

## Congress Springs

The Congress Springs district above Saratoga was once the home of several wineries. One was revived in the 1970s and named, appropriately, Congress Springs Vineyards. The Pourroy family had some surviving vineyards around their old home above Congress Springs Road and in 1972 *Victor B. Erickson (VE)* bought the place and set in motion the events that would lead to the birth of Congress Springs Vineyards a few years later.

Erickson was born in Poulsbo Washington in 1913, growing up there on a farm and graduating from high school. He then spent five years in Alaska and then came to California where he attended San Jose State College and received his degree in engineering. He then worked for several years in the metal industry in San Jose, founding his own Cascade Metals in 1948.

Mr. Erickson today runs Globe-Pacific, Inc., which distributes metal products. I interviewed him at his office there August 17, 1993.

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CS: Let's begin by establishing your connection with the Congress Springs property from the earliest days, before your 1972 purchase.

VE: It's easy for me to remember since I am interested in religious activity. I am a member of the Alum Rock Covenant Church. But this started with the pastor of the Willow Glen Baptist Church knowing about me and knowing I had a business in San Jose. He was part of a group of people, most of whom were Lockheed employees who wanted to do something with a parcel of land up in the mountains. He invited me to a breakfast and I was introduced to these people and introduced to the fact that they had this big project of buying this land from the Pourroy family. They had spent a lot of money on engineering, but there was a question about the environmental effect of their project in the Saratoga area. There were a lot of things they wanted to do that they weren't going to let them do.

CS: When was this?

VE: In 1969-70. The Lockheed employees had a credit union and it had become the real owner of the property because the group had borrowed so much money from it. There were about thirty partners involved. Most of them were Lockheed employees. They had already bought the land from the Pourroy family. It was a limited partnership. There was a general partner, which they called the King's Development Company. They had drawn plans and intended to put up a Christian camp ground, among other things. It was well planned but they just spent too much money and they didn't want to put in any more. Eventually I bailed them out. And in the process I became the president of this company they had set up, The Saratoga Land Company. This bail out more or less made me the general partner. The Kings Development Company now disappeared. It was very complicated. The Pourroys were foreclosing on them and I bought the place from the Pourroy family, as it turned out. Kings was not able to make the payment on their note to the Pourroys.

Actually, my dealings were directly with the Pourroy family. I bought the 53 acre piece, what we came to call Congress Springs, for \$164,000. I paid that off over a seven year period. The investment group still owned a parcel of about 60 acres which had also been Pourroy property. Eventually most of the partners got their money back. That piece of property was directly west of the Montmartre home.

CS: So that's the hill we see on that old photo that was covered with vines back before Prohibition.

VE: Yes. A pilot bought that land and is going to build himself a home up there, I think. He bought that in about 1980.<sup>1</sup>

CS: Your property didn't have anything to do with the Tom Mudd property to the east, did it?<sup>2</sup>

VE: No, he's on the other side.

CS: Did you ever have anything to do with the Pourroy family after you bought the place?

VE: Yes, indeed. Lucille, she was one of the daughters, she and I have about the same birthday. We used to have our birthday parties together. In 1973, the fiftieth anniversary of the building of Montmartre, we invited the entire Pourroy family to a party there. There were more than eighty people there. Every year since we have celebrated with them. We are very close to the Pourroys.

CS: What did you think you were going to do with this land?

VE: I just did not know. Here I had this big tract up there, but I am an agriculturalist and loved the place. I did raise vegetables up there, and boy did they grow. The water seems to come up out of the ground, even up on the hill. I really didn't have to water the vegetable garden. And that's what made it easy for the vines up there.

CS: I guess that helped them stay alive when no one was tending them.

VE: That was in 1975, three years after I bought the place.

CS: Give me a picture of what the place looked like at the beginning, before the wine venture began.

VE: The house had been used as a residence by one of the Saratoga Land people. They had lived there with their children, acting as a sort of a caretaker.

CS: So the house wasn't in bad shape.

VE: The Zinfandel vineyard was there and we replanted some in the front area. They had hardly been taken care of at all. I think the Saratoga Land people had been picking the grapes. Then a Mr. Tietz got permission to take care of the vines - he was a neighbor from nearby - and he would get the crop. He did some pruning, but not much.

CS: What was over there on the right where the Chardonnay was planted later?

VE: There were two varieties, old vines. But I'm not sure which. Dan Gehrs will probably know.

CS: How about those old Cabernet franc vines, over the rise of the hill to the east?

VE: That was part of the old vineyard. Most of that now belongs on the Moore property today. So the property was split, but the vineyard had been on the Pourroy land.

CS: I've always wondered how that Cabernet franc got planted so many years ago, and when. That variety simply was not seen here before the 1960s, at least very rarely.

