

Style



Selling livable luxury

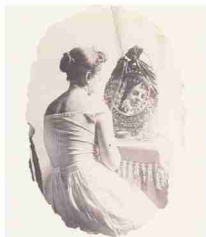
*Restoration Hardware opens grandiose
RH Yountville, where you can wine,
dine and feather your nest.*

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Radar
*Two cool
hotels add
cozy
upgrades,
artistic*



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COVER STORY

RH empire of luxe expands to Yountville

By Jennifer Raiser

It takes a certain confidence to open a new place to eat or drink in Yountville. The charming Napa Valley hamlet already boasts two Michelin starred-restaurants. So when Restoration Hardware acquired the historic Ma(i)sonry winery just down the road from the French Laundry, and then took out a restaurant permit, it seemed like a bold move.

Was the Corte Madera company known for its Belgian linen sofas and doorstep-heavy catalogs getting into the wine business? The food business? Turns out, they want to get into the lifestyle business, big-time. Chairman and CEO Gary Friedman aims for nothing less than to give you an experience of life well-lived through “an integration of food, wine, art and design” in one sybaritic spot in the heart of Wine Country: RH Yountville.

Situated along Washington Street, Yountville's impeccably manicured main thoroughfare, the 9,000-square-foot compound is a world unto itself. RH Yountville includes a tasting room in the stone-clad 1904 Wine Vault, a series of outdoor living rooms offering coffee and wine flights from early until late, and a beautifully appointed RH Cafe serving easy but sophisticated plates all day long. Oh, and around back is a series of eight showrooms (called “lifestyle galleries”) featuring those Belgian linen sofas and a curated selection of covetables from the Source Book catalog where you can imagine yourself living like this all the time.

It's all very haute-Napa, with the exception of numerous crystal chandeliers throughout the property, which add a certain Beverly Hills brashness to the mix.

“RH Yountville is an integration of food, wine, art and design,” Friedman explains during an interview at RH Yountville. It's also “an experience that activates all of the senses — one that cannot be replicated online.”

And he has more plans to come for the Wine Vault, a two-story stone edifice that shares an early provenance with the building that houses the French Laundry.

“We are offering highly allocated wines by the glass, bottle or case,” he says. “We're

set up to have a DJ come in some evenings and play chill music. This will be a cool wine bar where winemakers, folks in the food business, locals and tourists all come after an amazing dinner.”

Friedman is unabashedly burnishing RH's image from a furniture chain into something more aspirational. “We are moving from creating and selling products to conceptualizing and selling spaces,” he says, adding, “We are creating spaces that are more home than store. Hospitality has been an evolving part of our truth.” RH Yountville was designed by architect Jim Gilliam, of the prestigious Napa firm of Backen, Gilliam & Kroeger.

Gilliam echoes the emphasis on experience. The design of RH Yountville — “three simple buildings and one beautiful old historic stone house acting in concert and scale with interconnecting passageways and courtyard gardens” — all adds up to “a unique hospitality experience.”

The Napa property is just the latest venture into the lifestyle market. In September, Friedman oversaw the opening of RH New York in Manhattan's Meatpacking District. The company took over the building that formerly housed Brian McNally's beloved Pastis restaurant to create a 90,000-square-foot behemoth of galleries, showrooms, restaurant, wine and coffee bar, and will be adding what he calls a “guesthouse,” of 11 rooms and a penthouse. There's RH Boston, in the restored Museum of Natural History, and RH Chicago opened last year in an equally historic building. RH Chicago has the same splashy galleries, gathering spaces, and restaurant operated by Brendan Sodikoff, who oversees six upscale RH restaurants, including Yountville.

Friedman, 61, is excited to partner with Sodikoff, an up-and-coming 40-year-old chef/restaurateur who shares his vision. “Brendan is obsessed about quality. He thinks about food the way we think about furniture.”

In keeping with the lifestyle message, Sodikoff's menu for RH Cafe serves what Friedman calls “addictive” fare, from truffled scrambled eggs and avocado toast in the morning to locally sourced salads, roast chicken, salmon, steak and the “best burger

in America" fashioned after Sodikoff's Au Cheval restaurant in Chicago.

RH Cafe serves this elevated comfort food under a clear glass roof adorned with crystal chandeliers, olive trees and a trickling fountain. It's an indoor-outdoor, high-low, fancy-casual experience that is a deliberate respite from too many Michelin-starred meals. And it's consistent with how the brand wants to convey its particular juxtaposition of livable luxury.

At a time when many retailers are moving online, RH is determined to expand its real estate presence. Friedman insists the old retail furniture model is all wrong. "Most stores are archaic windowless boxes with an absence of humanity. We don't build retail stores — we create inspiring spaces that blur the lines between residential and retail, indoors and outdoors, home and hospitality."

He is convinced that people still want to experience the furniture, lighting, fixtures and linens they will be using for years to come.

"We have the opportunity to communicate through extraordinary physical spaces. This is a living, breathing experience. You can't get that from a website or social media." He also wants to shed Restoration Hardware's folksy image of selling nostalgic reproductions. "It's taken years on this journey to create a 'forced reconsideration' of the brand. It's hard to change how people perceive you."

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Friedman is no stranger to trying new things with the brand, which he joined in 2001 after stints with Gap, Pottery Barn and Williams-Sonoma. In addition to being the chairman, CEO and significant shareholder, Friedman is the chief innovator, the one who approves every swatch, every vendor and every one of those huge catalogs.

