PETITION TO ESTABLISH THE

"SAN MIGUEL DISTRICT"

AMERICAN VITICULTURAL AREA

Submitted to

Alcohol and Tobacco Tax and Trade Bureau
Regulations and Rulings Division
1310 G Street, NW
Washington, D.C. 20220
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by the

PASO ROBLES AVA COMMITTEE

March 8, 2007

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I. INTRODUCTION

The undersigned petitioner, Paso Robles AVA Committee (the "**AVA Committee**"), represents a broad cross-section of Paso Robles vintners, growers and interested businesses. Our membership consists of over 59 grape growers and wineries in the Paso Robles area, who cumulatively own or manage over 10,000 acres of vineyards in the Paso Robles American Viticultural Area (the "**Paso Robles AVA**"). A list of our members is attached as **Exhibit 1**. Several of our members own vineyards or purchase grapes from the proposed San Miguel District viticultural area, and we farm over 100 acres of planted vineyards there.

We believe that distinctive grapes and wines are produced from smaller, geographically distinct regions within the existing 609,564 acre Paso Robles AVA. Wine grapes have been grown and wine produced for over 200 years in the Paso Robles region, with the first grapes planted by Father Junipero Serra at the Mission San Miguel Arcángel in 1797. The Paso Robles AVA was created in 1983.[1] Since then, the number of wineries in the Paso Robles area has grown from just 13 to over 170, while vineyard acreage has increased from approximately 5,000 acres to over 26,000 acres. Consequently, our knowledge of vineyard site potential and the diversity of vineyard sites within the Paso Robles AVA has grown tremendously. Consumers will be better informed by the designation of several distinctive viticultural areas within the Paso Robles AVA, as has occurred in the Napa Valley, Willamette Valley, Sonoma Coast, Sierra Foothills, Lodi and other AVAs.

We formed the AVA Committee with the goal of avoiding a patchwork approach to creation of smaller viticultural areas within the Paso Robles AVA by building local industry consensus for a unified approach and an overall viticultural area plan. To that end, we have led a yearlong community effort to develop a comprehensive master plan for viticultural areas within the Paso Robles AVA, firmly rooted in science, viticultural distinctiveness and name identification accuracy. In that regard, we have been assisted by experts in a variety of fields. Professor Deborah L. Elliott-Fisk of University of California, Davis, is an expert on the geography and terroir of California and viticultural area designations. Professor Elliott-Fisk has done fieldwork in the Paso Robles AVA since 1988, focusing on terroir, vineyard soils, and their influence on viticulture. She has excavated soil trenches here and conducted physical and chemical analyses of soil profiles. She has worked both on viticultural area petitions and the influence of soils on wine characteristics since 1986, with many publications in refereed journals.[2] She has taught graduate courses on viticultural geography at U.C. Davis, where she has been a professor since 1981. Professor Elliott-Fisk also solicited information from other experts and committee members, including meteorologist Donald Schukraft of Western Weather

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[1] Establishment of Paso Robles Viticultural Area, T.D. ATF-148, 48 Fed. Reg. 45,239 (Oct. 4, 1983).

[2] *See, e.g.*, Elliott-Fisk, Deborah L. 1993. Viticultural Soils of California, with Special Reference to the Napa Valley. JOURNAL OF WINE RESEARCH, Vol. 4, No. 2, pp. 67-77; Noble, A.C. and D.L. Elliott-Fisk. 1990. Evaluation of the Effects of Soil and Other Geographical Parameters on Wine Composition and Flavor: Napa Valley, California. pp. 37-45. ACTUALITIES OENOLOGIQUES 89, 4 Symposium International d'Oenologie. Paris: Dunod. 567 pp.

Group, LLC. Richard Mendelson and his associate Michael Maher, of Dickenson, Peatman & Fogarty, a law firm based in Napa, California, serve as the Committee's counsel and are experts on AVA designations and petitions. They conducted much of the research on names and their historical use, with assistance from Committee members and other local historians.

Our overall plan envisions the creation of 11 new viticultural areas within the existing Paso Robles AVA, including the "San Miguel District" which is the subject of this petition. An overall map of these proposed viticultural areas is attached as **Exhibit 2**. In addition, we have petitioned for a minor southern expansion of the Paso Robles AVA, just south of the community of Santa Margarita, to encompass a large, existing vineyard that currently straddles the existing Paso Robles AVA boundary and is well-known as a part of Paso Robles. An expansion of the original Paso Robles AVA was approved in 1996 with a petition to expand to the west, also encompassing more recently planted vineyards.[3]

Prior to discussing the specifics of our overall viticultural area plan and setting forth the evidence required under 27 C.F.R. Section 9.3 for establishment of the "San Miguel District," we discuss the Paso Robles AVA, its history, and its viticultural and geographical diversity.

A. The Paso Robles American Viticultural Area

Established originally in 1983, the Paso Robles AVA is similar in age to many other well-known viticultural areas, including Napa Valley (1981), Sonoma Valley (1981), Livermore Valley (1982), Willamette Valley (1983), Santa Ynez Valley (1983), North Coast (1983), Lodi (1985) and Central Coast (1985). The York Mountain AVA, also established in 1983, is adjacent to the Paso Robles AVA along its western border. Unlike some of the other very large AVAs, smaller viticultural areas have yet to be established within the Paso Robles AVA boundaries.

In proposing the original boundaries for the Paso Robles AVA, the petitioners drew a large polygon around all existing vineyards in the northern part of San Luis Obispo County. This boundary encompassed a diversity of vineyard geographies, with mountain vineyards at 1,800 foot elevation on bedrock with cool climates (Region II in the Amerine and Winkler, 1944 scheme of vineyard growing degree day climates), valley floor vineyards at 900 foot elevation in moderate Region III climates on deep alluvial soils, and vineyards at 1,400 foot elevation in Region IV climates on very old, cemented alluvial fans and terraces, as further described above.

The Paso Robles AVA, at over 600,000 acres, is the largest "non-regional" AVA in California; the Central Coast, North Coast, Sierra Foothills, and San Francisco Bay AVAs are larger; the South Coast, Sonoma Coast, Lodi and Napa Valley AVAs are smaller. Important criteria used to establish the Paso Robles AVA in 1983 included the following:

[3] Expansion of Paso Robles Viticultural Area, T.D. ATF-377, 61 Fed. Reg. 29,952 (Aug. 12, 1996).

(1) history – named after the historic El Paso de Robles land grant; (2) climate – marine influence on the east side of the Santa Lucia Range is less than on the immediate outer coast, but still significant in moderating temperatures; when coupled with topographic relief and elevation, this creates large diurnal temperature ranges; and (3) elevation, coupled with topography, soils and water – most vineyards were then planted at elevations of 800 to 1,000 feet along the valley floors, with deep soils and abundant groundwater resources. Paso Robles was very much the over-riding place name, as the urban center for this agricultural community, with smaller towns as service centers along Interstate 101 to the north and south, and off the rural state highways and county roads to the east. As the population of the region has grown, the agricultural and other real property values of the land have increased and the smaller communities inside the Paso Robles AVA also have expanded and taken on lives of their own. In light of their long history, and particularly their winegrowing history, many of these smaller towns are featured in the names of our proposed viticultural areas.

The Paso Robles viticultural area is located entirely within San Luis Obispo County, California. The approved map showing the boundaries of the Paso Robles viticultural area is "San Luis Obispo", NI 10-3, scale 1:250,000 (1956, revised 1969).

The boundaries of the Paso Robles AVA are as follows:

From the point of beginning where the county lines of San Luis Obispo, Kings and Kern Counties converge, the county line also being the township line between T.24S. and T.25S., in R.16E.:

1. *Then in a westerly direction along this county line for 42 miles to the range line between R.9E. and R.10E.;*
2. *Then in a southerly direction for 12 miles along the range line to the southwest of corner of T.26S. and R.10E.;*
3. *Then in a southeasterly direction, approximately 5.5 miles to a point of intersection of the Dover Canyon Jeep Trail and Dover Canyon Road;*
4. *Then in an easterly direction along Dover Canyon Road, approximately 1.5 miles, to the western border line of Rancho Paso de Robles;*
5. *Then, following the border of the Paso Robles land grant, beginning in an easterly direction, to a point where it intersects the range line between R.11E. and R.12E.;*
6. *Then southeasterly for approximately 16.5 miles to the point of intersection of the township line between T.29S. and T.30S. and the range line between R.12E. and R.13E.;*
7. *Then in an easterly direction for approximately 6 miles to the range line between R.13E. and R.14E.;*
8. *Then in a northerly direction for approximately 6 miles to the township line between T.28S. and T.29S.;*

9. Then in an easterly direction for approximately 18 miles to the range line between R.16E. and R.17E.;
10. Then in a northerly direction for approximately 24 miles to the point of beginning.

27 C.F.R. Section 9.84 (2006).

These broad boundaries encompass a viticultural area more than 40 miles wide and over 29 miles from north to south.

In the sections that follow, we review the history of the wine grape industry in Paso Robles, from around 1800 to the present, and the area's geographical and viticultural diversity. This will set the stage for the proposed viticultural areas within the Paso Robles AVA and for the "San Miguel District" in particular.

1. A Brief History of the Paso Robles Region

Paso Robles was named for its local oak trees, El Paso de Robles: The Pass of the Oaks. The name was shortened to Paso Robles when California gained its independence from Mexico in the mid-1800s. The area that now comprises the Paso Robles AVA has been inhabited for thousands of years. The modern era of settlement began with the arrival of the Spanish Missionaries, who founded Mission San Miguel Arcángel in 1797 and the Santa Margarita Asistencia in 1787 as an outpost, chapel, and storehouse for Mission San Luís Obispo. The Mission padres carried on extensive grain cultivation in the area and even planted the area's first grape vines. The City of El Paso de Robles, or Paso Robles, has always been renowned for its thermal springs. Paso Robles, in fact, was frequently referred to simply as Hot Springs until the late 1800s.[4]

In addition to the Spanish missionaries, the Mexican land grant system also had a profound influence on the history of San Luis Obispo County, by shaping settlement patterns and land ownership. The area that comprises the Paso Robles AVA encompasses numerous Mexican land grants, including the Atascadero, Asuncion, Santa Margarita, Paso de Robles, Santa Ysabel, and Huer Huero. The land grant after which the Paso Robles AVA was named, the Paso de Robles land grant of 25,993 acres, was originally granted to Pedro Narvaez in 1844.

Modern day Paso Robles began with the development of a hot springs resort in the late 1800s.[5] While Paso Robles was located on a regular stagecoach line, which brought customers to the resort, it was the arrival of the Southern Pacific Railroad that led to the modern development of the town. The railroad first arrived in 1886 and work quickly

[4] J. Fraser MacGillivray, HISTORY OF ADELAIDA, CALIFORNIA, 1993, p. 3.
[5] Myron Angel, HISTORY OF SAN LUIS OBISPO COUNTY, CALIFORNIA, WITH ILLUSTRATIONS AND BIOGRAPHICAL SKETCHES OF ITS PROMINENT MEN AND PIONEERS, Thompson & West, 1883 (1966 reprint edition), p. 369-372.

began on laying out a town site centered on the hot springs resort.[6] Soon after the first train arrived on October 31, 1886, a train from San Francisco brought prospective buyers who toured the area. On November 17, 1886, a total of 228 lots were sold at auction. Two of these lots included the site that became the town of Templeton.[7] By the end of 1887, records showed 523 residents and 100 buildings in the town. The City of Paso Robles became incorporated in 1889. At that time, the town had an opera house, train depot, numerous banks, dry goods and hardware stores, hotels and numerous saloons for the ranchers from the local area in need of social recreation. By 1891, the population had risen to over 800.[8] When the census was taken at the turn of the new century, Paso Robles was the only community in the county that had grown during the previous decade.[9]

Over time, Paso Robles continued to outgrow its surrounding communities. Its location at the crossroads of the area's transportation corridors helped it became the hub of the area's agricultural economy, surrounded by a number of outlying, rural agricultural districts, including Creston, Adelaida, Shandon, El Pomar and Templeton. For many years, Paso Robles was known as the "almond capital of the world" because the local almond growers created the largest concentration of almond orchards in the world, with over 26,000 acres in the surrounding area. The ranchers in the outlying areas raised cattle, horses, grain crops, garden produce and other fruit and nut orchards. To show their appreciation for, and the importance of, the ranchers of the surrounding area, the business people of Paso Robles established Pioneer Day in October 1931, which remains a major annual celebration today. Today, as further explained below, the Paso Robles economy remains centered on agriculture and related tourism, but wine grapes and the wine industry have become the drivers of the region's economy.

2. A Brief History of the Wine Grape Industry in Paso Robles

The history of winemaking and grape growing in Paso Robles dates back to 1797, when Father Junipero Serra introduced the first wine grapes on the lands of the Mission San Miguel Arcángel. More than a thousand vines were planted and wine was produced for sacramental purposes. After Mexico secularized the missions in the 1840s, the vineyards were abandoned until European immigrant farmers started to arrive in the mid-1800s, following California statehood in 1850. The following abbreviated history of the wine industry in Paso Robles is adapted from Paso Robles: History, prepared by the Paso Robles Wine Country Alliance.

Commercial winemaking was introduced in 1882 when Indiana rancher Andrew York began planting vineyards on his 240 acre homestead. Within a few years, he found that the vines were yielding more than he could market, prompting him to establish

[6] Loren Nicholson, RAILS ACROSS THE RANCHOS, 1993, p. 34.
[7] Al Willhoit, THE END OF THE LINE, RECOLLECTIONS AND HISTORY OF TEMPLETON, undated, p. 9.
[8] Yda Addis Storke, A MEMORIAL AND BIOGRAPHICAL HISTORY OF THE COUNTIES OF SANTA BARBARA, SAN LUIS OBISPO AND VENTURA, CALIFORNIA, Lewis Publishing Co., 1891, p. 157.
[9] Nicholson, p. 183.

Ascension Winery, known today as York Mountain Winery in the York Mountain AVA, which is adjacent to the Paso Robles AVA.

Following York's early success in the wine business, immigrant farming families settled in the area and several planted vineyards. As the popularity of wines began to grow, so did the Paso Robles region. Lorenzo Nerelli purchased a vineyard at the foot of York Mountain in 1917. His Templeton Winery was the area's first to be bonded following the repeal of Prohibition.

There was a flurry of viticultural activity in the early 1920s when several families immigrated to the area to establish family vineyards and wineries. The Paso Robles wine region gained more notoriety when Ignace Paderewski, the famous Polish statesman and concert pianist, visited Paso Robles, became enchanted with the area, and purchased 2,000 acres. In the early 1920s, he planted Petite Sirah and Zinfandel on his Rancho San Ignacio vineyard in the Adelaida District. When Prohibition ended, Paderewski's wine was made at York Mountain Winery. The wines produced from grapes grown on Rancho San Ignacio went on to become award-winners and Paso Robles' reputation as a premier wine region grew. Zinfandel had a strong influence on the early growth and development of the wine industry in Paso Robles, and it remains a key wine varietal today for many Paso Robles wineries.

The late 1960s and early 1970s saw a new generation of vineyard pioneers in the Paso Robles area, bringing university training and financial resources for large plantings. Dr. Stanley Hoffman, under the guidance of U.C. Davis and legendary enologist André Tchelistcheff, planted some of the region's first Cabernet Sauvignon, Pinot Noir and Chardonnay on his 1,200 acre ranch next to the old Paderewski Ranch in the Adelaida area. His Hoffman Mountain Ranch Winery, a portion of which is now owned by Adelaida Cellars, was the first large-scale modern facility in the area.

During this same time, Bob Young planted the area's first large scale commercial vineyard, now known as Rancho Dos Amigos, near the town of Shandon. Herman Schwartz, managing partner for a group of investors, planted the 500 acre Rancho Tierra Rejada vineyard in 1973. From 1973 to 1977 Gary Eberle and Cliff Giacobine planted 700 acres, including the first modern commercial acreage of Syrah in California, and established Estrella River Winery, then the largest winery in the area.

Recognizing the area's unique, yet very diverse, terroir, the Paso Robles AVA was established in 1983 and expanded in 1996 to add approximately 52,618 acres with the inclusion of vineyards in the western hills.[10]

The early 1980s also saw the expansion of viticulture in the hills west of the City of Paso Robles. In 1981, Justin and Deborah Baldwin purchased 160 acres of land in the remote Adelaida area. In 1982, they planted 72 acres, concentrating on the three classic

[10] Establishment of Paso Robles Viticultural Area, T.D. ATF-148, 48 Fed. Reg. 45,239 (Oct. 4, 1983); Expansion of Paso Robles Viticultural Area, T.D. ATF-377, 61 Fed. Reg. 29,952 (Aug. 12, 1996).

red Bordeaux grape varietals, Cabernet Sauvignon, Merlot and Cabernet Franc, and Chardonnay, and by 1987, they had established their winery and produced their first estate grown wines. Adelaida Cellars was established in 1981, and Carmody McKnight planted its first vineyard in the western hills in 1985.