<sup>1</sup> For a fairly clear picture of the ownership of this land and the two sides of the Pourroy family, see the G. Pourroy and M. Pourroy interview notes.

<sup>2</sup> Since 1986 the Cinnabar Winery, BW 5333.

VE: I never did know that, but perhaps Dan knew.

CS: I'll ask him when I interview him.

VE: As I was saying, I had planted up there and was driving up almost every evening, working til dusk. But I didn't know one thing about wine or vineyards then. We don't use wine in our home, so I just never thought about being involved in it, at first. But one day when I was working up there Dan and Robin Gehrs came walking up there and he saw me up there and he called out to me, "What are you doing out there?" So I asked him why he wanted to know and he called back, "I'm the caretaker here." He didn't know that I had bought the place. He had been working for Mr. Tietz. But we got very well acquainted. And eventually they asked me to sponsor them, to help them start this winery operation. I agreed and put up the money, whatever it took. We started in 1976.

CS: So you actually owned the place for four years before this decision was made. Had you done anything to the vineyards up until then?

VE: No, Tietz had done whatever was being done. I think he sold the grapes.

CS: At that time the price of grapes was going up like crazy. Prices were nothing like they are today, but in comparison to what they had been, wine grapes had become very profitable.

VE: Dan had been working over at Paul Masson's, and at the same time he had been living on the Tietz property in one of his little bungalows there. That was before they had any children.

CS: What was the arrangement to get the operation started?

VE: We started from scratch. I had had no real plans to do anything up there. I wasn't really sure whether this was a wise thing to do.

CS: Did you do any research, any reading, or talk around to people?

VE: Very little. Dan told me how he thought we could do it, and I trusted him.

CS: This was a perfect moment to start a winery. If you had waited five years you might have had a tough time.

VE: It was a good time. Our first job was to replant that vineyard. And save some of the older vines. Trellises had to go in. Dan and his brother Jim hired some people and they worked very hard to get it started.

CS: In 1978 Jim Gehrs was in my first wine history class at De Anza College.

What was the financial arrangement?

VE: I owned the land and the business. The name for the winery was my idea. It was a natural, I thought. Dan had thought up Blue Sky Winery, but Congress Springs was better. Dan did put in a little money from a loan he made from a friend, I think an attorney. We called ourselves partners. But from then on I put in all of the money to build it up. Dan and Robin were on a salary. Later I gave him a quarter of the winery's value, at the time we sold it to Anglo-American Agriculture, Ltd. I was very close to those kids.

First we restructured the Zinfandel vineyard. The Chardonnay went in a little later. The first year we made about 500 cases.

CS: Did you go along on this idea of all these different grape sources early in the venture?

VE: Absolutely. We wanted to get started right away. And I also told him that he was never to put our label on a lousy bottle of wine. And we did that, and really stuck to it. Dan became a very good winemaker. We won medals all over.

CS: It is remarkable, because he didn't have much of a background.

VE: We leased those Novitiate vineyards in the early days, like the Alma and the St. Charles. But there were lots of expenses in those early days. They helped make ends meet by having Robin doing some part time teaching. And they had goats up there in what was later the winery up above and they had pigs on the first floor. That place was really bare-bones then. Later, of course, we restructured that building and almost totally rebuilt it.

CS: In the early days to me the winery was downstairs at the main house.

VE: You know that building was only a one-story building when I bought it. The first floor was the basement and the dirt went right up to the porch. The building was sitting on the top of this hill. And I simply had the dirt cut away down to the bottom of the basement and made it a two story building. I did that before Dan ever showed up. I was thinking of doing something with it. Maybe a bed and breakfast operation. I had a man living there who knew engineering. His name was  
Soon after I had bought the place I had fallen down and broken my shoulder, and I was in the hospital for a while. So we went up there after that and found six boys and six girls living up there. These were the Haight-Asbury days. There were still a few pieces of furniture there and they had moved right in.

So I had the sheriff get them out. They became so angry at me that they tried to set fire to the house, but it was concrete. All they burned was their own furniture. That's when I tore into it and made it a two story house. So that's when I had these people move in there to keep an eye on things.

CS: How did you know that the basement walls would hold up the house?

VE: They were thirteen inches thick. I understand it took the Pourroys three years to build the place. They had to haul concrete up there in wheelbarrows.

Gradually Dan and I bought the equipment he needed, buying tank here and barrels there. We bought new tanks from the Santa Rosa Tank Co. and used ones from Paul Masson and oak casks from the Novitiate. We had to put a concrete floor in the basement. And we'd get three feet of water when it rained up there, so we had to fix that.

CS: What did you do with all the dirt that you cut away?

