

A Serious Crush on Wine



Photo by David Gibb | dgibbphoto.com

Pallet Wine Company opened its doors in 2009 near downtown Medford, offering a unique custom crush facility for wineries throughout the region. Located at 340 North Fir St., Pallet serves 25 local wineries by taking their bulk grapes and refining them into bottles of award-winning wine.

Linda Donovan and her partner, Dan Sullivan, partially financed their venture by selling shares of the company to the very wineries that would be sending them their grapes. But Pallet Wine needed other economic opportunities and sought help from Colleen Padilla at Southern Oregon Regional Economic Development Inc.

After a meeting with Padilla, Pallet Wine got its loan request for tanks and equipment thanks to SOREDI and Oregon Business Development Fund, and she got a second loan in 2014 to buy the building that she had been leasing.

That continued support from SOREDI has helped Pallet Wine flourish, crushing 95 tons in its first year, and 450 tons in 2011. Tilting the scales and straining production at 550 tons in 2015, Donovan ramped down the next year to what seems like a more comfortable volume, while still producing 35 varietals.

With 35 varietals coming through at various times, it's a lot of work for Pallet Wine's staff. Finding the right mix of employees has been vital to Pallet's success.

Linda Donovan, Owner
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"I remember meeting with Colleen Padilla (with SOREDI), way back when it was just an idea. With SOREDI funding, hard work and passion, we turned the dream into reality."

— Linda Donovan,
Owner of Pallet Wine Company

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Pallet Wine Company has had a crush on the Rogue Valley for almost 10 years, developing close relationships with local wineries to craft some of the finest vintages in the region. "It's a great place to live — very friendly," said owner Linda Donovan. "The wines are getting better and better. The food and art scene here is awesome."

In 2009, Donovan opened Pallet Wine Company at 340 North Fir St. in Medford as a custom-crush facility that now serves 25 local wineries by taking their grapes and refining them into bottles of wine enjoyed by oenophiles everywhere.

For many small wineries, Pallet Wine's production capabilities are a lifesaver and offer a cost-effective way to get into this very difficult business. "It's really expensive to equip a winery, staff a winery and start a winery from the ground up," Donovan said. "We do all the chemistry, all the blending, all of the barreling, everything that needs to be done to make a great bottle of wine. Then we bottle it when it's ready."

Producing 30,000 bottles a year, with an estimated value of close to \$4 million, Pallet just opened a tasting room in 2016 in an industrial area next to the railroad tracks, a short distance from downtown.

Donovan's journey into the custom-crush business has been a long one, with years of hard work. When she moved here in 2000 from the Sonoma and Napa wine region, Donovan saw the beginnings of an industry as vineyard owners tried to figure out the best varietals to grow in the region's microclimates.

In 2008, while she was working at a winery, Donovan spied a run-down warehouse near downtown Medford. The basement was flooded, windows were broken and there was very little natural light. Donovan saw a diamond in the rough that just needed a lot of TLC. She worked with investors and her business partner, Dan Sullivan, who was previously in high-tech sales, and they began to raise capital. "We sold shares of the company for crush credits," Donovan said. In other words, the wineries she wanted to work for helped finance this business venture. Since then, she has paid off her debts.

At the same time, Southern Oregon Regional Economic Development Inc. came to the rescue and helped finance the tanks and other equipment needed for wine production. "I remember meeting with Colleen Padilla (with SOREDI), way back when, when it was just an idea," Donovan said. "It was like, how can we secure funds for this. Neither Dan nor I had any money."

Not only did Pallet Wine get their loan request with the help of SOREDI and Oregon Business Development Fund, but she got a second loan in 2014 to buy the building that she had been leasing. At one point, Donovan said she had to defer payments for a few months. "A bank would have said too bad," Donovan said.

In Pallet Wine's first year in operation, it crushed 95 tons, and by 2011, it had surged to 450 tons. Tilting the scales and straining production at 550 tons in 2015, Donovan ramped down the next year to what seems like a more comfortable volume, while still producing 35 varietals.

With 35 varietals coming through at various times, it's a lot of work for her small staff and lots of part-timers. Donovan said her winemakers, Fred Salomon and Elisabeth Grunwald, are part of the keys to her success. Grunwald studied at Umpqua Community College, and Salomon, who worked in France, moved here to get away from the rain in the Willamette Valley.

Sara Silbowitz, whose skills at Pallet earned her the nickname, "The Punch Down Queen," has been trained as an oenologist. "She can go anywhere in the world," Donovan said. "She has the skills." While Brandi Davis takes care of the bookkeeping and office management.

Donovan's staff is dedicated to the hard work required to take on the responsibility of developing wines for a variety of customers. Because of the extreme multi-tasking and tight deadlines, finding the right people to fit in is critical. One minute you might be testing wine chemistry, and the next minute, a customer brings in a last-minute order to crush grapes. Basically, it's stop what you're doing, and then it's all hands-on-deck. "We've had so many come through that just aren't used to hard work when it is cold and you are tired.," she said.

Donovan said her wish list for downtown Medford includes upscale housing and more complimentary business that would attract visitors and locals, including more hotels. "I'd like to see a fantastic outdoor market with a bakery and cheeses." She said she is excited about the prospect of remodeling the Holly Theatre, a local landmark that is set for renovation sometime in 2017.

Over the years, Donovan said she's seen local vintners adapt to the climate of the Rogue Valley and figure out which varietals work well with a climate that is warmer in the summer than Napa or Sonoma and colder in the winter.

It's that same climate, with its four seasons, that appeals to Donovan as well. "I love having a beautiful spring and a beautiful fall, as well as all the recreation associated with the different seasons," she said.



Photo by Richard Krieger

Fred Salomon preparing barrels.

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