Large vineyards and wineries continued to be established in Paso Robles in the 1980s as growers recognized that the favorable topography and generous climate allowed them to grow high-quality wine grapes at higher yield levels than was possible in other viticultural areas. In 1988, J. Lohr Winery, which now owns over 1,900 acres of vineyards in the area and produces 400,000 cases annually, expanded into Paso Robles to focus on Cabernet Sauvignon, Merlot, Syrah and other red varietals. Meridian, now owned by Fosters, was also established in 1988.

Many mid-size wineries also were established during this period. In 1982, Arciero Vineyards/EOS Estate Winery, now with over 700 acres and production at 160,000 cases, pioneered the planting of several premium Italian varietals. In 1983, Wild Horse Winery was bonded and now produces 135,000 cases with an average of 15 different varietal wines each year, including their flagship Pinot Noir and a number of heirloom varietals. Treana Winery, owned by the Hope family, was established in 1996 and now produces 160,000 cases between the Treana and Liberty School brands.

Although Gary Eberle planted Syrah in the mid 1970s, and provided plant material from that vineyard to many winemakers in the state, Rhone varietals did not form an important part of Paso Robles' identity until 1989, when the Perrin family of the Rhone Valley's Chateau de Beaucastel, a well-known producer of Châteauneuf-du-Pape in France, and their American importer Robert Haas established a joint venture, Tablas Creek Vineyard in the Adelaida District. With 80 acres planted to the traditional varieties of Châteauneuf-du-Pape, Tablas Creek imported exclusive clonal material from the Rhone Valley in France and made those clones available to other interested growers.

Since then, Paso Robles has seen a major expansion of plantings of Rhone varieties. Now, in addition to the first Syrah plantings in California, it also has the largest acreage of Syrah, Viognier and Rousanne. Acres planted under Rhone varieties jumped from fewer than 100 acres in 1994 to more than 2,000 in 2005. During that time, at least 10 wineries focusing on Rhone varieties were established.

In comparison to many other AVAs, Paso Robles lagged in the large-scale promotion of its wines following its approval in 1983. This is not unusual for very large, regional AVAs, as individual vintners must attend to the marketing of their own wines first. The industry established the Paso Robles Vintners & Growers Association in 1993, which became the Paso Robles Wine Country Alliance in 2005. This non-profit trade organization is dedicated to communicating, reinforcing and enhancing the Paso Robles region's status as a world-class wine region, and has done so with tremendous effect. The area is now recognized nationally as a leading producer of high quality wines. For example, some of the most influential members of the wine press now encourage their

readers to discover the wines from Paso Robles. Stephen Tanzer in the July/August 2005 issue of *International Wine Cellar* asserts that "Paso Robles in particular is in the midst of a grape growing boom, led by a handful of young winemakers who are crafting rich and satisfying wines from Rhone Valley varieties."

In the last six years, the number of wineries in the Paso Robles region more than doubled to over 170, mostly due to an influx of boutique and small family owned vineyards and wineries, many of which have gained a following for their innovative and proprietary Paso Robles blends of Bordeaux, Rhone and Zinfandel varietals. Concurrent with the increase in small boutique wineries, many of the mid- to larger size producers have built major hospitality centers in their showcase wineries.

Wine grapes now hold the top position for agriculture value crops in San Luis Obispo County, accounting for 33 percent of the value of all crops in the County in 2005.[11] As reported in 2006 by the Paso Robles Wine Country Alliance membership, more than 26,000 vineyard acres are in production in the Paso Robles AVA. More than 40 wine varieties are grown in the Paso Robles area. The most widely planted varieties in the Paso Robles viticultural area are Cabernet Sauvignon (about one-third of the total production), Merlot, Syrah, Zinfandel, Chardonnay, Petite Sirah and Sauvignon Blanc. With Italian and Rhône varieties increasing in popularity, more than 30 other varieties are planted in the region, including Pinot Grigio, Tempranillo, White Riesling, Roussanne, Barbera, Semillon, Refosco, Syrah Noir, Lagrein, Nebbiolo, Napa Gamay, Marsanne, Counoise, Tannat, Touriga, Grenache Noir, Verdelho, Blaufränkisch, Orange Muscat, Picpoul Blanc, Vermentino, Primitivo, Tinta Cao, Sousão, Tocai Friulano, Cinsault, Carignane, Pinot Blanc and Dolcetto.

As wine writers and consumers have become more knowledgeable about Paso Robles wine country, they have also come to recognize its diversity and the existence of distinctive areas within the large Paso Robles AVA. As one writer stated:

> Paso Robles may be America's most dynamic wine region – and its most diverse. Splendid old-vine zinfandel, age worthy and elegant cabernet sauvignon, spicy yet supple pinot noir, and almost any white or red variety, from pinot grigio to petite syrah, are made here. World-class bottlings of viognier, roussanne, marsanne, syrah, grenache, and mourvèdre, either as beautifully integrated blends or as stand-alone varietals, proudly bear the Paso Robles name. …[T]he Paso Robles American Viticultural Area (AVA), a heptagon-shaped area of more than 650,000 acres, covers much of northern San Luis Obispo County. Within this vast expanse are at least eight distinct subregions….

Rob Costantino, *Appellations – Paso's Promise*, SANTÉ, June 2006, p.57.

[11] 2005 ANNUAL REPORT, San Luis Obispo County, Department of Agriculture Weights and Measures, p. 6.

This journalist, and others, in the wine press and wine trade, have recognized that distinct viticultural areas exist within the Paso Robles AVA, but until now, no one has proposed a comprehensive viticultural area plan to capture these distinctions.

3. Geographical and Viticultural Diversity of the Paso Robles AVA by Professor Deborah Elliott-Fisk

Introduction. With the visual relief of this landscape of mountains and valleys across vistas exceeding 30 miles, the viticultural diversity of the region is well recognized by the winegrowers themselves, who are cognizant of important differences in local climates, surface soils, and subsurface water availability; these differences strongly influence the performance of grape rootstocks, clones, vineyard yields and fruit characteristics. Scale is important. What appear to be very subtle environmental changes across long gradients to the casual observer are important, local or site specific conditions for winegrapes. This diversity and distinctiveness contribute unique character to Paso Robles wines across the region; the several unique viticultural areas can be showcased, providing information to consumers to help guide their purchasing decisions.

Differences in the physical geography or environments that contribute to viticultural distinctiveness for each of the proposed AVAs are summarized in **Table 1**, with a fuller explanation of climatic differences summarized in **Table 2**. Experience shows that a model scientific approach looking at these environmental parameters developed by Professor Deborah Elliott-Fisk can be used to subdivide the Paso Robles AVA into more distinctive viticultural areas, as her research over the last 20 years has done for the Napa Valley, the Central Coast, Lodi, and elsewhere.

Topography. The Paso Robles region of northern San Luis Obispo County is topographically diverse (with elevations from about 720 feet to over 2,400 feet above sea level) and geologically complex. The San Andreas Fault Zone stretches SE-NW through the eastern portion of the Paso Robles AVA (with several minor faults in this system, including the red hills Fault and the Huerhuero/La Panza Fault), and to the west a parallel zone of multiple faults through the western South Coast Ranges sits at the base of the Santa Lucia Range. These western faults include the San Marcos Fault, the Rinconada Fault, the Nacimiento Fault, and others, with the incised channel of the Salinas River following traces of these faults (as the sediments and rocks are sheared and weakened, making it easier for the river to erode them).[12]

Low mountain ranges (as part of the South Coast Ranges) bound the Paso Robles AVA on all four sides, with the central area of the Paso Robles AVA a tectonic basin, deeply filled with alluvial and colluvial sediments. Valley landforms include alluvial fans,

[12] Jennings, Charles W., SAN LUIS OBISPO SHEET, GEOLOGIC MAP OF CALIFORNIA SERIES, Division of Mines and Geology, Dept. of Conservation, The Resources Agency, State of California, Sacramento, 1958; Jennings, C.W., GEOLOGIC MAP OF CALIFORNIA, California Division of Mines and Geology, Sacramento, 1977.

alluvial terraces, incised channels, old plantation surfaces, landslide deposits, debris flows, and floodplains, of recent age to older landforms at least two million years in age.

Geology and Geomorphology. The geology and geomorphology are both complex, not only from a tectonics viewpoint, but in terms of lithologic origin.[13] *See* **Exhibit 3**. Continued changes in the behavior of the North American western plate margin in the last 600 million years have greatly influenced the region, as have more recent Late Cenozoic glacial and interglacial cycles. *See* **Exhibit 3**.[14] Uplift primarily due to tectonic processes in the last six million years has resulted in the surface exposure of older, Mesozoic granitic and marine sedimentary rocks, with volcanic activity leading to the deposition of small areas of late Tertiary basalts and andesites.[15] Late Tertiary marine sedimentary rocks overlie most of this geological basement, with the Miocene Monterey Formation the dominant surface formation in the Santa Lucia Range. Deposition of this formation accompanied mountain-building, with horizontal shortening of the crust and transverse compression.[16] Granitic rocks are the geological basement of the valley floor between the western and eastern fault zones, and in the La Panza Range to the south.[17] The Tremblor Range and Cholame Hills to the north are young in age, with folded and faulted Late Cenzoic sediments and poorly consolidated, non-marine sedimentary rocks associated with the San Andreas Fault. The geological column for the area is shown in **Exhibit 4(b)**, from Norris and Webb, 1990.

The main river in the area is the Salinas River, which drains to the north into Monterey Bay in Monterey County. The Salinas River is intermittent in this portion of its watershed, and flows have especially decreased since the construction of the Salinas Dam and Santa Margarita Lake, a man-made reservoir, in 1941-42. The Santa Margarita Lake is the major water supply for the City of San Luis Obispo to the south, while the City of Paso Robles relies on groundwater resources. From a geomorphological viewpoint, the Salinas River had a wide floodplain during the Quaternary ("ice ages") interglacial period, with warm climates and higher sea-levels. This resulted in the deposition of sediments across the floodplain. These deposits were downcut into river terraces as the Salinas River downcut during the glacials, with cool climates and lower sea-levels. At some point in the latter part of this Quaternary history, the upper course of the Salinas River southeast of the town of Santa Margarita catastrophically shifted the river channel to the east, following the Rinconada fault. This change probably occurred during a major earthquake along this fault.

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[13] Jennings, 1958; Norris, R. M. and Webb, R. W., GEOLOGY OF CALIFORNIA, John Wiley & Sons, New York, 1990.

[14] Hornbeck, David, CALIFORNIA PATTERNS: A GEOGRAPHICAL AND HISTORICAL ATLAS, University of California Press, Berkeley, 1983.

[15] Mihai Ducea, Martha A. House and Steven Kidder. *Late Cenozoic denudation and uplift rates in the Santa Lucia Mountains, California*, GEOLOGY, v. 31, no. 2 (2003), pp. 139-142.

[16] B.M. Page, G.A. Thompson, and R.G. Coleman, *Late Cenozoic tectonics of the central and southern Coast Ranges of California*, GEOL. SOC. AMER. BULLETIN, v. 110, no. 7 (1998), pp. 846-876.

[17] D.L. Barbeau Jr., M.N. Ducea, G.E. Gehrels, S. Kidder, P.H. Wetmore and J. B. Saleeby, *U-Pb detrital-zircon geochronology of northern Salinian basement and cover rocks*, GEOL. SOC. AMER. BULLETIN, v. 117, nos. 3-4 (2005), pp. 466-481.

Thus, the behavior of the Salinas River, its important tributary streams, including the Estrella River, San Juan Creek, and the multiple branches of Huerhuero Creek, tectonic uplift, folding and faulting, and associated hillslope processes, have led to the development of a complex set of landforms, topographic surfaces and soils, with this topography then greatly influencing local climates and also heavily influencing pedogensis (soil formation). It is interesting that hillslope erosion in the Santa Lucia Range has been dominated by mass wasting via landslides, rather than river erosion, during the Quaternary (last two million years).[18]

Soils. We know that soil formation (the type of soil that develops at a place) is a function of climate, biota (organic factor), relief (topography), parent material (inorganic factor) and time:

$$S = f(cl, o, r, p, t) \ldots$$

Jenny, 1941.

As these factors vary, the soil type varies. Paso Robles area soils, as a function of geology, landform type and age, climate, native vegetation, and time, are diverse and exert a strong influence on vineyard potential. Both the alluvial and colluvial depositional soils and upland, residual bedrock and colluvial soils are diverse in their ages and characteristics. *See* **Exhibit 5**.[19] Although many of the alluvial soils are deep, and are composite profiles of buried soils, many also provide only shallow rooting depths for the vines, as they have cemented layers of carbonates, and occasionally iron or silicates, near the surface, due to both semi-arid to arid paleoclimates and old age (time).

The great depth of alluvium in the valley between the two fault zones is also seen by the accumulation of groundwater above the granitic basement rock, forming the Paso Robles groundwater basin.[20] A smaller groundwater basin is located to the east near French Camp and south to La Panza. The groundwater basins have been confirmed and mapped using deep drilling and remote radar imagery.[21]

The climate also influences soil-forming factors in semi-arid, Mediterranean regions such as Paso Robles, where there is a delicate balance between water supply (precipitation) and water demand (evaporation and evapotranspiration), determining whether minerals in solution are leached down through the soil profile (where precipitation is greater than evapotranspiration) or deposited within the soil profile (where precipitation is less than evapotranspiration), sometimes very close to the surface.

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[18] Ducea et al., 2003.
[19] W.C. Lindsey, SOIL SURVEY OF PASO ROBLES AREA, SAN LUIS OBISPO COUNTY, CALIFORNIA. USDA SOIL CONSERVATION SERVICE, 1978.
[20] S. Johanson, S., GROUND WATER IN THE PASO ROBLES BASIN, California Dept. of Water Resources, report, 1979.
[21] D.W. Valentine, J.N. Densmore, D.L. Galloway and F. Amelung, *Use of InSAR to identify land surface displacements caused by aquifer-system compaction in the Paso Robles area, San Luis Obispo County, California, March to August 1997*, U.S. Geological Survey, Open File Report 00-447, Menlo Park, 2001.

The current USDA soil survey for the Paso Robles Area of San Luis Obispo County puts the 55 soil series in three major mapping groups: floodplain (blue), alluvial terraces (green), and hillside (yellow).[22] *See* **Exhibit 6**. The soil series are diverse within these groups and vary widely in their pedogenic formation and soil properties. The following breakdown of the soils is informative in illustrating the diversity of viticultural soils across the Paso Robles area:

Hillside Soils	Linne-Calado (map unit 9): Linne series - calcic haploxeroll with deeper mollic epipedon, pH 7.9-8.4, alkaline, residual from shalely clay or calcareous sandstone and shale; Calado series - shallow, calcic haploxeroll,shallow mollic epipedon, secondary lime in profile. Los Osos-Nacimiento (map unit 8): Los Osos series - montmorillonitic argixeroll, acidic and more leached (pH 5.6-7.3), residual, derived from shale; Nacimiento series - calcic haploxeroll, fine loamy, pH 7.9-8.4, residual, derived from calcareous sandstone and shale.
Terrace Soils	Arbuckle-Positas-San Ysidro (map unit 4): Arbuckle series - fine loamy haploxeroll, mixed rock, alluvial, pH 6.1-7.8; Positas series - fine, montmorillonite, mollic paleoxeralf, mixed rock, pH 5.6-6.5 surface to 6.1-9.4 at depth; San Ysidro series - fine, montmorillonite, typic palexeralf, pale A horizon, mixed rock, pH 5.6-6.5 at surface to 7.9-8.4 at depth – this is a diverse set of old soils. Lockwood-Concepcion (map unit 6): Lockwood series - fine loamy pachic argixeroll, clay, pH 6.1-7.8; Concepion series - fine, montmorillonite, xeric argialbolls, clay, acidic, pH 5.6-6.5 at surface to 6.1-8.4 at great depth.
Floodplain/ Alluvial Fan Soils	Pico-San Emigdio-Sorrento (map unit 2): Pico series - coarse, loamy, fluventic haploxeroll, arid, pH 7.9-8.4; San Emigdio series - loamy, mixed calcareous, typic xerofluvent, pH 7.9-9.4, arid; Sorrento series - loamy, calcic haploxeroll, alluvial fans, pH 6.6-8.4 surface, 7.4-8.4 at depth. Still-Elder-Metz (map unit 3): Still series - fine, loamy, cumulic haploxeroll, pH 6.1-7.3 surface, 6.6-8.4 at depth; Elder series - coarse, loamy, cumulic haploxeroll, pH 5.6-7.3 surface, 6.6-8.4 at depth; Metz series - sandy, typic xerofluvent, alluvial, mixed rock, pH 6.6-8.4 surface, 7.4-8.4 at depth.

[22] Lindsey, 1978.

The above soil characteristics yield some interesting information on the environment of the region through time. They also directly influence farming and agricultural production.

