

## High spirits on Pier 50 New distillery backed by Oakville vintner hopes to make San Francisco into a gin town

- David Armstrong, Chronicle Staff Writer  
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Two men in work coveralls wandered in from their posts at the Port of San Francisco on a recent afternoon and hopefully inquired if the folks at Pier 50 were handing out any free samples.

"Not today," they were told.

The men were kidding, but the enterprise taking shape at Pier 50, a weathered finger pier on the city's southeastern waterfront, is no joke: It's a licensed gin distillery, built to capture a share of the high-margin gourmet spirits market.

Distillery 209, as the project is known, combines British gin-distilling expertise with California Wine Country capital and entrepreneurial flair. The startup moved into a cavernous renovated space on Pier 50 in December, built a gleaming copper still and began producing experimental batches a few weeks ago. The company plans to test-market its gin in June.

"We have got a chance to do something special here," said owner Leslie Rudd. "We are here because this is one of the great cities of the world."

Distillery 209 faces a double challenge: inducing trendy martini-bar habitues, who have embraced vodka in recent years, to make their cocktails with gin instead, and convincing gin connoisseurs to buy its 209 brand, which will be more expensive than even some established imports.

The company hopes to pull off that double win by banking on San Francisco's cultural cachet and Rudd's track record in the drinks and food industries.

Rudd, who owns Rudd Vineyards and Winery in Oakville, also owns Kansas liquor distributor Standard Beverage Corp. and is majority owner of 14 Dean and DeLuca gourmet food stores and cafes, including the Dean and DeLuca in St. Helena. He named Distillery 209 after an unused historic distillery in Napa Valley.

"He's a private, self-effacing man. He's not a public figure, but he has been very creative and innovative as a restaurateur, as a vintner and as owner of Dean & DeLuca," said wine industry business consultant Vic Motto of the Napa Valley firm MFK Group.

"He's very in touch with what the consumer wants. I don't drink gin and don't know a lot about it, but looking at his track record, I wouldn't second-guess him," said Motto, whose firm has done wine-consulting work for Rudd but isn't working with him now.

Rudd has put an undisclosed sum into the privately held gin venture, which may, he said, eventually branch out to make other beverages, too. But the main emphasis is on gin, which he lauded as "a thinking man's drink."

Especially when compared with gin's main rival, vodka, which gin connoisseurs insist just doesn't have the complexity and depth of their favorite tiple.

"Gin is flavored vodka, you know," Rudd said. "It's a clean, neutral grain spirit, and nine or 10 things go into it." The signature ingredient, juniper, gives gin its characteristic taste and aroma. The basic spirit is additionally enriched with a variable blend of botanical ingredients, distilled, quickly cooled and bottled. Unlike whiskey, which is aged, gin is ready to drink right away.

## Partners from Scotland

Rudd's partner in the new venture, Scotland-born Colin MacPhail, is also his project manager and master distiller. MacPhail brought in fellow Scot Richard Forsyth to build what MacPhail calls "a classic, swan's neck still."

Designed and made in Scotland, the still was shipped to San Francisco and reassembled in Pier 50's Shed B, south of SBC Park and the Bay Bridge. MacPhail said Distillery 209 executives liked the 26-foot-high ceilings and roominess of the 5,000-square-foot space they lease from the port, as well as the bayside chill; it's good for cooling off the still, which boils and steams in use.

"It's great to look out at the water and the bridge and into the guts of the ballpark and hear the seagulls. You really know you're in San Francisco," MacPhail said.

The still, fashioned from hand-hammered copper, is capable of producing up to 300 cases of gin at one go. The machine is studded with nuts and bolts and festooned with dials and has a small door that opens into a copper pot where the gin is made. A long metallic neck swoops up from the pot, 8 1/2 feet off the concrete floor and reached by a metal stairway.

"When people think of Scotland, they think of whiskey," said Forsyth, whose family-owned Scottish company, Forsyth Group, has built distilleries and breweries in Singapore, Thailand, Canada and Kentucky, among other places. "But stills can be used for other beverages. This is a serious, commercial still."

"Scots can distill anything," said MacPhail, a former BBC producer who has lived in this country for five years. "It's in the blood."

## British consulate helped

MacPhail enlisted help from the British consulate in San Francisco to find a location for the new distillery, networking with local businesses and learning about the permit process in San Francisco.

"It's British know-how backed by an American, a perfect combination," said Nicole Patrick, British vice consul for trade at the San Francisco consulate.

"San Francisco is a very cocktail-drinking town," she said, so San Francisco and gin make another great combination.

However, many cocktails are made with vodka these days.

Indeed, vodka owns 25.7 percent of the U.S. market for spirits, according to Monica Ball, a spokeswoman for the Distilled Spirits Council of the United States, while gin accounts for just 7.2 percent. Ball attributes vodka's popularity chiefly to its neutral taste, which makes it an ideal cocktail mix.

San Francisco already has a strong vodka connection, thanks in part to Skyy Spirits, which inventor Maurice Kanbar founded in San Francisco in 1992 and sold to Italy's Campari Group in 2001. Skyy is still headquartered in the city and bottles its product in Northern California but distills vodka in the Midwest.

## Switching to gin

Inducing vodka drinkers to try gin, which has a relatively old-school image, "is part of the overall challenge of marketing. It will take a few years to build the market," said Bill Owens, president of the American Distilling Institute.

Owens said there are 132 liquor distilleries in the United States, of which 50 are independently owned craft distilleries that make high-quality gin and other spirits in small quantities. Notable among them is another San Francisco company: Anchor Steam Beer brewer Fritz Maytag's Anchor Distilling, which makes Junipero, an epicurean gin that retails for \$30 per bottle.

Most gin brands, even well-known and well-regarded British imports such as Beefeater, Tanqueray and Plymouth, sell in the mid- to high-\$20 range. Mass- market domestic brands are not considered premium. The 209 brand will be priced around \$30.

"High-end brands account for maybe 0.5 percent of the gin market," Owens said. "But at that price, you have discriminating consumers."

Distillery 209 hopes to break into that small but potentially lucrative market.

"We'll be testing 209 in Georgia, Arizona and Oklahoma," said Rudd. "We expect to be selling in California in September. With the setup we have here, we will be fully competitive. We want to have consumer say, 'I'm switching to gin.' "

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## How gin is made

-- Gin is made in a still, using a neutral grain spirit as a base, flavored with juniper berries and other botanicals such as coriander seed, lemon peel and anise, which have soaked in the spirit overnight.

-- The resulting liquid is boiled down to rid it of impurities, cooled and bottled.

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