VE: That became the parking lot. There was nothing there at the time. That steep driveway went right up to the porch. Now we had a parking lot.

CS: How did the business go at first?

VE: We struggled at first. It wasn't a money making proposition at first. I was out several thousand dollars a year for a while. But I had no qualms about it. I could see it growing.

CS: Did you become a wine drinker in all this?

VE: Not really. And I'm not a wine drinker now. I like good wine. I always tasted our wines. I enjoy wine and I still have it when I go out to dinner.

I was still totally active in my businesses down here. I was an entrepreneur and had lots of things going. The winery didn't take over. But I did do the bookkeeping right here. I paid all the bills. The men came down here on Friday nights and I'd pay them off.

CS: When would you say that it became profitable?

VE: By 1979 or 1980 we were seeing a profit. Our last year, before I sold it, I netted \$125,000 on the winery, after I had paid everyone. We had distributors back on the East Coast. We had developed a very good reputation. We valued the winery at that time at \$1,000,000. And I gave Dan a quarter interest in it when we sold it, so that amounted to \$250,000.

But I was very disappointed about how it all turned out. Dan made some mistakes. The company that bought us should never have been in the wine business.

CS: We'll talk more about that. So, in the eighties, this is when you are really expanding your capacity. How did you make this old wooden building down below the main house into a good sized winery?

VE: We remodeled that place, had contractors working on it. I invested between \$150,000 and \$250,000 in that expansion. Just in that structure. That was after 1982.

CS: But the profits then made you think the expansion made sense.

VE: Oh, yes. We were using our profits totally for the expansion.

CS: So your profit in the long run comes from the capital gain you make on the sale of the place, after plowing back all those profits.

VE: That's right.

CS: How big did you get to be.

VE: About 25,000 cases, maybe 27,000 the last year I had it. Anglo American went even bigger than that, and they added the Champagne production, which I think was a bad move. They went too far.

CS: Was the Champagne operation when you still owned it?

VE: Just at the very beginning.

CS: I'm the one that Dan hired then to write that history of Champagne making in the Santa Cruz Mountains. He wanted to use it later for promotion.

VE: They didn't have the capital to make it work. And the Anglo-American people didn't understand that you had to wait and be patient for something like that to work. I think that if they had stuck it out for a couple of years it could have worked.

CS: I thought that the Champagne was pretty good. I bought a lot of it when they were selling it off at the end.

VE: I have a few bottles myself.

CS: But were you in the saddle when those decisions were being made?

VE: No. That was that 1987-88 period. I was in the process of selling it. But I was thinking about it, nevertheless. I was thinking about adding storage capacity for the Champagne when it was aging. All of that was coming when they were negotiating with us to buy it.

CS: So we'll hold off on that. Let's finish up on the winery itself. Were you involved in the planning on the structure?

VE: I did the designing work on it. Where the concrete would go, and such.

CS: That's right. You're an engineer. Did everything keep going in the same direction after the winery was put together?

VE: From 1976 to 1986 we had a steady climb. I was very happy with it. By 1986 we thought that this steady rise showed we had gone further than nine out of ten of the wineries starting up in those years.

CS: Tell me now about the events leading up to the sale of the business.

VE: Dan had seen this growth of ours and he had visions of greater growth in the future. This, in spite of the fact that he and I had always said we would keep it a family affair. We even bought an insurance policy on me in case I passed away. But he wanted to do it faster. And he got in touch with these Anglo-American company. They were a world-wide concern in agriculture.

CS: I came in contact with them in the San Ysidro venture. They owned half of those vineyards and Augustin Huneeus<sup>3</sup> and his wife hired me to do the research for the application of it to be a viticultural district. You and Dan were buying a lot of good grapes from Anglo-American there. I got an earful on their operation. I was doing that in 1989. So the Anglo-American connection with Dan comes from those San Ysidro grapes.

VE: I don't think that Dan would blame me for criticizing him in these matters, because we talked about it a lot. We didn't agree on all he had done in that matter. I remember driving up to the winery one July day and on the grounds were 300 new French oak barrels and a huge stainless steel tank. I said, "What in the world is this; where did you get the money for all this?" It came from Anglo-American. In a way he had started to sell the winery out from under me. He had taken these steps, even though he knew that he had a very little part of the actual ownership.

CS: But we're talking about selling the business. No one can sell the winery out from under you.

VE: That's right. But it was still basically my business.

CS: But you must have felt eventually that you had to go along with this.

VE: Yes, surely. My age was a factor. I didn't fight it, really. And I owed a lot to Dan Gehrs.

CS: Was he talking about selling the property?