1. Alkalinity of these soils (with pH values over 7) influences farming practices, especially fertilization and irrigation, and is first and foremost a function of arid climate (evapotranspiration > precipitation), and secondarily influenced by the parent materials of calcareous sandstones and shales;
2. The red to yellow Alfisols (woodland soils) of the region have massive and hard A horizons and finer, textural B horizons; they may be acidic (pH values under 7) and low in some of the major and minor plant nutrients;
3. The brown to black Mollisols (grassland soils) have no strong calcium carbonate horizon for the Haploxerolls and Argixerolls; the Argixerolls have a clay Bt horizon, and the Argialbolls have an albic A/B transition and a clay-enriched B horizon; these soils are suitable for many crops.

The 1928 "Soil Survey of the Paso Robles Area, California"[23] and accompanying soils map best illustrate the relationship among soil type, landform type and age, and climate history in this region. The earlier system of USDA soil classification, the Marbut system, had more of an agronomic basis than the current 7th Approximation scheme for classifying soils, which is based more on a single, characteristic near-surface horizon (epipedon) as noted in the paragraph above. The 1928 soil survey identified and mapped 25 soil series, depicting them using different colors and patterns on a large map. *See* **Exhibit 7**. Evident on this map are some moderate-scale areas (or patterns) of soils and landforms that will be discussed to support each proposed viticultural area within the larger Paso Robles AVA.

Climate. Geographically, the Paso Robles area is characterized by a maritime climate, with smaller monthly temperature ranges than areas further inland. This has long been recognized by botanists and agronomists as relevant to both the native vegetation of the region and the regional potential for agriculture. Local citizens see marine air spilling across the crest of the Santa Lucia Range off the cool Pacific Ocean and experience the sea breezes that accompany this air mass. Occasionally, sea breezes off Monterey Bay far to the north also move southward down the Salinas River valley, reaching San Miguel and Paso Robles. The frequency and duration of sea breezes diminish to the east, especially east of the proposed Creston District and Paso Robles Estrella District areas.

The climate of the Paso Robles AVA using the global scale climate classification system of Koppen, Geiger and Pohl (1953) is Mediterranean warm summer (Csb), with a small portion of the Paso Robles AVA in the northeast warmer as a Mediterranean hot

[23] E.J. Carpenter and R.E. Storie, SOIL SURVEY OF THE PASO ROBLES AREA, CALIFORNIA, United States Department of Agriculbure, Bureau of Chemistry and Soils, 1928.

summer climate (Csa).[24] However, long-term climate data for the cities of Paso Robles (inside of the Paso Robles AVA), for the city of San Luis Obispo to the southwest on the coast, and for the city of Fresno to the east in the Central Valley of California, show Paso Robles' climate to be more maritime than continental in nature.

Against the background of this regional climate, smaller scale local climates with the Paso Robles AVA are found along gradients of:

1. *Longitude*: continentality, with areas further east more continental;
2. *Elevation*: adiabatic and orographic influences on temperature, dewpoint, and precipitation following elevational gradients;
3. *Proximity to the ocean*: maritime influence, increasing to the west towards the Pacific Ocean and below specific topographic gaps in the range crest; and
4. *Topography*: mountain-valley position and location along the major rivers and creeks influencing wind flow, the incursion of marine air masses, and setting up local winds with surface heating and cooling.

The variation in temperature, precipitation, evapotranspiration, wind, cloud/fog cover and its duration, growing degree days, and other climate variables also are of great significance for all plant life (natural vegetation and agronomic crops, including winegrapes), influencing phenological events in the vine's life cycle, canopy development, fruit set and maturation, and osmotic stress via transpiration. Taking these various factors into account, distinct climatic gradients exist across the large Paso Robles AVA, with:

1. Annual precipitation highest to the southwest, in the Santa Margarita Ranch area, due to proximity to the coast and elevation, decreasing to both the north towards the San Miguel District area, and to the east towards the town of Shandon and the San Juan Creek area;
2. Temperatures are mildest, or most maritime, to the west and on the slopes of the Santa Lucia Range, including in the areas of the proposed Templeton Gap, Paso Robles Willow Creek District, Adelaida District, and Santa Margarita Ranch viticultural areas; more moderate conditions exist in the city of Paso Robles and the areas of the proposed El Pomar District, Creston District, Geneseo District and the Paso Robles Estrella District viticultural areas, with summer and fall incursion of marine air masses common on cooler days; warmer conditions exist in the areas of the proposed San Miguel District, San Juan Creek and Paso Robles Canyon Ranch viticultural areas, although cold air drainage down the mountain slopes in the evenings reduces evening temperatures and thus degree-day totals. As such both degree-day totals and temperature range are greatest in the areas of the proposed San Juan Creek and Paso Robles Canyon Ranch viticultural areas,

[24] Climate classification systems are based on large geographical regions for the globe, similar to the classification of soils to orders for the globe. Climates are not classified to as fine a level (e.g., series) as soils.

and lowest in the areas of the proposed Templeton Gap, Paso Robles Willow Creek District, Adelaida District and Santa Margarita Ranch viticultural areas (*see* **Table 2**);

3. Other climatic parameters such as wind, evapotranspiration, and fog/cloud cover are important for the grapevines, but long-term data for such parameters is very rarely available.

The southwestern part of the Paso Robles AVA is along the crest and eastern slope of the Santa Lucia Range, one of the South Coast Ranges. A series of low spots in the crest, more properly termed "water gaps" as remnants of old, uplifted river channels, occur here. From a climatological perspective, the heavier and cooler marine air masses "spill" through these, across the range crest, bringing cooler marine air and sea breezes into the Paso Robles area. These gaps occur along a section of the Santa Lucia Range crest, bounded to the north by Rocky Butte and associated volcanic peaks, which reach elevations above 3,200 feet above sea level. To the south, the gaps are bounded by the Cuesta Pass and Lopez Mountain, reaching elevations over 2,800 feet above sea level. The range crest along the gap line is largely at 1,400 to 2,000 feet, allowing the incursion of marine air off the Pacific Ocean when the depth of the marine layer reaches those elevations, with spill-over into the Paso Robles AVA. The lowest of these gaps is immediately west of the town of Templeton.

When the topography, elevations, land-sea breeze, and mountain-valley winds are combined as influences on local climates of the Paso Robles area, they set up gradients from west to east of adiabatic cooling (upslope on the west side of the Santa Lucia Range) and warming (downslope on the east side of the Santa Lucia Range), easterward marine incursion, a general westerly flow, bringing cooler air and sea breezes inland to the east. There is also a south to north gradient of local winds in the night versus daytime, as mountain winds move downslope, resulting in cold air drainage at night, with valley winds moving upslope and warming in the daytime. This is very important in much of Paso Robles, leading to lower early evening temperatures across the region and lower growing degree-day totals. There is also a less significant north to south incursion of marine air up the Salinas River Valley off of Monterey Bay, reaching the areas of the proposed San Miguel District and Paso Robles Estrella District viticultural areas in the afternoon on the warmest of days in the summer and fall.

The influence of mesoscale orography (mountains ranges and their topographic influences) has been modeled for the central California coast mountains, and indicates blocking below elevations of 500 meters (approximately 1,500 feet), with flow inland above this of the coastal jet.[25] This atmospheric model has been coupled with a hydrostatic numerical model to study coastal flow along the central California coast, showing

[25] J.D. Doyle, *The influence of mesoscale orography on a coastal jet and rainband*, MONTHLY WEATHER REVIEW, v. 125, pp. 1465-1488 (1997).

topographic ridging and flow along pressure gradients.[26] This will be more fully discussed in reference to our proposed Templeton Gap viticultural area.

The importance of marine air incursion into the region in the growing season is illustrated by comparing daily temperatures runs for a typical hot summer day in the middle of the growing season, with marine air cut-off and light winds, versus daily temperature data for a typical day when the marine layer was deep, allowing cooler air to penetrate through the Templeton Gap area to the west and from the Salinas River basin (Monterey) to the north. We selected data for July 10, 2003, a typical hot summer day with little marine air incursion, and for July 28, 2003, a typical day with strong marine influence. This data was selected and presented by Don Schukraft of Western Weather Group, LLC, Chico, California. These data are presented for four weather stations: Paso Robles (Paso Robles Estrella District), Shandon (San Juan Creek), Tablas Creek (Adelaida District) and Templeton Gap. The locations of these stations are indicated on **Exhibit 8**. When there is little marine air incursion, as on July 10, 2003, it is hot everywhere in the Paso Robles AVA, with decreasing relative humidity mid-day as solar radiation increases under clear skies, and winds speeds increase in the afternoon along pressure gradients. See **Exhibit 9** for July 10, 2003 hourly observations of temperature, relative humidity, solar radiation and wind speed. When the marine influence is greater, as on July 28, 2003, its effect is visible in earlier cooling of certain microclimates, more variable levels of relative humidity and solar radiation through the growing day, and more significant variations in wind speed between the area's microclimates. See **Exhibit 10** for July 28, 2003 hourly observations of temperature, relative humidity, solar radiation and wind speed.

The attached **Table 2** summarizes contemporary and historical climate data for each of our proposed viticultural areas. From a geographic and viticultural perspective, the basis changes or gradients in climate are set forth in the following table.

North to South	The north to south gradient is for temperature but more importantly precipitation, with cooler and wetter area of the proposed Santa Margarita Ranch viticultural area to the south (receiving about 29 inches of precipitation annually) and warmer and drier area of the proposed San Miguel District viticultural area to the north (receiving about 11 inches of precipitation a year).
West to East	The town of Shandon and the areas of Cholame, and La Panza to the east are much drier and warmer than the areas of the proposed El Pomar District, Templeton Gap and Adelaida District viticultural areas and other locations to the west.
Mountain or Orographic Influence	The Tablas Creek weather station in the proposed Adelaida District is wetter, with the Templeton and Templeton Gap weather stations, and the city of Atascadero having intermediate precipitation values; the city of Paso Robles and the area of the proposed Paso Robles Estrella District viticultural area are slightly drier, though still intermediate in the range of

[26] Z. Cui, M. Tjernstrom and B. Grisogono. *Idealized simulations of atmospheric coastal flow along the central coast of California*, JOURNAL OF APPLIED METEOROLOGY, v. 37, pp. 1332-1345 (1998).

	annual precipitation values at the weather stations.
Growing Degree Days	Growing degree days increase generally to the northeast (away from the southwest) from: (1) Templeton Gap station to the higher, sheltered locations of (2) Tablas Creek (Adelaida District) to (3) El Pomar District and Creston District on the high bench east of the city of Atascadero and the town of Templeton to (4) Paso Robles Estrella District to San Miguel District, to (5) the high hills of the Geneseo District, and to (6) the town of Shandon and the area of San Juan Creek, and to (7) the Paso Robles Canyon Ranch access of French Camp and Camatta Canyon in the southeast.

The native or natural vegetation shows these climate gradients across the region and is depicted in Kuchler's (1977) Potential Natural Vegetation of California map. *See* **Exhibit 11**. Mixed evergreen forest occurs in the mountain in the coolest and wettest climates, with blue-oak-grey pine woodland on slightly warmer and drier sites. Valley oak savanna occurs on the valley floor in better watered (wetter) sites, with California prairie on drier valley floor sites, and alkali scrub to the east in the most arid sites. Where elevations increase in the southeast, a conifer treeline is reached, with pines extending into the alkali scrub and grassland.

Viticulture. We have shown that the climate or surface environment varies greatly across the Paso Robles AVA. It is also evident that the subsurface or soil environment for the vines is diverse. Both of these contribute to each site's "terroir," which influences grape composition and wine flavors and aromas. From both geographic and viticultural viewpoints, it is thus apparent that there are large differences in terroir seen by winegrowers from north to south and west to east across the large Paso Robles American Viticultural Area. As the winegrowers learn more about their vineyards and develop new properties, new varietals are planted, rootstocks are carefully selected to control vigor and rooting depth, new canopy management and trellising techniques are used, as are the other contemporary cultural practices that are dependent on this terroir-varietal interaction to produce the highest quality wines.

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B. Framework for New Viticultural Areas within the Paso Robles AVA

Our framework for defining smaller American viticultural areas within the large Paso Robles AVA is as follows:

(1) Our approach is comprehensive, and our research, analysis and proposals cover the entirety of the Paso Robles AVA. We subdivide the Paso Robles AVA into 11 AVAs, with no overlapping boundaries. Urban areas (e.g., the city cores of Paso Robles and Atascadero) are omitted, as are rugged, wildland and other landscapes that have not been planted to vineyards or are not suitable for winegrapes;

(2) History and contemporary culture provide us with the names for and the boundaries of these areas;

(3) The regional geographic controls on viticulture are climate, geologic history and geomorphology, soils, and topography, with each of the proposed viticultural areas

having different "terroir" as a function of their respective environmental histories and current physical geographic gradients. Climate gradients across the region allow us to draw approximate boundary lines for the proposed viticultural areas, further defined using topographic, geomorphic, geologic and soil boundaries.

Our selection of appropriate names for the new viticultural areas envisioned by our overall plan follows TTB's regulatory criteria and is based on historical name usage and boundary support in the subregions, well-recognized place names, and contemporary name usage. It is important to remember that this is farming-country, with agriculture as the primary industry for the last 200 years. The place names used by Native American peoples, the missionaries, early settlers, and prominent landowners and ranchers are all appropriate bases for local place names. Small farm centers, roads, rivers, and other landscape features have toponymic importance. With the viticultural geography of utmost importance in defining these new proposed viticultural areas, appropriate place names are crucial for accurate identification of each viticultural area for the consumer.

The new viticultural areas are distinguished viticulturally from surrounding areas by their specific geographic features, as summarized below:

1. San Miguel District (approximately 30,800 acres): warmer region III climate, with reduced maritime influence due to rainshadow of Santa Lucia Range, lower elevation footslope and valley floor topography, recent and Quaternary deposits of Salinas and Estrella Rivers predominate, with alluvial soils on floodplains and alluvial terraces, grassland with scattered oaks on hillslopes and trees along rivers;
2. Adelaida District (approximately 53,100 acres): cool region II-III transitional mountain climate, with modest maritime influence and cold air drainage downslope, high mountain slopes grading to base of foothills, bedrock residual soils and colluvial soils from middle member of Monterey Formation and other bedrock formations, soils largely shallow and calcareous, with oak woodlands to mixed woodlands in mountains;
3. Templeton Gap (approximately 35,600 acres): cool region II climate, and most maritime climate with pronounced marine influence through Santa Lucia wind gaps west of Templeton, mountain slopes and old fan and alluvial terraces deposits of the Salinas River, bedrock middle and lower members of Monterey Formation and Quaternary river deposits at lower elevations, largely calcareous soils of both residual (bedrock) and depositional (alluvial) origin, with oak woodlands to mixed woodlands;
4. Paso Robles Willow Creek District (approximately 21,300 acres): a mountainous area within Templeton Gap, cool region II climate and along with Templeton Gap the most maritime climate with pronounced marine influence through Santa Lucia Range wind gaps west of Templeton, cold air drainage downslope, mountain slopes of Santa Lucia Range (with small area of older terraces), bedrock middle and lower members of Monterey

Formation, shallow, calcareous soils of residual (bedrock) origin, mixed woodlands at these higher elevations;

5. Santa Margarita Ranch (approximately 18,300 acres) and the southern expansion of the Paso Robles AVA (approximately 2,635 acres): cool region II climate with pronounced maritime and orographic influences, with cold air drainage and ponding, high steep mountain slopes of Santa Lucia Range down to valley floor of incised Salinas River, diverse bedrock in area of many formations, diversity of soil types by bedrock/slope position, with most vineyards on river terraces with deep soils, oak savanna in the valley floor to chaparral and mixed woodlands on the hillslopes above;
6. Paso Robles Estrella District (approximately 66,800 acres): moderate-low region II-III climate, with some maritime influence, largely valley floor topography of Estrella River floodplain and younger to older river terraces across Quaternary alluvium, alluvial soils of diverse ages on flight of terraces, with some of these loamy soils cemented by calcium carbonate, silicates, irons and clays, oak savanna vegetation;
7. Geneseo District (approximately 17,300 acres): region III-IV transitional climate, with marine incursion through the Templeton Gap area during part of the growing season, but with summer daily minimum (nighttime) temperatures warmer, with mixing by the winds and cold air drainage down the hillsides, highest and oldest terraces of the Estrella River and Salinas/Estrella/Huerhuero river confluence, with uplifted Huerhuero Hills pushing through these terraces through time, with geology Tertiary to Quaternary Paso Robles formation, older river deposits listed above, and more recent alluvial deposits of Huerhuero Creek, old clay loam to silty clay loam alfisols and mollisols, with buried cemented horizons, oak savanna vegetation;
8. El Pomar District (approximately 21,300 acres): moderate region II climate with airflow through and across Templeton Gap area part of the growing season, higher and older terraces east of the Salinas River, with geology Tertiary to Quaternary Paso Robles formation and more recent alluvial deposits of Huerhuero Creek and Salinas River, grassland soils with well developed surface horizons as mollisols, with bedrock at shallow depths in some areas covered by alluvium, oak savanna vegetation;
9. Creston District (approximately 47,000 acres): low region II-III climate, warmer than El Pomar, with most modest maritime influence but pronounced cold air drainage downslope, alluvial terraces and benches of Huerhuero Creek and Dry Creek at northern base of La Panza Range, with geology Tertiary to Quaternary Paso Robles formation and alluvial deposits of diverse ages, diversity of alluvial and some bedrock soils exposed with erosion, natural vegetation open to more closed oak woodlands to chaparral on highest slopes;
10. San Juan Creek (approximately 26,600 acres): warm region III-IV climate, more continental with only occasional marine influence this far inland, topography young river valleys with floodplain and alluvial terrace and fan

deposits, north of La Panza Range, south of Cholame Hills, and immediately west of San Andreas Fault along San Juan Creek and its convergence into the Estrella River, younger alluvial soils with some older alluvial soils on high Estrella River terraces, vegetation semi-arid, sparse prairie; and

11. Paso Robles Canyon Ranch (approximately 60,300 acres) warm region III-IV climate, most continental, but with pronounced cold air drainage in the evening reducing degree-day totals, older river terraces and alluvial fans immediately north of La Panza Range and west of San Andreas Fault, also bisected by Red Hills Fault, alluvial soils which are calcic and sodic soils in places in this semi-arid climate, vegetation semi-arid prairie/sage scrub with occasional pines, oaks and sycamores in places in open woodlands.

