as a monument for how to do things for years to come."

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