

FALKNER WINERY

EXECUTIVE SUMMARY

Award Winning Temecula Winery

Falkner Winery
40620 Calle Contento
Temecula, California 92591

The **Falkner Winery** is a spectacular and rare opportunity to own an award winning, fully operating and well-established Winery, Restaurant and Wedding Venue - in the booming Temecula Valley Wine Country. Located on a picturesque hill with expansive views, just off Rancho California Road, which is the main artery into the Wine Country, the location and facilities offer unparalleled opportunities in the burgeoning hospitality business in the Temecula Valley.

The exceptional demographics of the area are well established to support growth in all aspects of the hospitality and entertainment field – with over 22 million people within a two-hour drive. In 2018 the Temecula Valley hosted over 24 million Visitors – with revenue of \$1.1 Billion, a 26% annual increase from 2004 to 2018, and the numbers are growing according to Temecula Valley Winegrowers Association, Visit Temecula Valley, and the Temecula Chamber of Commerce. Falkner Winery has received an average of 70,000 visitors per year, and the potential for increasing these numbers is substantial.

Falkner Winery was established in 2000 and has earned a reputation as one of the premiere wineries in the area – for numerous reasons. The winery has gained distinction for its high-quality wines, location as a premiere wedding venue, great dining at its Pinnacle Restaurant, beautiful views from its lushly landscaped wine tasting and picnic areas, wine tasting classes, tours, VIP wine tasting, and private venues for parties and weddings. The owners have continuously upgraded and improved the facilities for wine production, sales, and storage, producing award winning wines and increasing sales annually

The existing infrastructure includes:

TOTAL OF 23 ACRES

15 acres of mature vineyards: Viognier, Merlot, Sauvignon Blanc, Zinfandel, Sangiovese, and Cabernet Sauvignon. The vineyards have the capacity to produce approximately 40 Tons of grapes. An average price would be \$2,100 per ton, for a total of \$84,000 annually. Retail value of this crop once converted to wine would be approximately \$1,200,000.

Winery Building/Tasting Room: The newly constructed Winery Building/Tasting Room was completed in July of 2022 and offers a State-of-the-Art winemaking facility, with every amenity needed to create the exceptional wines for which Falkner is known. The Wine Production area hosts all new equipment including 14 stainless steel jacketed fermentation and storage tanks with Catwalk, Glycol Cooling System, Laboratory, and extensive area for barrel and case good storage. Included are over 115 barrels of various sizes – from 59 gallon, 70 gallon, and Flex Tanks of 240 to 300 gallon capacity. The crushing facilities can process 650 tons of grapes annually. In 2022 Falkner will produce approximately 6,500 cases. The total capacity of the winery is 25,000 cases.

Designed in a beautiful Rustic – Farm-House style, the 10,974 square foot structure includes a Tasting Room which offers an exceptional Wine Tasting experience on the expansive 2,900 square foot deck, patios and private tasting rooms. There is also a spacious Mezzanine with Offices, bathroom, conference room, and a comfortable changing room with make-up stations for the Wedding Party and a private bath.

Pinnacle Restaurant: The 10,000 Square Foot structure includes full kitchen, walk-in refrigerator, extensive private meeting areas, storage for barrels and case goods, and is used for catering and weddings. There is an elevator for easy access.

Existing Income Streams:

Weddings

Falkner Winery is well known as one of the premier Wedding Sites in the Temecula Valley – because of its unparalleled facilities and spectacular views, excellent food from the Pinnacle Restaurant, quality wines, hard liquor availability and unparalleled customer service. Refer to the Falkner Winery website - **FalknerWinery.com** for further information on the wedding experience. The New Tasting Room and Winery Building offers a new level of comfort and convenience for the wedding party with an elegant changing room to prepare for the big event. After opening for weddings in May of 2022 they have booked over 80 weddings for the year, and are on track to host 125 to 150 weddings in 2023.

Pinnacle Restaurant

Four years of planning and construction was completed in September 2006 with the grand opening of The Pinnacle Restaurant at Falkner Winery. Set on a hilltop, Pinnacle Restaurant offers seating in the air conditioned indoors or on the wrap around balcony, all with gorgeous views, and specializes in Mediterranean/American cuisine. The restaurant is also used to prepare food for weddings. Below the

restaurant are additional facilities for special events, barrel, and case good storage. The building is 10,000 square feet.

Direct Retail Sales at the Winery

Falkner Winery produces approximately 14 different wines in order to appeal to the diverse tastes of customers visiting the winery. All wines are produced by their winemaker, Duncan Williams, who has over 30 years of experience in the winemaking business.

Tastings, wine by the glass, bottle and case, tours, are prominent income category. The price for tasting is \$30 per tasting.

Wholesale Distribution: Southern California Market Chains carrying Falkner Wine include – Total Wine, Bev Mo's.

Wine Club: Members commit to purchasing from 12 to 16 bottles a year and receive a 20% discount on their wine and merchandise purchases. Falkner Winery club provides its approximately 1,000 members with a dedicated club room for tastings and lounging. Wine clubs at other wineries in the area can number in the 5,000 to 8,000 – so the potential for growth of the wine club is substantial. Additional benefits include 2 for 1 wine tasting, 50% discount on wine while dining in the Pinnacle Restaurant, Priority Pick-up Parties. Wine Clubs in the Temecula Valley usually average 5,000 to 7,000 members, and annual sales with regular monthly or bi-monthly shipping to the members can generate \$1.8 Million to \$2.5 Million annually.

The Head Winemaker, Duncan Williams, and his staff offer unparalleled knowledge of the property and processes, and may be willing to continue, offering great continuity to assist in a transition to new ownership.

Bulk Wine Sales: Falkner Winery buys and sells bulk wine grape juice as needed depending on demands. They trade and sell with local and central California wineries.

Potential Increase in Income Streams:

Increase wine production from 6,500 cases to 25,000 cases

Increase Wine Club Membership and Sales

Increase Retail Gift Shop Sales

Wedding Event Expansion with Liquor License

The Pinnacle Restaurant: The Pinnacle Restaurant is currently being used only during lunch and could be opened for Breakfast, Sunday Brunch, and dinner, and special events.

ESTIMATE OF VALUE:

BUSINESS VALUE: **\$1,500,000**

FIXED ASSETS:

Land	22.16 Acres at \$90,000 per acre	\$2,200,000
New Winery/Tasting Rm	10,974 square feet	\$4,500,000
Restaurant/Storage Bldg	10,000 Square Feet	\$4,100,000
Equipment		\$1,560,000

**TOTAL VALUE OF FIXED ASSETS PLUS
BUSINESS:** **\$13,860,000**

OFFERING PRICE **\$13,000,000**

INVENTORY TO BE SOLD SEPARATELY:

Approximately \$1 Million (To be sold on a "Cost" Basis), including Bulk and Bottled Wine, Glasses, Gifts

(Source: Falkner Winery Management)

For additional information please contact:

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All information is deemed reliable but not verified by broker.