An overall map of these proposed viticultural areas is attached as **Exhibit 2**.

Against this background and in this context, the following section sets forth the evidence, pursuant to 27 C.F.R. Section 9.3, for the establishment of a new viticultural area named "San Miguel District," one of the 11 new proposed viticultural areas of Paso Robles.

II. PROPOSED SAN MIGUEL DISTRICT VITICULTURAL AREA

Section 27 C.F.R. Section 9.3 requires that the following evidence be submitted for the establishment of a new viticultural area:

- Evidence that the name of the proposed viticultural area is locally and/or nationally known as referring to the area specified in the petition;
- Historical or current evidence that the boundaries of the viticultural area are as specified in the petition;
- Evidence relating to the geographical characteristics (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;
- A description of the specific boundaries of the viticultural area, based on features which can be found on United States Geological Survey (U.S.G.S.) maps of the largest applicable scale; and
- A copy (or copies) of the appropriate U.S.G.S. map(s) with the boundaries prominently marked.

A. Name Identification and Boundary Support

San Miguel is one of the oldest place names in San Luis Obispo County and the State of California. It is the site of one of the 21 Spanish missions of Alta California, Mission San Miguel Arcángel. Since its early mission days, San Miguel has been the site of a small town, and has been the name of various community districts, including a school district, cemetery district and supervisorial district. It has also been a general reference to

the rural area surrounding the small town. San Miguel District is the location of some of the Paso Robles area's oldest vineyards. Locals and the wine trade understand San Miguel District to be a part of the Paso Robles wine country and to refer to the area proposed in the petition.

1. History of San Miguel District

San Miguel District's rich history dates back to 1795, when the Spanish Governor Diego Borica ordered an expedition to search for a site for construction of a mission to be located between Mission San Antonio de Padua[27] and Mission San Luis Obispo.[28] The expedition reported surveying a large region, from the Nacimiento River to the Arroyo de Santa Ysabel, and for several miles on either side.[29] Eventually a site was chosen adjacent to the Salinas River.

The mission was dedicated on July 25, 1797, and construction began with the help of the local native population, the Salinan tribe. By the end of 1797, an adobe building had been built. San Miguel was the sixteenth of the twenty-one missions established in Alta California. *See* **Exhibit 12**, Map of El Camino Real and Twenty-One Franciscan Missions in 1821.

After several years of continuous building, a fire destroyed most of the Mission buildings in 1806.[30] It was not until 1816 that the stone foundation was laid for the final Mission church. The current San Miguel Mission church was completed in 1818.[31]

The lands of the Mission San Miguel extended far and wide from what is now the town of San Miguel, and included essentially all the lands in an east-west area that was south of the lands of Mission San Antonio de Padua and north of the lands of Mission San Luis Obispo. The extent of these lands was given in a report made by Father Juan Cabot in 1827:

> From the mission to the beach the land consists almost entirely of mountain ridges... for this reason it is not occupied until it reaches the coast where the mission has a house of adobe... eight hundred cattle, some tame horses and breeding mares are kept at said rancho, which is called San Simeon. In the direction toward the south all land is occupied, for the mission there maintains all its sheep, besides horses for the guards. There it has Rancho de Santa Isabel, where there is a small vineyard. Other ranchos of the

[27] Mission San Antonio de Padua is located about halfway between U.S. Highway 101 and California Highway 1 to the west of San Lucas, California, in the middle of the Fort Hunter Liggett Military Reservation.
[28] Mission San Luis Obispo is located in what is now the downtown area of the City of San Luis Obispo.
[29] Wallace V. Ohles, THE LANDS OF MISSION SAN MIGUEL, Word Dancer Press, Clovis, California, 1997, p.1.
[30] Loren Nicholson, RAILS ACROSS THE RANCHOS, 1993, p. 21.
[31] Ohles, p. 2.; Nicholson, p. 21.

> mission in that direction are San Antonio, where barley is planted; Rancho del Paso de Robles, where wheat is sown; and the Rancho de la Asunción.

IMAGES OF AMERICA, CAMP ROBERTS, California Center for Military History, 2005, Arcadia Publishing, p. 9.

The historian Wallace Ohles describes the lands of Mission San Miguel in contemporary measures as follows:

> From Mission San Miguel's church building, the mission property extended 18 miles north as far as the southern portion of Mission San Antonio's land, and 18 miles south as far as the northern portion of Mission San Luis Obispo's land. The northernmost portion of San Miguel's property was Rancho San Bartolome, or Pleyto, a distance of seven leagues. The southernmost property of Mission San Miguel was Rancho La Asuncion, a distance of seven leagues. Mission San Miguel was said to be bounded on the east "by the Tulares" 66 miles distant, and on the west by the seashore 35 miles away. So, Mission San Miguel's lands extended 14 leagues, about 37 miles, from north to south; the lands extended 36 leagues, about 95 miles, from east to west.

Ohles, p. 3.

Mexico gained independence from Spain in 1821 and the lands of the Spanish missions fell under the rule of the Mexican government. In the mid-1830s, the Mexican government forced the missions to secularize. Most of the lands of Mission San Miguel were transferred to Native Americans or were granted as Ranchos by the California governors to Spanish settlers between 1840 and 1846. These included grants of the 48,806 acre Rancho Piedra Blanca along the Pacific Ocean in 1840; the 13,184 acre Rancho Santa Rosa also near the coast in 1841; the 4,348 acre Rancho Atascadero and the 4,439 acre Rancho Huer Huero in 1842; the 26,622 acre Rancho Cholame, the 17,774 Rancho Santa Ysabel and the 25,993 acre El Paso de Robles Rancho in 1844; and the 39,225 acre Rancho Asunción in 1845.[32] Three additional grants of land of uncertain size and location, named El Nacimiento, Las Gallinas and La Estrella, were made in 1844, but these grants were later rejected by the United States Land Commission because the lands had not been occupied or cultivated.[33] *See* **Exhibit 13**, Diseño of San Miguel, showing the broad expanse of Mission San Miguel lands.

The town of San Miguel had its origins in 1835, with the construction of the two-story Rios-Caledonia adobe. This adobe became the headquarters for the Mexican

[32] Ohles, p. 6-7. The stated acreage of these land grants varies depending on the source consulted; *see* Angel, p. 38; Storke, p. 135-136. *See also*, Spanish and Mexican Land Grant Maps, United States Surveyor General for California, http://www.ss.ca.gov/archives/level3_ussg3.html (last visited December 2006).
[33] Ohles, p. 6.

administrator of that time, Ygnacio Coronel.[34] In later years, a small town formed between the adobe and the Mission.

By the mid-1800s the Mission's buildings had become dilapidated. The property was sold by the last Mexican governor, in 1846, for $600 to Petronillo Rios and William Reed.[35] Mr. Reed used the Mission as a family residence and a store for two years, before leaving to join the gold rush. The Mission thereafter was used as a saloon, dance hall, storeroom and living quarters.[36] After 13 years, in 1859, President Buchanan returned the Mission's buildings and adjacent land to the Catholic Church, including 19 acres of vineyard and four acres of orchard.[37]

By this time, the railroad had not yet arrived at San Miguel, but a daily stagecoach was running between San Miguel and San Luis Obispo, and the town of San Miguel was a stopping point along the historic El Camino Real road between San Diego and San Francisco. By 1871, the San Miguel School District had the only school between San Luis Obispo and Salinas.[38] The adobe school house was built in 1870 by James Mahoney, Sr. and George Davis.[39]

Myron Angel describes the town in his 1883 history of San Luis Obispo County, just prior to the arrival of the railroad, as follows:

> About 1876, San Miguel was spoken of as lively – not ironically, but in earnest. W.H. Menton had leased the old mission buildings and busied himself fitting them up to serve as a hotel. Jacob Althano conducted a shoemaker shop in a portion of the same structure. Messrs. Purcell & Patterson possessed an extensive grazing ranch near town. In 1877 the population of San Miguel was reckoned at thirty. There were fifteen buildings, including a school house, store, stable, two saloons, blacksmith shop, carriage shop, express and post-office…. The monotony of affairs was somewhat shaken in 1881, when the engineers of the Atlantic and Pacific Railway arrived in the vicinity of San Miguel and set their stakes, preliminary to the actual work of building a railroad.

Angel, p. 377.

A turning point in the development of San Miguel was the arrival of the railroad. The Southern Pacific Railroad reached San Miguel in 1886 and gave ranchers and farmers more direct access to the markets to the north. Southern Pacific built a stock corral with scales, a chute leading to cattle railroad cars and a large warehouse and scale for grain.

[34] IMAGES OF AMERICA, CAMP ROBERTS, p. 10.
[35] Id.
[36] Id.
[37] Fremont Older, CALIFORNIA MISSIONS AND THEIR ROMANCES, Coward-McCann, Inc., 1938, p. 233.
[38] Ohles, p. 156.
[39] Id.

Homesteading families came to San Miguel and by 1887 there were 40 licensed businesses. San Miguel was home to the first newspaper in northern San Luis Obispo County.[40] The population of San Miguel in 1891 was between 400 and 500.[41] San Miguel became a thriving community until 1898, when a drought severely impacted agriculture in the area.[42]

It was not until World War II that San Miguel boomed once again, when nearby Camp Roberts became home to 45,000 troops. During this time, 4,000 people lived in San Miguel and over 500 new homes were built to accommodate military personnel.[43] After World War II, with the departure of most of the soldiers from Camp Roberts, San Miguel lost a large portion of its economic base. In 1954, Highway 101 was built around San Miguel. Construction of the freeway required the destruction of the historic schoolhouse and many other buildings in San Miguel. Camp Roberts briefly returned to active status during the Korean War and for a time San Miguel flourished once more. However, the end of the Korean conflict brought the base's activities to a quick halt and San Miguel recessed again.[44]

San Miguel had experienced no major development since Camp Roberts deactivated, but the town and surrounding areas have begun to grow quickly once again as the entire Paso Robles region has developed. The population of San Miguel rose 27 percent from 1990 to 2000, according to the U.S. Census data.[45] Today, as with the entire Paso Robles region, much of the growth in San Miguel District can be attributed to a booming wine and vineyard industry.

2. Viticultural History

The earliest vine plantings in the Paso Robles area can be traced back to the missionaries of Mission San Miguel Arcángel. It was on the Mission's lands, in fact, that the first vines were planted in what is now the Paso Robles viticultural area. Father Junipero Serra planted more than a thousand vines and produced wine for sacramental purposes and brandy for export. As noted above, when some of the Mission lands were returned to the Catholic Church in 1859, these lands included 19 acres of vineyard.

Some of the more well-known vineyards in the San Miguel District were planted in the mid-1970s by Richard Sauret. Numerous wineries have produced highly-acclaimed wines from his head-trained, dry-farmed Zinfandel vineyard in the San Miguel District.

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[40] SAN MIGUEL COMMUNITY PLAN, SAN MIGUEL EXISTING CONDITIONS AND FUTURE PROSPECTS, A COMMUNITY STUDY, prepared by the County Planning Laboratory of the City and Regional Planning Department, California Polytechnic State University, San Luis Obispo, Dec. 2003, p. 9-2.
[41] Storke, p. 155.
[42] SAN MIGUEL COMMUNITY PLAN, SAN MIGUEL EXISTING CONDITIONS AND FUTURE PROSPECTS, A COMMUNITY STUDY, p. 2-1.
[43] IMAGES OF AMERICA, CAMP ROBERTS, p. 61.
[44] SAN MIGUEL COMMUNITY PLAN, SAN MIGUEL EXISTING CONDITIONS AND FUTURE PROSPECTS, A COMMUNITY STUDY, p. 2-1.
[45] San Miguel is an unincorporated community in

Caparone Winery was established in 1979 in the San Miguel District and is one of the oldest small, artisan winery in the Paso Robles area. More recently, numerous artisan wineries have been established in San Miguel District, including Pretty-Smith Vineyards and Winery and Rainbows End Winery, while larger producers including Rabbit Ridge and Fetzer's Five Rivers Winery have built modern, state-of-the-art facilities in San Miguel District since 2000.

The proposed San Miguel District viticultural area encompasses an area of approximately 30,800 acres. Today, San Miguel District is home to approximately 1,500 acres of vineyards[46] and at least ten bonded wineries.

3. Name and Boundary Evidence

Mission San Miguel's lands extended far and wide across a vast area of land in California. Today, the name San Miguel continues to apply to portions of the formerly vast domain.

Since the early Mission times, the San Miguel name has been associated with its surrounding countryside. This is evidenced by current and historical political districts, and by an historical account from the late 1800s, where the town of San Miguel is described in conjunction with that of the surrounding Santa Lucia foothills:

> The town is small for its age, with a sparse population; but the surrounding country has quite a population hidden away among the foot-hills of the Santa Lucia Range.

De Guy Cooper, RESOURCES OF SAN LUIS OBISPO COUNTY, CALIFORNIA, San Francisco: Bacon and Company, 1875, *reprinted in* A VAST PASTORAL DOMAIN: SAN LUIS OBISPO COUNTY IN THE 1870S, The Library Associates, 1993, pp. 33-34.

San Miguel District is the name of several current and historical official districts in San Luis Obispo County, including a community services district, a supervisorial district, a school district and a cemetery district. The core of each of these districts is included in the proposed San Miguel District viticultural area.

The San Miguel School District formed in the late 1800s still exists today. San Miguel Joint Unified School District is a district of the San Luis Obispo County public schools. The district serves students from grades K-8 who live in northern San Luis Obispo County. Residents of San Miguel attend Paso Robles High School in the City of Paso Robles. In recent years, with significant growth north of the City of Paso Robles, there has been discussion of adding another high school, perhaps in San Miguel. This was noted in a recent San Luis Obispo Tribune, which stated:

[46] Vineyard acreage estimate is based on winery and grower self-reported acreage and 2004 San Luis Obispo County crop data.

> The San Miguel school district has considered building a high school, but last year sent only 45 students to Paso Robles High. "I think 800 to 2,000 is a good size number of kids to build a comprehensive high school, but we're not there yet," said Dean Smith, superintendent of the **San Miguel district**.

Nick Wilson, *New Paso Strategy: Ask the parents*, THE TRIBUNE (SAN LUIS OBISPO), Aug. 17, 2006 (emphasis added).

San Miguel has also long been the name of a voting precinct of San Luis Obispo County. Over time, the boundaries of the San Miguel School District and voting precinct have varied, but the area of the proposed San Miguel District viticultural area has always been included in the various San Miguel districts. As depicted on **Exhibit 14**, the San Miguel School District boundary in 1874 extended west approximately eight miles, south to an area just north of San Marcos Creek and east approximately eight miles to a section line beyond Keyes Canyon. In 1890, the boundaries extended west to the area that is now Camp Roberts, south to San Marcos Creek and east to approximately Lowe's Canyon. *See* **Exhibit 15**. The 1913 San Luis Obispo County map shows the San Miguel voting precinct, which covered an area that extended east, south and west from the Monterey County line along section lines that closely align to the geographic boundary chosen for the proposed San Miguel District viticultural area. *See* **Exhibits 16**. The County's 1986 supervisorial district map covers an area almost identical to the 1890 school district map. *See* **Exhibit 17**. The current school district boundary includes that same area, and extends further west, to the area around Lake Nacimiento. *See* **Exhibit 18**.

The San Miguel District Cemetery was formed in 1939 by petition of area residents and also still exists today. It serves a similarly broad area in northern San Luis Obispo County as the San Miguel School District. The Cemetery District serves the community of San Miguel and outlying areas of the "North County." *See* **Exhibit 19** for map of San Miguel District Cemetery service area.

The northern boundary of all of the above districts is, like the northern boundary of the proposed San Miguel District, the boundary line between San Luis Obispo County and Monterey County. The eastern boundary of the current and historical districts closely matches the boundary of the proposed San Miguel District viticultural area, which extends east to Lowes Canyon. Similarly, the southern boundary of the proposed San Miguel District viticultural area, San Marcos Creek, closely matches the boundaries of the historical districts. While certain districts extend far west to the area of Lake Nacimiento, the proposed San Miguel District viticultural area extends only as far west as the Nacimiento River so as to omit the more mountainous terrain around Lake Nacimiento, which does not share similar viticultural characteristics to the area of the proposed San Miguel District viticultural area, and which is better known today as the Lake Nacimiento area.