VE: No, just the business. But eventually they would have wanted to buy the property. These people were not people who had ever had a winery. They really had no powerful interest in it and didn't know how to run one. But they let Dan run it for a while and it went along, but the Champagne thing didn't go well. And the first thing you know they fired him.

Anglo-American had a huge sheep ranch in Australia, and a cotton farm. And they lost out on

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<sup>3</sup> Today the president of Franciscan Vineyards in the Napa Valley.

that in the worst way. They lost millions of dollars on that, right at that time. That knocked them out and they were bought out by a New York outfit, bankers. Anglo had bought me out already, and then their downfall was the Australian venture. That came in those years.

I finally agreed that I would sell. I gave Dan a quarter of it and I took the rest. They paid me off over the next two years.

CS: So you got your money out before this sheep ranch catastrophe.

VE: Yes. Otherwise I would have been just another one of their creditors. They didn't get along with Dan from the very beginning.

They at Anglo had let me know that eventually they would want the property. Their man stopped here in San Francisco and sat down with Dan and me- he was on his way to make this deal in Australia. But they had a bad year there, the crop was lost. So this New York outfit got control. They were an Anglo creditor.

CS: And they look into their bag of things and they see this Congress Springs operation.

VE: They hired a company in San Francisco to come in and run the operation, after they fired Dan, and they fired the guy who had negotiated with me to buy it. Zuckerman, this New York banker, was in charge. He came out here. I met with them, because I was a member of the board of directors. I had bought Dan's stock, knowing that it was worthless. But I thought that if there was ever going to be anything in this for Dan, it would be tough for him to get it.

CS: So, when Anglo took over he had a piece of the action, based on the quarter interest he had in it. But when Zuckerman took over you could see that it was going down, since his equity was Anglo-American equity, and they were in the tank.

VE: That's right. And these people Zuckerman hired ran the thing into the ground.

CS: I've seen that a lot. They were piecing it out, getting what they could from the parts, the equipment, the inventory, whatever.

VE: It was a sad story.

CS: So who owns the Congress Springs DBA now?

VE: Zuckerman and Anglo-American. They went bankrupt as a winery operation, and I lost \$70,000 in rent on the place that they owed me. I tried to collect for that rent for about a year and a half. Dan is forever sorry, because it was really going well. He sat right where you are sitting and said so. He learned.

CS: And he's worked his way out of it. He has a good position as winemaker for Zaca Mesa now. And he's a good winemaker.

When they were closing down up there they sold off some really good wine for pennies. A friend and I went up there and could hardly get down the hill with all the good Chardonnay and Pinot blanc we had bought.

VE: I got a few bottles of the good stuff too.

There's another item. The Anglo-American guy from London still had a hand in the thing. Zuckerman didn't get the whole thing; maybe he got 90%. At that time he tried to get John Del Mare to buy some of the equipment.

CS: Who is Del Mare?

VE: He's my tenant up there now. He moved in two years ago. He's a member of the Mariani family.<sup>4</sup> I think the family has a position in the operation up there. It is under the name of Mariani Associates. They also have a vineyard up in Napa.

CS: They owned half of Cupertino for a while. When I saw the Mariani name go up there at Congress Springs I didn't feel bad at all, because I know from personal experience that they have a powerful interest in our local history.

VE: I am so glad that they are getting it. John loves the place. I'm doing everything in my power to make it happen.

CS: How did you make this connection?

VE: It started about two years ago. I was involved in another business/real estate deal.

CS: That's what you were involved in when I first contacted you and you said you had some other things you had to take care of first.

VE: That's right, about a year ago. The real estate agent involved in that sale knew Del Mare. She wanted to know if I wanted to sell the Congress Springs property. My family is not really interested in that property. I have given property to my son and daughter, and they are well set. But this Saratoga thing I have kept to myself. I have taken care of my family but this piece of property, well, I'm the only one who really fell in love with it. And now I've met John Del Mare and his family and I've sort of adopted them. I want them to have it. His dreams are very much like mine were.

He wants to start a winery up there on that property. He's leasing the property from me, including the vineyards. Now he wants to buy it. But that's confidential for right now. He has an option to buy it in three years, but now he is coming to me this afternoon to do it now so that he can put in the improvements he wants right away. Nothing could suit me better. I'm almost eighty and my legs are getting a little weaker. Some day I'm not going to be here and I don't want to leave my family with that property up in the air; I want it all settled. I want it in the hands of someone who can keep it going. His aims are just like mine were.

CS: I hope it goes. I look forward to going up there for many more years to buy wine.

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The oral history of the Congress Springs winegrowing area is incomplete without a contribution of the Daniel Gehrs family. Having recently moved to the Santa Maria area they were not available for me to interview.

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<sup>4</sup> The Mariani family had a powerful position in the Santa Clara Valley dried fruit industry until recent years.