Further name evidence is provided by an additional local district. The small town of San Miguel is served by the San Miguel Community Services District, which was

created in February of 2000 by the San Luis Obispo County Board of Supervisors to accommodate the growing population and to consolidate various County-provided services. The San Miguel Community Services District included the San Miguel Fire Protection District, San Miguel Lighting District, and the San Luis Obispo Waterworks District #1. In April 2001, the San Luis Obispo County Board of Supervisors dissolved the San Miguel Sanitary District (Sewer and Solid Waste) and incorporated those services into the San Miguel Community Services District. **Exhibit 20** shows the service area and sphere of influence of the San Miguel Community Services District and **Exhibit 21** shows the town boundary (San Luis Obispo County, San Miguel Urban Reserve Line).

The AVA Committee chose the name San Miguel District because it is historically justified. The modifier "district" also is favored by the Committee for this new viticultural area, and for six of the other areas envisioned by the Committee's viticultural area plan, just as "district" was used as part of the names of other viticultural areas that were established within larger, existing AVAs (e.g., Spring Mountain District, Diamond Mountain District and Stags Leap District within the Napa Valley AVA, Yamhill-Carlton District within the Willamette Valley AVA, and San Ysidro District within the Santa Clara Valley AVA). Not only is the use of the modifier "District" as part of the viticultural area name appropriate in light of its historical recognition, but it also serves to reinforce the fact that the proposed viticultural area is a sub-region of a larger area.

4. Name of Viticultural Significance

The AVA Committee proposes that "San Miguel" be recognized as the name of viticultural significance due to the extensive historical use of the name San Miguel, alone, to refer to the rural area of the proposed viticultural area. Locals understand the term San Miguel to refer to the area of the proposed San Miguel District viticultural area. For this reason, we believe that the name "San Miguel" has viticultural significance.

B. Geographic and Viticultural Distinctiveness

1. Geographic Setting and Topography

The proposed San Miguel District viticultural area is in the northwestern part of the Paso Robles AVA. Its northern boundary is the San Luis Obispo – Monterey County border, which is also the northern boundary of the Paso Robles AVA. The Salinas River bisects the proposed San Miguel District viticultural area, and with the Estrella River and the confluence of the two rivers, has alternately laid down deep alluvial deposits of silts, sands, and gravels, and then down-cut through them, dissecting its earlier floodplains into a series of well defined, stepped river terraces. This area includes the lowest elevations within the Paso Robles AVA, as the Salinas River erodes its channel to the north towards the river's mouth at Monterey Bay (Pacific Ocean). Elevations range from just below 600 feet above sea level along the northern river channel to approximately 1,000 feet in the foothills above, with most of the planted vineyards at elevations of 640–800 feet above sea level, but a few smaller vineyards at higher elevations.

The mountains of the Santa Lucia Range rise to the west of the San Miguel District, largely west of the San Marcos Fault, with active uplift and compression building the mountains. A higher elevation area to the west of the San Miguel District that includes the Nacimiento River and its watershed now covered by the Nacimiento Reservoir is not yet planted to vineyards, and we have not proposed a viticultural area in this area to the west of the proposed San Miguel District. The Camp Roberts military base also sites at the western edge of the proposed San Miguel District viticultural area. The southern part of the San Miguel District is dominated on the west by the alluvial fans of San Marcos Creek and Peachy Creek that are tributaries to the Salinas River, then crossing the Salinas River to the east and including the confluence of the Estrella River and Salinas River, with their active floodplain and low river terraces. We then follow the eastern boundary to the north of the Estrella River up San Jacinto Creek and Lowes Canyon onto the footslopes of the Cholame Range to the San Luis Obispo County – Monterey County line. Topographically, the flights of stepped terraces ring the low-lying alluvial floodplain, with vistas of, but not including, the higher mountains above.

2. Climate

The climate of the proposed San Miguel District viticultural area is windier, warmer, and drier that most of the remainder of the Paso Robles AVA (except for that in the far eastern, inland part of the Paso Robles AVA). The earliest maturation or ripening dates are found here for winegrapes, with this area having the third highest degree day totals (behind the proposed San Juan Creek and Canyon Ranch areas in the far eastern portion of the Paso Robles AVA). The lack of precipitation is largely a function of the San Miguel District being in the immediate rainshadow of the Santa Lucia Range, having the second lowest rainfall of the viticultural areas proposed by our group. There is reduced maritime influence here, again due to topographic blocking, but occasionally marine air flows up the Salinas River from Monterey Bay, and winds shift with marine flow off Morro Bay and the outer coast as well, resulting in flow across the Santa Lucia Range off the Pacific Ocean.

The community of San Miguel has a long history due to the presence of the Mission, and its location along the Southern Pacific Railroad and the old highway. However, the town has a long climate record only of precipitation data. The 68 year record of annual precipitation for the San Miguel weather station at 35.750 °N, 120.683 °W, elevation 620 feet above sea level, shows an average precipitation of 11.4 inches per year. Other climate parameter values must be inferred based on the gradients discussed in our overview on distance from the ocean, orographic influences from the mountains, and other topographic influences, such as elevation. Anecdotal evidence from growers and sporadic weather data confirm that this is a Region III climate (Amerine and Winkler, 1944), with growing degree-day totals of about 3,300-3,400.

The natural vegetation reflects the climate and hydrology of the area well, with widely scattered oaks across grasslands on the valley floor the dominant vegetation,

riparian woodlands of trees and shrubs along the rivers and creeks, and small patches of chaparral and blue oak woodland at the highest elevations to the south.

3. Geologic History and Geomorphology

The geology is largely recent Salinas River and Estrella River alluvium (Qal) at the lowest elevations, with older late to early Quaternary river alluvium on the higher river terraces and alluvial fans (Qt), including the San Marcos Creek and Peachy Creek alluvial fans, which dominate the topography in the southern part of the proposed viticultural area. The highest terraces and footslopes of the Santa Lucia Range to the west and Cholame Hills to the northeast are covered by the Late Cenozoic Paso Robles Formation of poorly consolidated, mixed sediments, cemented in some areas by carbonates, silicates, and iron-pans. The San Marcos Fault runs about a mile outside of and paralleling the western edge of the proposed San Miguel District viticultural area, with a change in topography and geological formations along this fault zone. Small areas of bedrock granite and Miocene and Pliocene marine sedimentary rocks (such at the Monterey Formation) are rock outcrops near the fault, in places covered by shallow colluvial slope deposits.

4. Soils and Terroir

Soil types in the proposed San Miguel District viticultural area correspond closely to geomorphic surface age, with (according to the 1978 soil survey, based on the 7th Approximation system of soil classification), Los Osos, Ayar and Nacimiento soils occurring on the older river terraces, and Arbuckle, Positas and San Ysidro soils on the younger river terraces below. The 1928 soil survey, using the older Marbut soil classification system, has slightly different names for these soils as Nacimiento clay loams, Montezuma clay loams (very old, with columnar structure) on the highest river terraces, grading down to Hugo clay loams and sandy loams on the intermediate terraces, and Huerhuero sandy loams and Lockwood gravelly sandy loams on the lowest terraces. Mollisols dominate the soil orders, but older Alfisols and Vertisols are also present. These river terraces are at elevations of roughly 1,000 feet down to 640 feet above sea level on both the west and east sides of the Salinas River, with the flights of terraces readily visible from the air when flying into the Paso Robles Airport, and on the ground when driving along Highway 101. Small outcrops of granite and Monterey shale at higher elevations (around 1,000 feet above sea level) have different soils as residual soils forming on bedrock, with shallower rooting depths for the vines. These sites are still relatively dry and warm, and on the basis of climate belong very much in the proposed San Miguel District viticultural area.

The terroir here is associated largely with a warm, Region III (Amerine and Winkler, 1944) climate, and deep alluvial soils on floodplains, terraces and benches. Some of the older alluvial soils have clay pans which impede rooting to depth. Windy conditions due to the valley floor position along the Salinas River at relatively low elevations for the region result in higher evapotranspiration rates for the grapevines, and earlier ripening of the fruit. Irrigation is necessary to establish most vineyards and maintain them in a

balanced, healthy condition for quality winegrape production. A diversity of both red and white winegrape varietals are planted here, dominated by the red varietals of Zinfandel, Cabernet Sauvignon, Syrah, Petite Sirah, and Merlot.

C. Specific Boundaries

The appropriate maps for determining the boundaries of the proposed San Miguel District viticultural area are four United States Geological Survey 1:24,000 scale topographic maps. They are titled:

1. San Miguel, Calif., 1948, photorevised 1979;
2. Bradley, Calif., 1948, photorevised 1979;
3. Paso Robles, Calif., 1948, photorevised 1979; and
4. Adelaida, Calif., 1948, photorevised 1978.

The proposed San Miguel District viticultural area is located in San Luis Obispo County, California. The area's proposed boundaries are as follows:

1. The beginning point is on the San Miguel quadrangle map at the point of intersection of San Jacinto Creek and the boundary line between San Luis Obispo County and Monterey County; then
2. From the beginning point, proceed generally south-southwest along San Jacinto Creek for approximately 6.5 miles to the point of intersection of San Jacinto Creek and the Estrella River on the Paso Robles quadrangle map; then
3. Proceed generally south along the Estrella River for approximately 0.7 miles to the point of intersection of the Estrella River and the section line between Section 26 and Section 35 of T.25S., R.12E.; then
4. Proceed west along the section line for approximately 1.8 miles to the point of intersection of the section line between Section 28 and Section 33 of T.25S., R.12E. and the Salinas River; then
5. Proceed generally south along the Salinas River for approximately 1.6 miles to the point of intersection of the Salinas River and an unnamed light-duty road (commonly known as Wellsona Road); then
6. Proceed west, then generally northwest, along the unnamed light-duty road (commonly known as Wellsona Road) for approximately 1.9 miles to the point of intersection of the unnamed light-duty road (commonly known as Wellsona Road) and San Miguel Road (now known as San Marcos Road); then
7. Proceed generally west-southwest along San Miguel Road (now known as San Marcos Road) for approximately 2.6 miles to the point of intersection of San Miguel Road (now known as San Marcos Road) and Generals Road on the Adelaida quadrangle map; then
8. Proceed generally north-northwest along Generals Road for approximately 6.9 miles to the point of intersection of Generals Road an unnamed light-duty road (commonly known as West Perimeter Road) on the Bradley quadrangle map; then

9. Proceed generally north-northeast along the unnamed light-duty road (commonly known as West Perimeter Road) for approximately 0.3 miles to the point of intersection of the unnamed light-duty road (commonly known as West Perimeter Road) and the 600 foot contour line, immediately south of a spot elevation indicator of 597 feet; then
10. Proceed generally north-northeast along the 600 foot contour line for approximately 2.5 miles to the point of intersection of the 600 foot contour line and the boundary line between San Luis Obispo County and Monterey County, approximately 500 feet east of the section line between Section 3 and Section 4 of T.25S., R.11E.; then
11. Proceed east along the boundary line between San Luis Obispo County and Monterey County for approximately 8.7 miles to the point of beginning on the San Miguel quadrangle map, at the intersection of the boundary line between San Luis Obispo County and Monterey County and San Jacinto Creek.

These boundaries are prominently marked on the U.S.G.S. maps listed above, attached hereto as **Appendix A**. A digitally aggregated map of the above U.S.G.S. quadrangle maps, including the narrative description set forth above, is attached as **Appendix B**.

III. SUMMARY

Paso Robles has long been the hub of the agricultural economy of northern San Luis Obispo County. As the hub of the area, Paso Robles has been surrounded by numerous outlying, rural agricultural districts, including Templeton, El Pomar, Creston and Adelaida. While wine grapes have a long history in the Paso Robles region, it has been over the last several decades that the diverse agricultural economy of the area has transitioned to an economy centered on wine grapes, the wine industry and related tourism. The late 1960s and early 1970s saw a new generation of vineyard pioneers in the Paso Robles area, bringing university training and financial resources for large plantings. Large and mid-size vineyards and wineries continued to be established in Paso Robles in the 1980s as growers recognized the favorable topography and generous climate allowed them to grow high-quality wine grapes at higher yield levels than was possible in other viticultural areas. In the last six years, the number of wineries in the Paso Robles region more than doubled to over 170, mostly due to an influx of boutique and small family owned vineyards and wineries.

Wine grapes have been planted in San Miguel District since the earliest modern settlement in the Paso Robles area. Since that time, locals have referred to the area as San Miguel, after the original Spanish mission in the area. The name San Miguel District is a well-recognized, locally significant, historically accurate geographic place name, as reflected in the historical community, roads, schools and other political subdivisions of the region.

The proposed San Miguel District viticultural area captures a viticulturally distinct sub-region of the Paso Robles AVA. The proposed San Miguel District viticultural area is in the northern part of the Paso Robles AVA, with a distinctive topography, climate, geography and soils. Elevations in the proposed San Miguel District viticultural area range from just below 600 feet above sea level along the northern river channel to approximately 1,000 feet in the foothills above, with most of the planted vineyards at elevations of 640–800 feet above sea level, but a few smaller vineyards at higher elevations. The climate of the proposed San Miguel District viticultural area is windier, warmer, and drier that most of the remainder of the Paso Robles AVA, and the area consequently experiences earlier maturation or ripening dates for winegrapes. The terroir here is associated largely with a warm, Region III climate, and deep alluvial soils on floodplains, terraces and benches. Irrigation is necessary to establish most vineyards and maintain them in a balanced, healthy condition for quality winegrape production. A diversity of both red and white winegrape varietals are planted here, dominated by the red varietals of Zinfandel, Cabernet Sauvignon, Syrah, Petite Sirah, and Merlot.

We believe that our framework of dividing the Paso Robles AVA into distinctive viticultural areas, including the proposed San Miguel District, will aid consumers, winemakers, and viticulturalists in their pursuit of crafting and enjoying fine wines from this historic grape-growing region of California. Specifically, these proposed viticultural areas will help consumers to understand the viticultural distinctions within the Paso Robles AVA and to make more informed purchasing decisions.

(*signature page follows*)

Note: Exhibits 1-11 contain information pertaining to the larger Paso Robles AVA and can be found in the general Paso Robles document located within this docket.

Exhibit 12. Map of El Camino Real and Twenty-One Franciscan Missions in 1821.

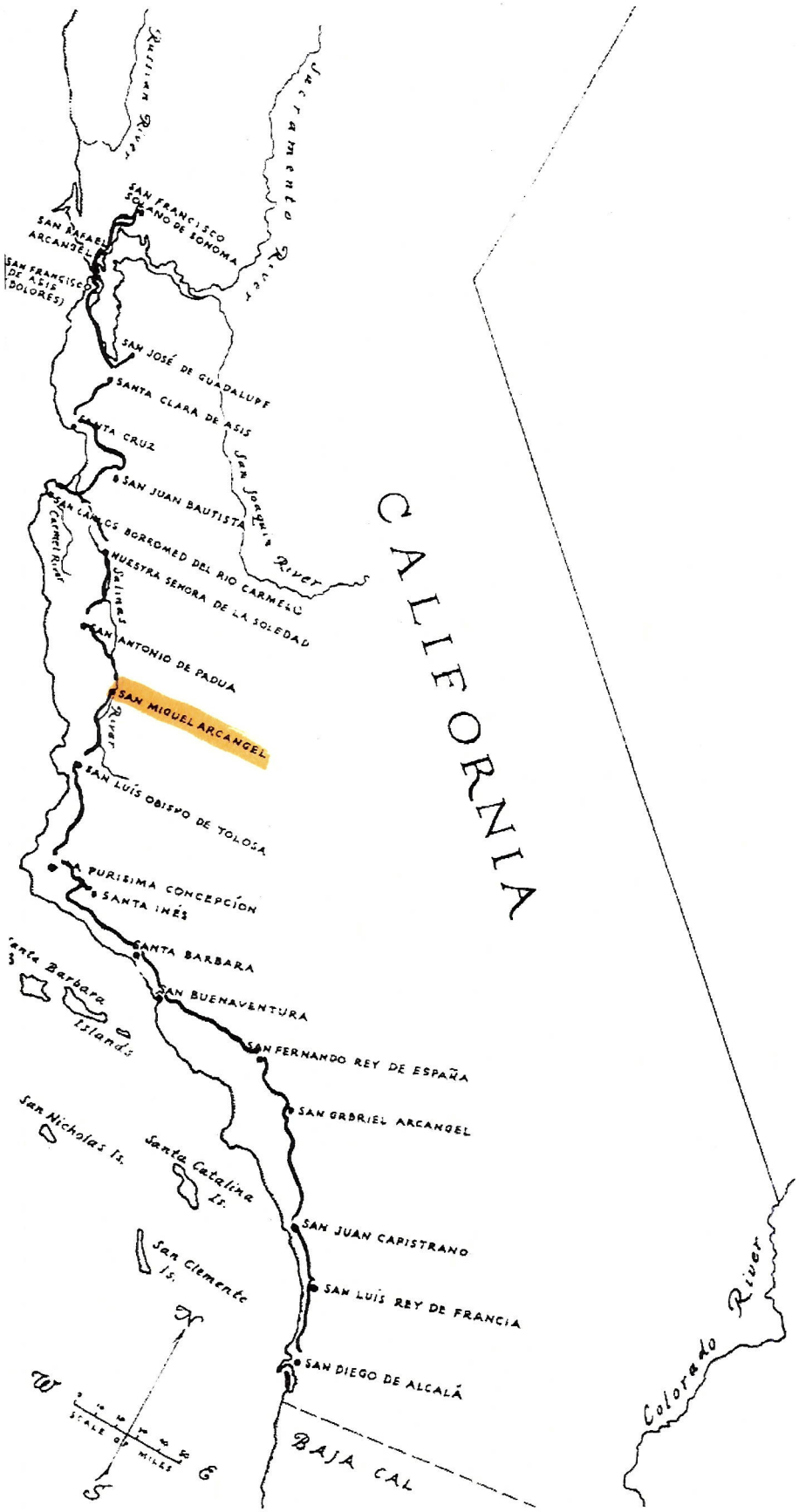


Exhibit 13. Diseño of San Miguel (circa 1846)

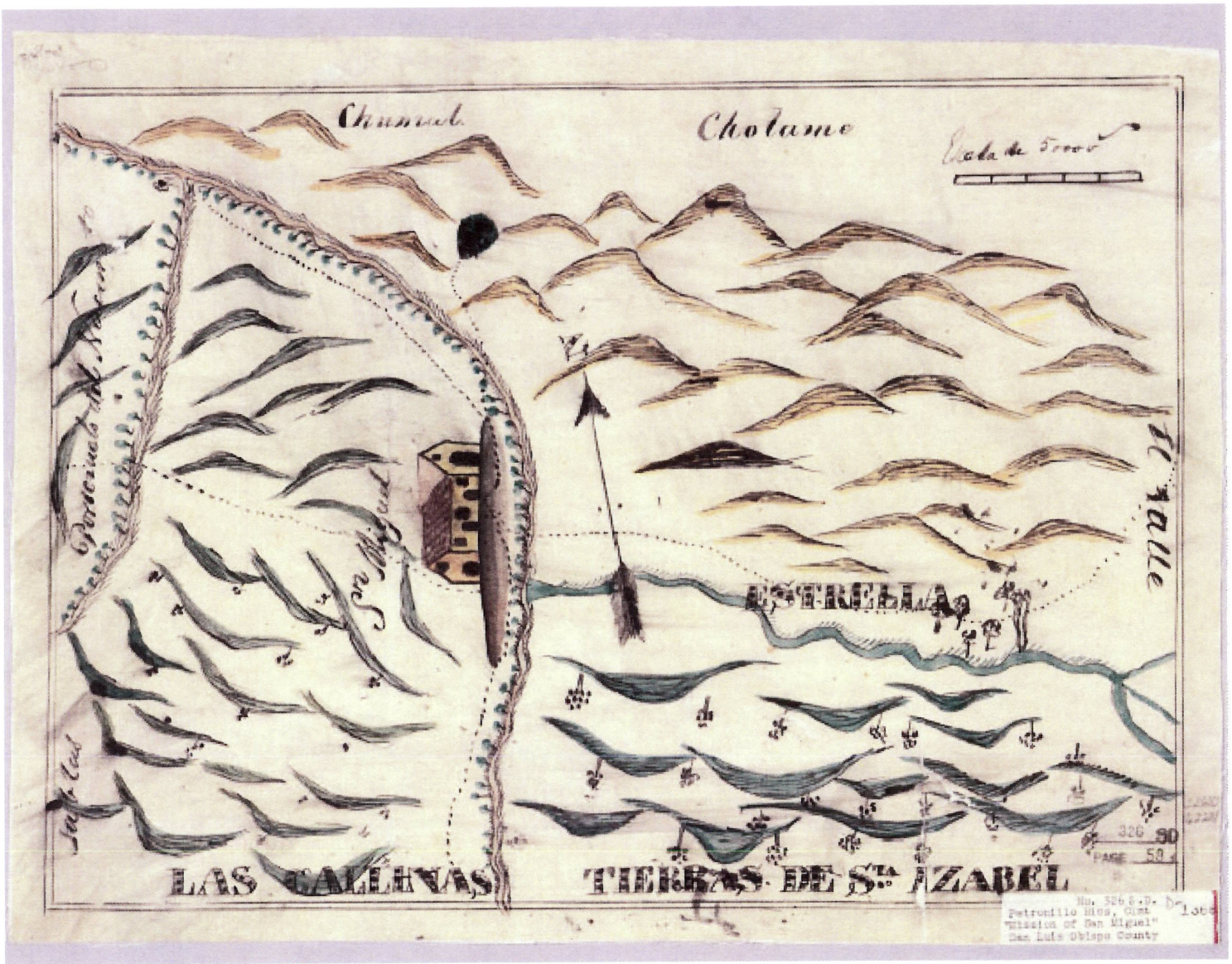


Exhibit 14. 1874 Map of San Luis Obispo County.

Note: The map is not included due to its large size.

Exhibit 15. 1890 Map of San Luis Obispo County.

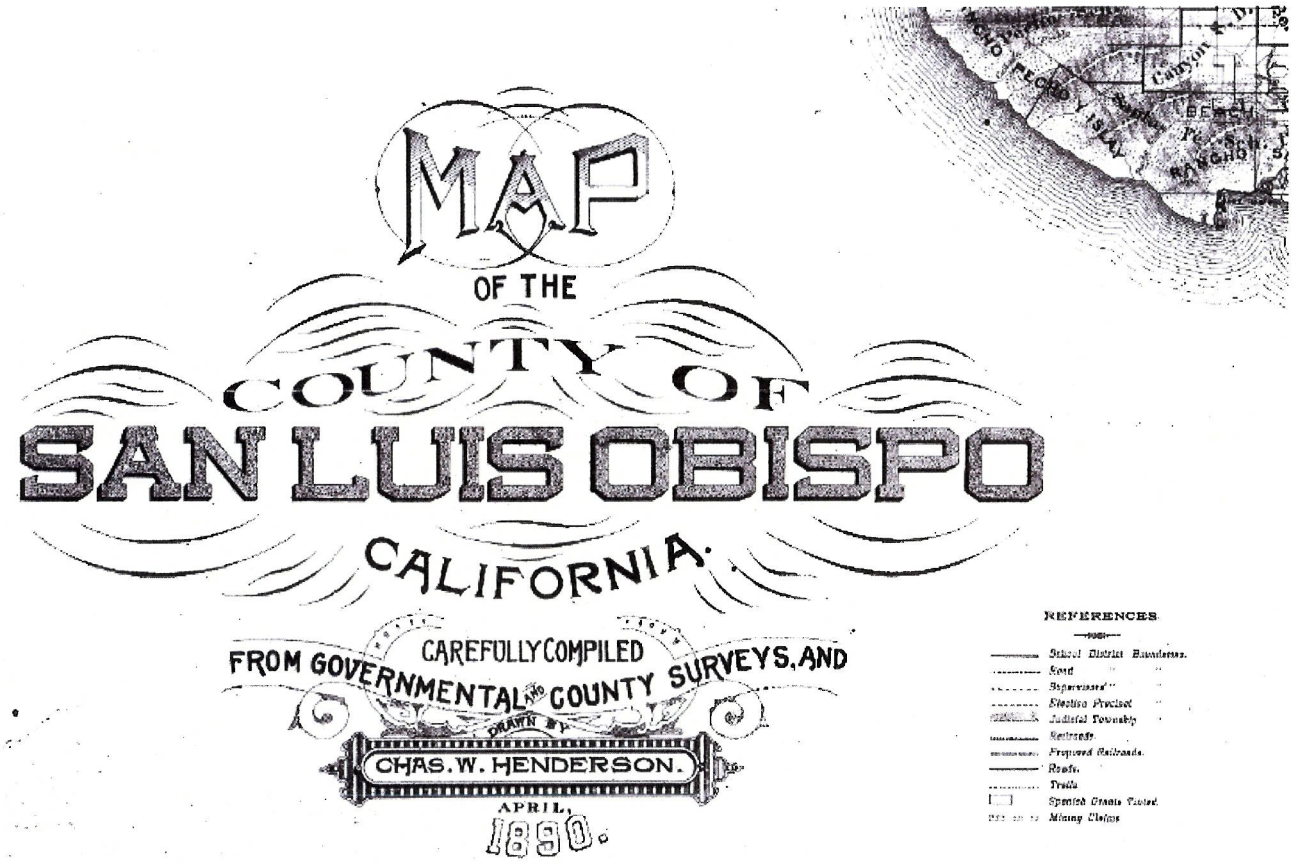


Exhibit 15. 1890 Map of San Luis Obispo County.

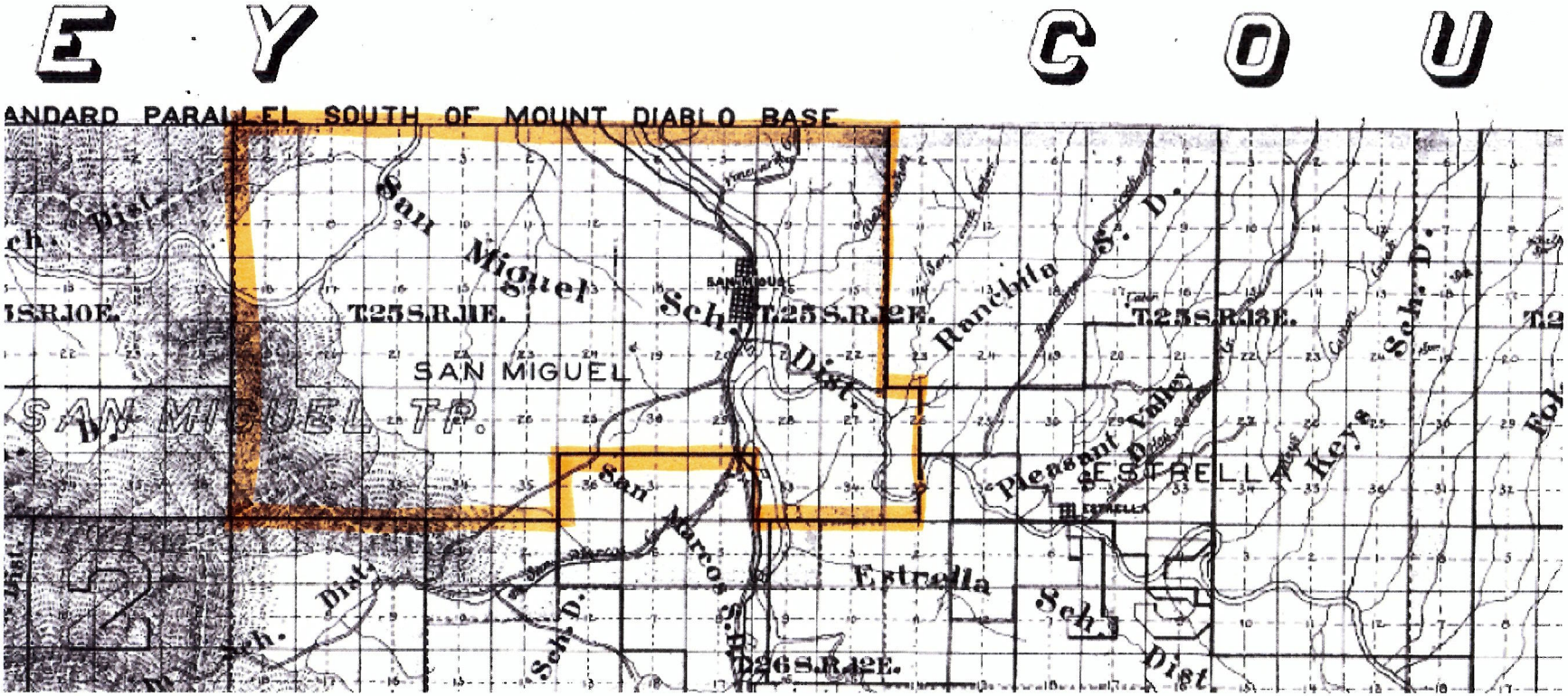


Exhibit 16. 1913 Map of San Luis Obispo County.

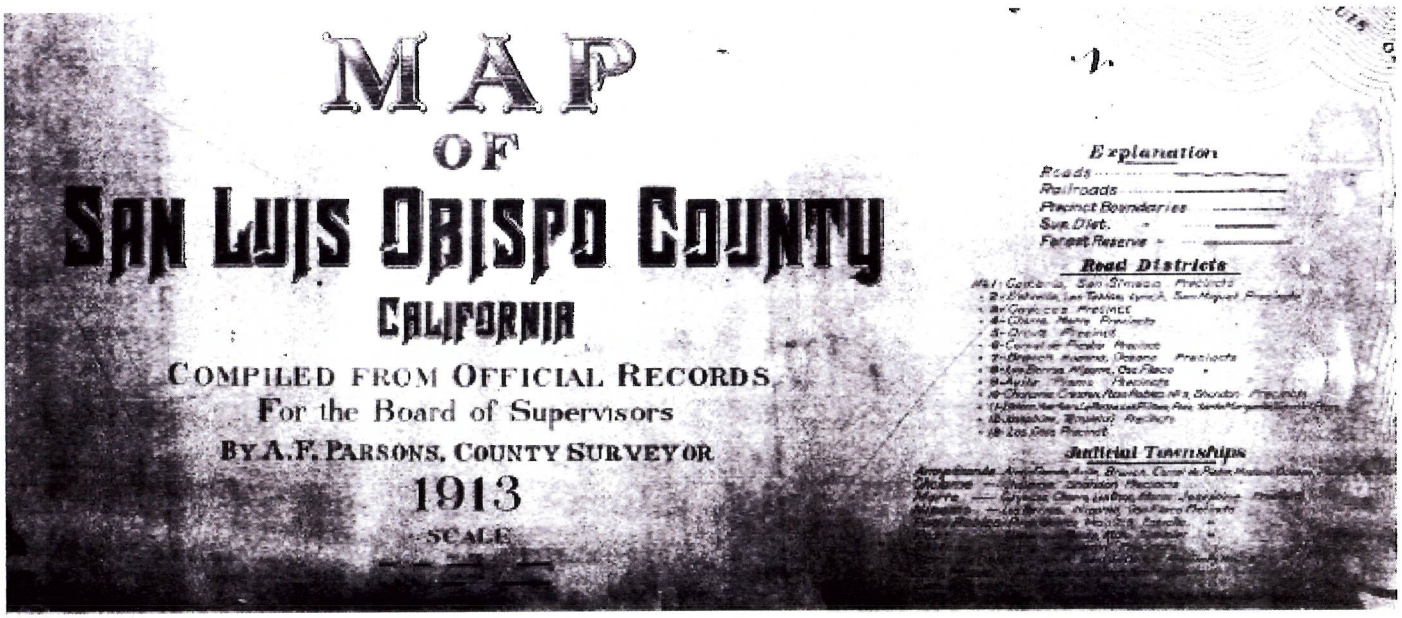


Exhibit 16. 1913 Map of San Luis Obispo County.

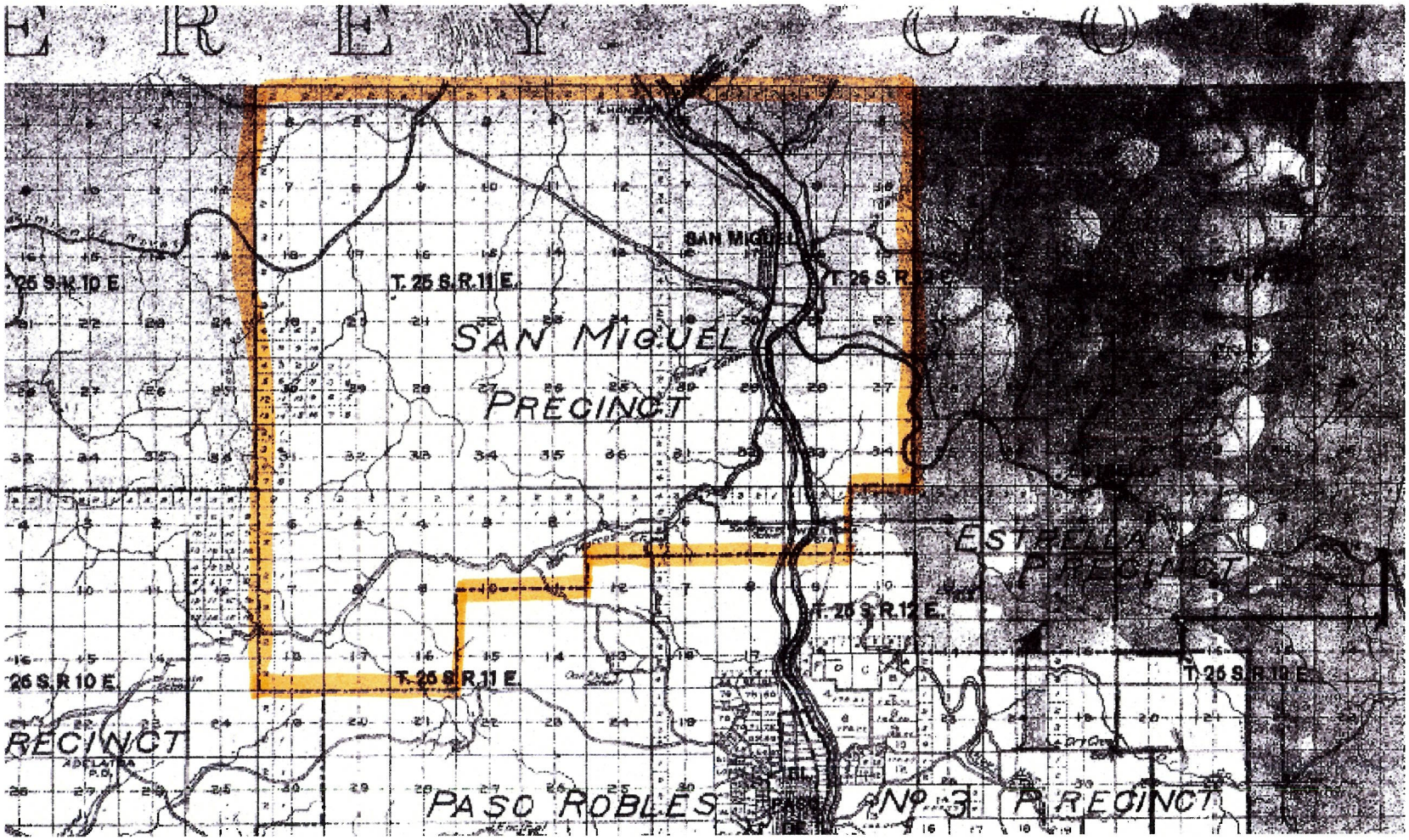


Exhibit 17. 1986 Map of San Luis Obispo County.

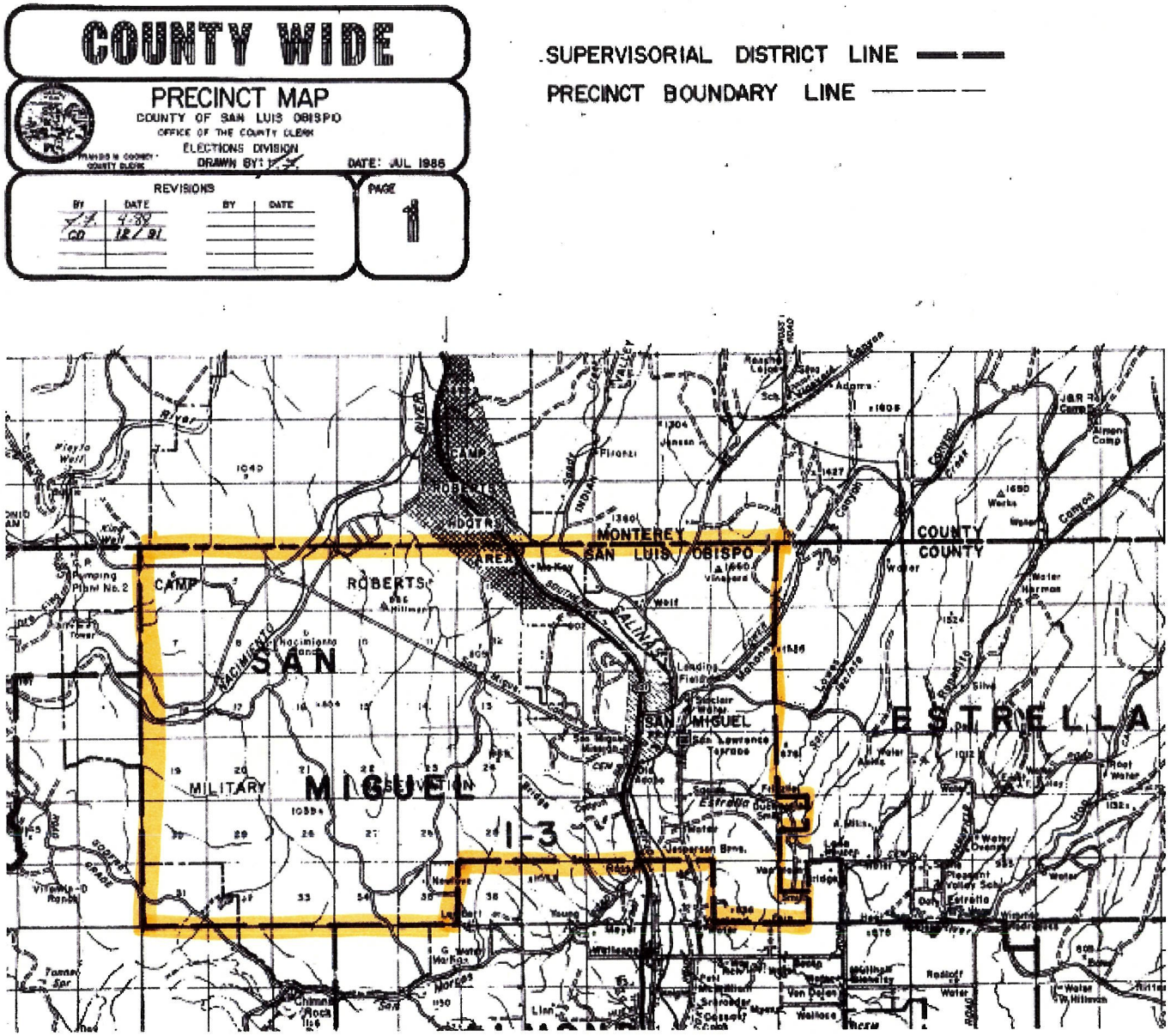


Exhibit 18. Map of San Miguel Joint Unified School District service area.

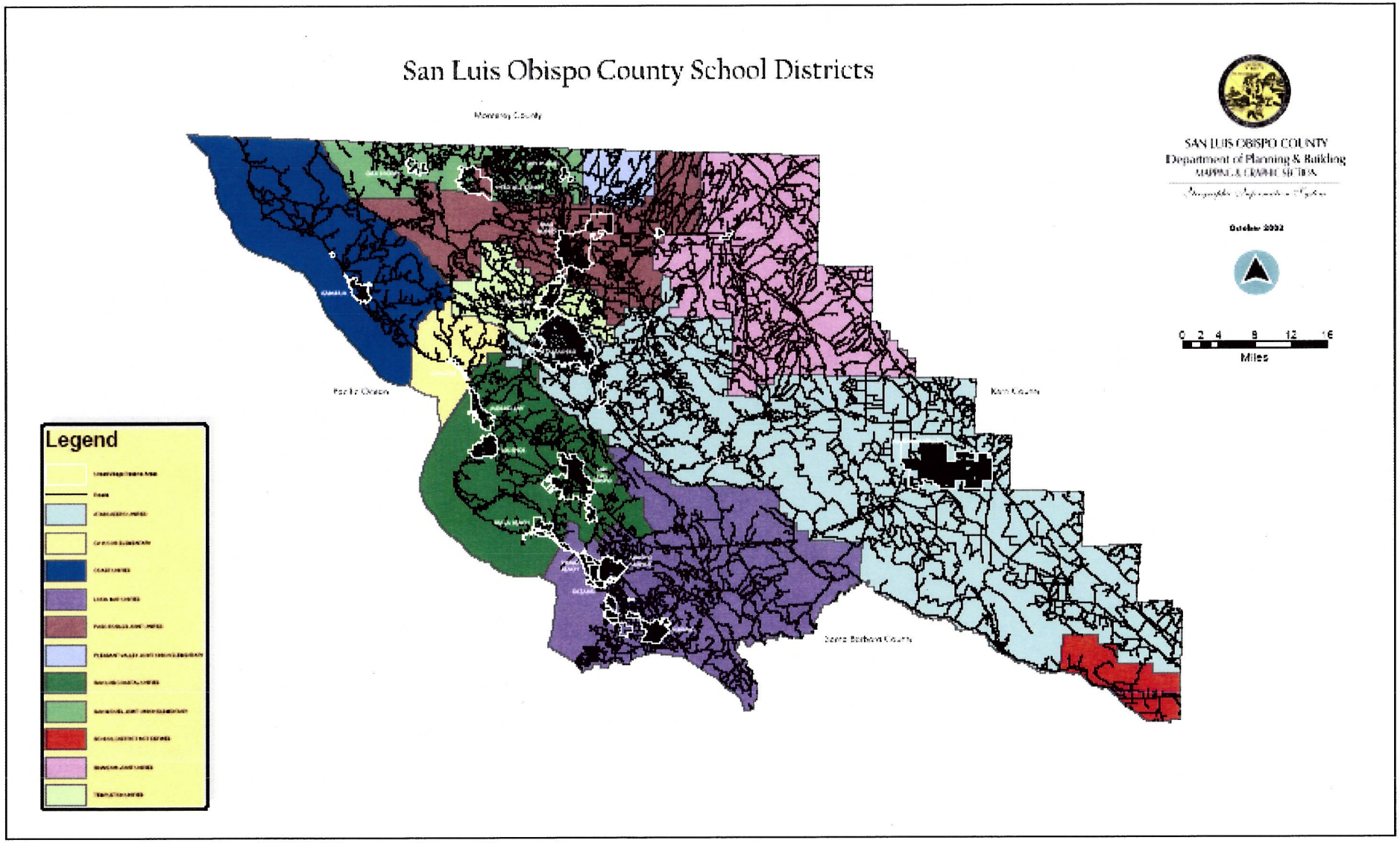


Exhibit 18. Map of San Miguel Joint Unified School District service area.

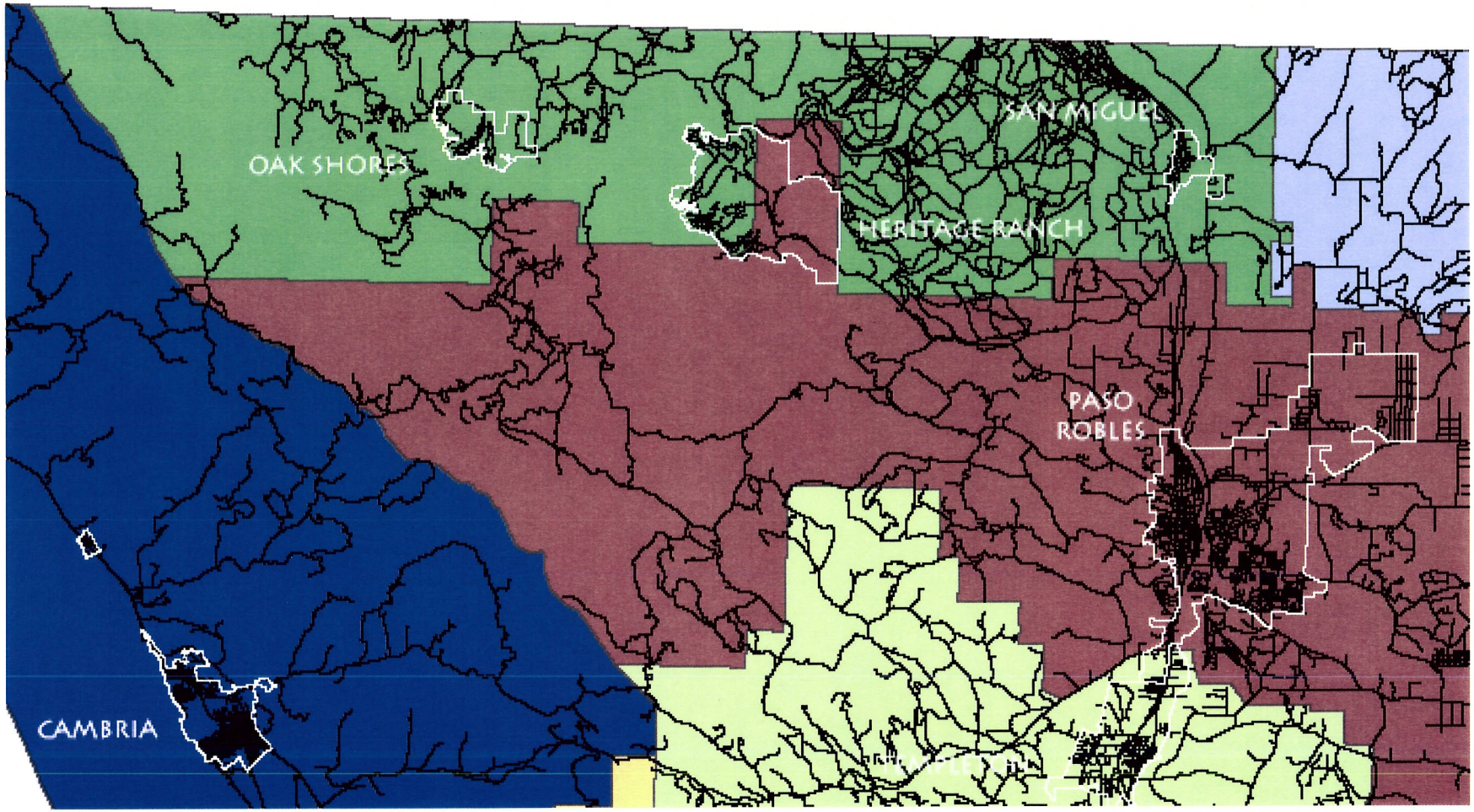


Exhibit 19. Map of San Miguel District Cemetery service area.

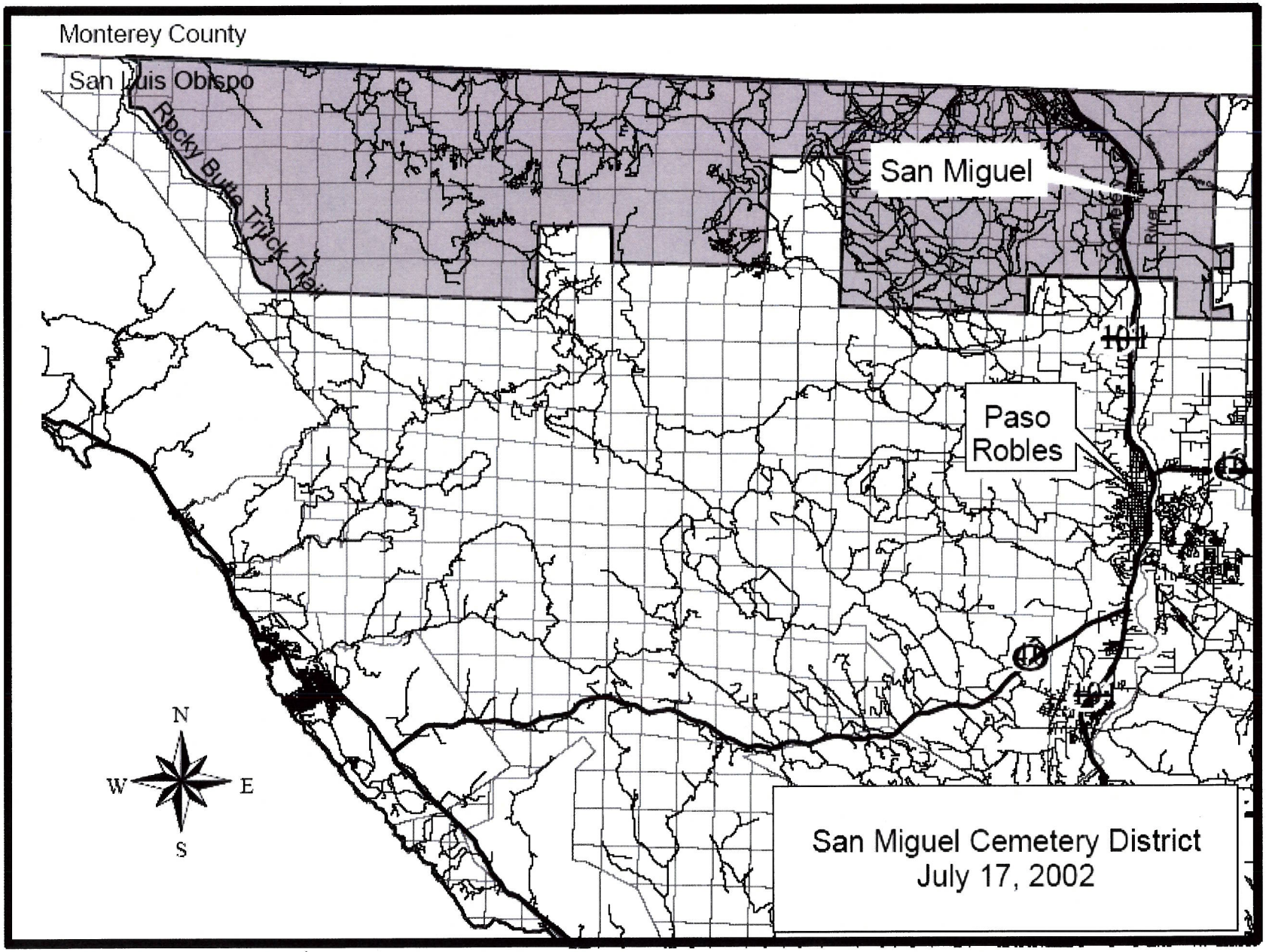


Exhibit 20. Service Area and Sphere of Influence of San Miguel Community Services District.

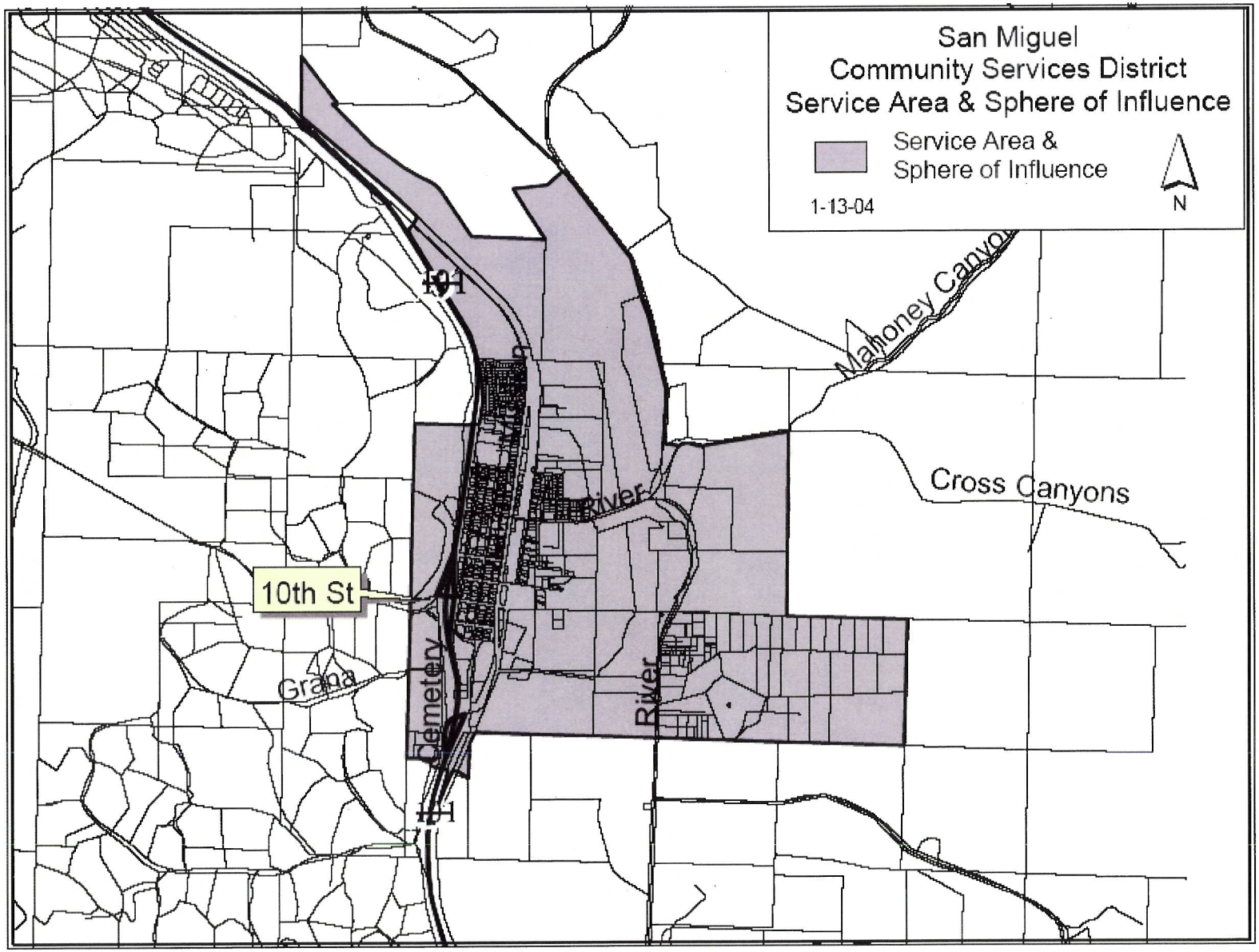
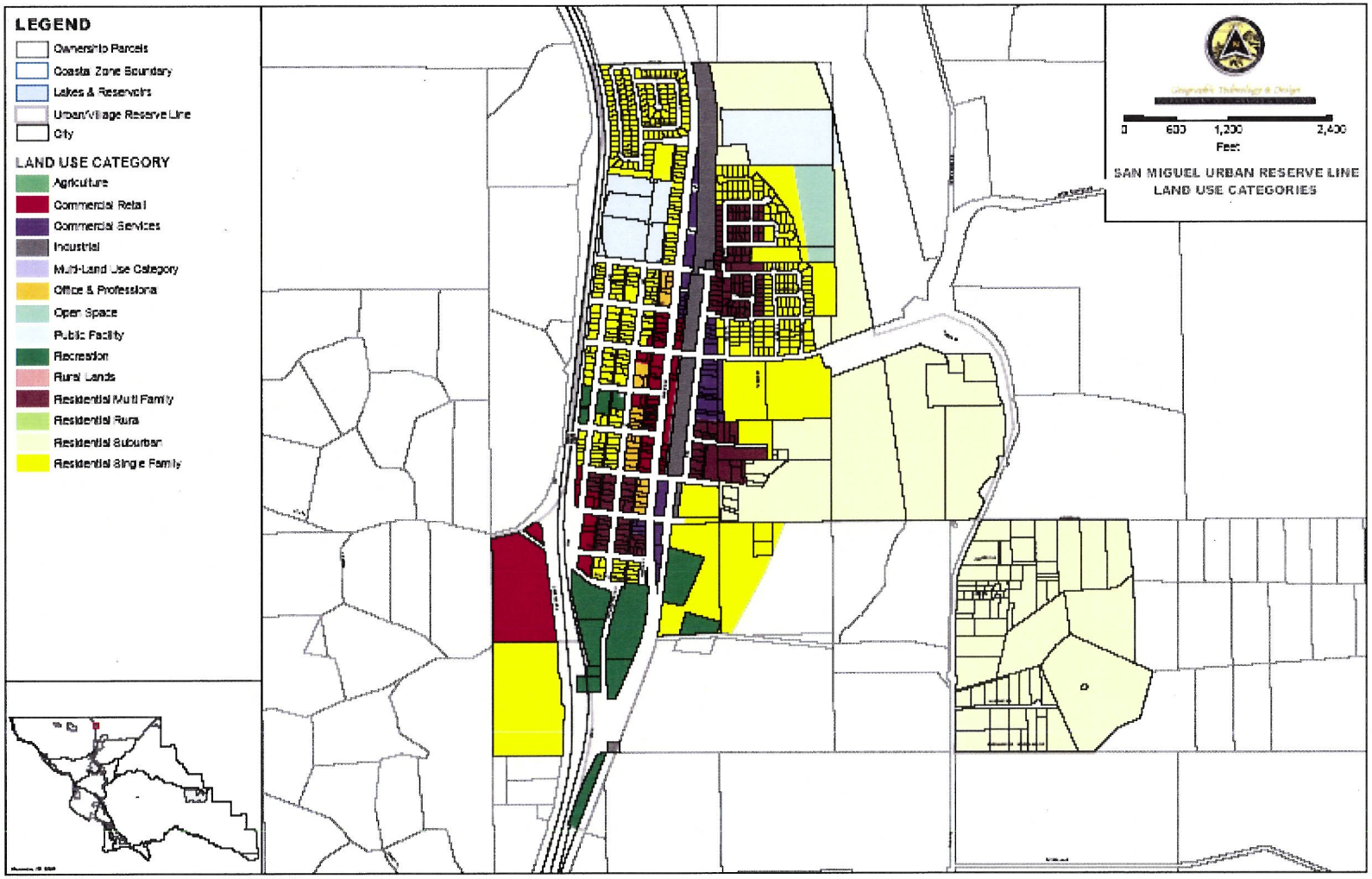


Exhibit 21. San Miguel Urban Reserve Line.



Note: The following letter was submitted in order to revise the boundaries of the proposed San Miguel District AVA.

PASO ROBLES AVA COMMITTEE
811 Spring Street, Box 127
Paso Robles, CA 93446

April 25, 2011

Mr. Gerald Isenberg
Chief, Regulations and Rulings Division
Alcohol and Tobacco Tax and Trade Bureau
1310 G Street, NW
Washington, D.C. 20220

Re: Amendment to the Petitions to Establish the "Santa Margarita Ranch" and "San Miguel District" American Viticultural Areas

Dear Mr. Isenberg:

The Paso Robles AVA Committee (PRAVAC) submits this amendment to the petitions to form the Santa Margarita Ranch viticultural area and the San Miguel District viticultural area originally submitted to TTB on March 8, 2007. PRAVAC has amended the petitions in response to TTB's request that the viticultural areas exclude federal lands that cannot currently be developed to vineyards.

A. Specific Boundaries of the Santa Margarita Ranch Viticultural Area

The following description of the amended boundaries of the Santa Margarita Ranch viticultural area shall replace portions of pages 31-33 of the original petition.

The appropriate maps for determining the boundaries of the proposed Santa Margarita Ranch viticultural area are four United States Geological Survey 1:24,000 scale topographic maps. They are titled:

1. Lopez Mountain, Calif., 1995;
2. San Luis Obispo, Calif., 1995;
3. Atascadero, Calif., 1995; and
4. Santa Margarita, Calif., 1963, photorevised 1993.

The proposed Santa Margarita Ranch viticultural area is located in San Luis Obispo County, California. The area's proposed boundaries are as follows:

1. The beginning point is on the Lopez Mountain quadrangle map at the point of intersection of the Los Padres National Forest boundary, the Santa Margarita Land Grant boundary and the range line between R.13E. and R.14E; then

2. Proceed generally northwest along the Los Padres National Forest boundary for approximately 4.0 miles to the point of intersection of the National Forest boundary and the township line between T.29S and T.30S.; then
3. Proceed generally west along the northern boundary of the Los Padres National Forest onto the San Luis Obispo quadrangle map and past Santa Margarita Creek to the special survey monument near the northwestern corner of Section 36; then
4. Proceed generally northwest in a straight line for approximately 2.3 miles to the point at which the 1,600 foot contour line touches, but does not cross, the section line between Section 23 and Section 14 and the boundary of the Los Padres National Forest on the Atascadero quadrangle map; then
5. Proceed east, then north along the eastern boundary of the Los Padres National Forest for approximately 1.6 miles to the northwest corner of Section 13 of T.29S., R.12E; then
6. Proceed east along the section line between Section 12 and Section 13 of T.29S., R.12E for one mile to the point of intersection of the section line between Section 12 and Section 13 of T.29S., R.12E and the range line between R.12E. and R.13.E; then
7. Proceed north along the range line for approximately 0.4 miles to the point of intersection of the range line and an unnamed, unimproved dirt road to the west of U.S. Interstate Highway 101; then
8. Proceed generally northeast along the unnamed, unimproved dirt road for approximately 0.5 miles to the point of intersection of the unnamed, unimproved dirt road and an unnamed light-duty road (commonly known as Santa Margarita Road) on the Santa Margarita quadrangle map; then
9. Proceed east-northeast along the unnamed light-duty road (commonly known as Santa Margarita Road) for approximately 1.2 miles to the point of intersection of the unnamed light-duty road (commonly known as Santa Margarita Road) and El Camino Real; then
10. Proceed southeast along El Camino Real for approximately 0.1 miles to the point of intersection of El Camino Real and an unnamed light-duty road (commonly known as Asuncion Road); then
11. Proceed generally northeast along the unnamed light-duty road (commonly known as Asuncion Road) for approximately 0.3 miles to the point of intersection of the unnamed light-duty road (commonly known as Asuncion Road) and Chispa Road; then
12. Proceed south along Chispa Road for approximately 0.1 miles to the point of intersection of Chispa Road and an unnamed, unimproved dirt road; then
13. Proceed generally east along the unnamed, unimproved dirt road for approximately 0.2 miles to the point of intersection of the unnamed, unimproved dirt road and the boundary line between the Santa Margarita Land Grant and Section 5 of T.29S., R.13E.; then
14. Proceed generally southeast along the east boundary of Santa Margarita Land Grant for approximately 0.6 miles to the point of intersection of the Santa Margarita Land Grant and the northwest corner of Section 9 of T.29S., R.13E.; then

15. Proceed east along the section line beginning between Section 9 and Section 4 of T.29S., R.13E. for approximately 1.2 miles to the point of intersection of the section line between Section 3 and Section 10 of T.29S., R.13E and the Salinas River; then
16. Proceed generally southeast along the Salinas River for approximately 7.9 miles to the point of intersection of the Salinas River and the range line between R.13E. and R.14E. on the Lopez Mountain Quadrangle map; then
17. Proceed south along the range line between R.13E. and R.14E. for approximately 3.2 miles to the point of beginning at the point of intersection of the Los Padres National Forest boundary, the Santa Margarita Land Grant boundary and the range line between R.13E. and R.14E.

These boundaries are prominently marked on the U.S.G.S. maps listed above, attached hereto as **Appendix A** and shall replace Appendix A of the original petition.

B. Specific Boundaries of the San Miguel District Viticultural Area

The following description of the amended boundaries of the San Miguel District viticultural area shall replace portions of pages 31-32 of the original petition.

The appropriate maps for determining the boundaries of the proposed San Miguel District viticultural area are three United States Geological Survey 1:24,000 scale topographic maps. They are titled:

1. San Miguel, Calif., 1948, photorevised 1979;
2. Paso Robles, Calif., 1948, photorevised 1979; and
3. Adelaida, Calif., 1948, photorevised 1978.

The proposed San Miguel District viticultural area is located in San Luis Obispo County, California. The area's proposed boundaries are as follows:

1. The beginning point is on the San Miguel quadrangle map at the point of intersection of San Jacinto Creek and the boundary line between San Luis Obispo County and Monterey County; then
2. From the beginning point, proceed generally south-southwest along San Jacinto Creek for approximately 6.5 miles to the point of intersection of San Jacinto Creek and the Estrella River on the Paso Robles quadrangle map; then
3. Proceed generally south along the Estrella River for approximately 0.7 miles to the point of intersection of the Estrella River and the section line between Section 26 and Section 35 of T.25S., R.12E.; then
4. Proceed west along the section line for approximately 1.8 miles to the point of intersection of the section line between Section 28 and Section 33 of T.25S., R.12E. and the Salinas River; then
5. Proceed generally south along the Salinas River for approximately 1.6 miles to the point of intersection of the Salinas River and an unnamed light-duty road (commonly known as Wellsona Road); then

6. Proceed west, then generally northwest, along the unnamed light-duty road (commonly known as Wellsona Road) for approximately 1.9 miles to the point of intersection of the unnamed light-duty road (commonly known as Wellsona Road) and San Miguel Road (now known as San Marcos Road); then
7. Proceed generally west-southwest along San Miguel Road (now known as San Marcos Road) for approximately 2.5 miles to the point of intersection of San Miguel Road (now known as San Marcos Road) and the eastern boundary of Camp Roberts Military Reservation on the Adelaida quadrangle map; then
8. Proceed generally north along the eastern boundary of the Camp Roberts Military Reservation for approximately 2.4 miles, then east along the southern boundary of the Camp Roberts Military Reservation where it crosses onto the Paso Robles quadrangle map for approximately 1.5 miles, then again north along the eastern boundary of the Camp Roberts Military Reservation for approximately 2.25 miles into Section 18 on the San Miguel quadrangle map; then
9. Continue along the boundary of the Camp Roberts Military Reservation for approximately 4.2 miles to the point of intersection with U.S. Route 101; then
10. Proceed generally west-northwest along U.S. Route 101 for approximately 1.4 miles to the intersection with the San Luis Obispo County and Monterey County line; then
11. Proceed east along the boundary line between San Luis Obispo County and Monterey County for approximately 5.85 miles to the point of beginning on the San Miguel quadrangle map, at the intersection of the boundary line between San Luis Obispo County and Monterey County and San Jacinto Creek.

These boundaries are prominently marked on the U.S.G.S. maps listed above, attached hereto as **Appendix B** and shall replace Appendix A of the original petition.

Please let us know if you have further comments or concerns regarding this matter.

Respectfully submitted,

Jerry Lohr
Chairman, Paso Robles AVA Committee
President, J. Lohr Winery

Justin C. Baldwin
Director, Paso Robles AVA Committee
President, Justin Vineyards & Winery

Robert Z. Haas
Director, Paso Robles AVA Committee
President, Tablas Creek Vineyard

Kevin Kester
Director, Paso Robles AVA Committee
President, Bear Valley Ranch & Vineyards

Doug Kruse
Director, Paso Robles AVA Committee
Owner and Winemaker, Jack Creek Cellars