"What makes RH special is the people: designers, artisans, manufacturers all around the world. We don't have contracts, we have super long, deep relationships with people we love to work with."

He cites the Ralph Lauren brand as an inspiration, and Lauren himself as a mentor. "Ralph and I have a lot in common in how we see the retail world. He stays the course." He proudly adds, "He loves the fact that I carry a beat-up leather postal bag from his store instead of a briefcase. He wants one."

To be successful, Friedman says, he evaluates the emotional, strategic and financial value of an idea. He asks how it renders brand or business value, or distinguishes the brand. Does it have high emotional/strategic/market value? He believes an idea has to captivate the team for them to carry it to fruition.

Not all of Friedman's decisions for RH have been well received. There was an abandoned foray into the contemporary art business, "because we lacked a unique point of view." An earlier expansion into kitchenware was not profitable. And a certain local contingent greeted his Yountville plans with concerns about overtaxing the 3,000-person town with parking and late-night drinking.

With Bistro Jeanty, Redd Wood, Bouchon, and many other dining establishments in the immediate area, did Yountville need another national chef making a foray into local territory? They feared RH Yountville would continue what some see as the "Disneyfication" of already-precious Yountville.

Nevertheless, most local establishments see RH attracting a like-minded clientele. Neighboring impresario Jean-Charles Boisset of Raymond, Buena Vista, and DeLoach wineries recently opened a tasting room and epicurean market farther up Washington Street.

"We are delighted to welcome RH as a must-see destination," Boisset said. "RH's unique and elegant style brings comfort and Wine Country 'chic-ness' to Yountville. Let's celebrate vision and texture!"

By any stretch, RH Yountville is part of a daring and expensive strategic shift for the company. While RH makes a policy of not revealing project expenditures, Forbes magazine reported the company spent \$50 million on RH Manhattan in addition to an undisclosed amount from the developer, and more RH expansions of this sort are planned. Over the past 52 weeks, the company's stock price has more than doubled to \$116 per share as of Nov. 28, with third-quarter earnings to be announced on Dec. 4.

But the shift in strategy may come at a cost. As reported previously by The Chronicle, in November, the company notified the California Employment Development Department that it would lay off 81 people by year's end, 71 of whom worked at the Corte Madera headquarters. The company declined to comment on the layoffs.

Friedman is convinced the location and the message are spot on. "Napa is a global

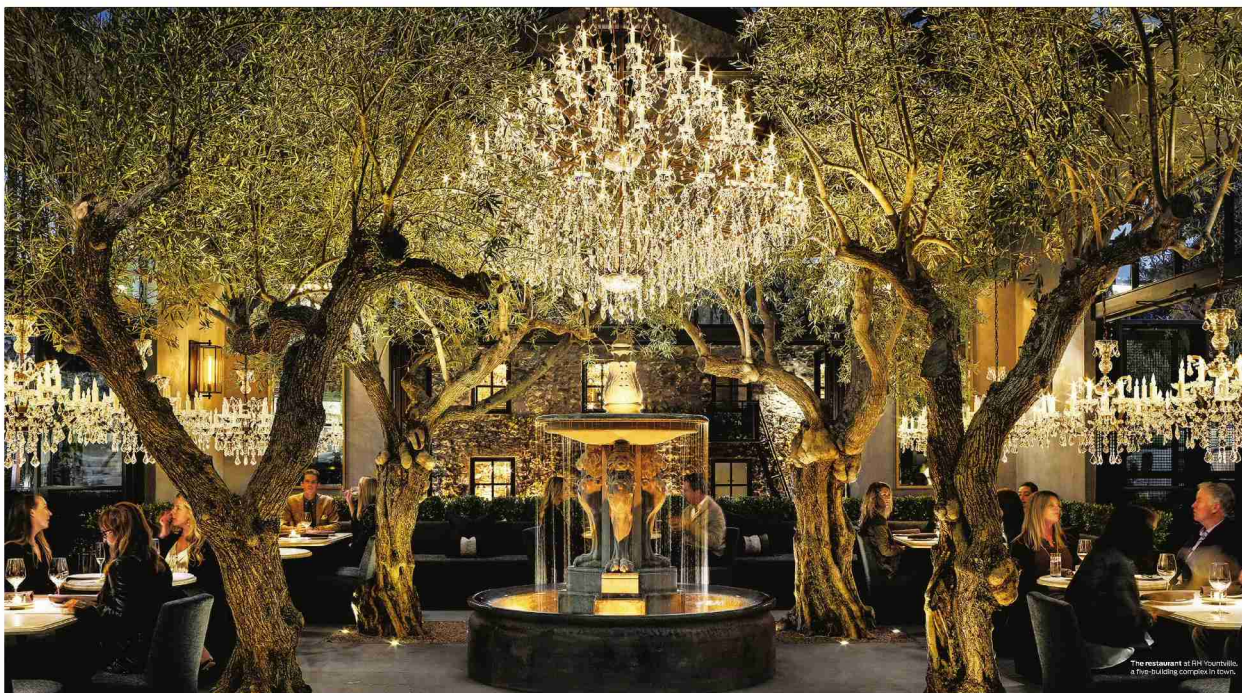
destination where the affluent and aspirational vacation,” he says, and RH Yountville is “an indigenous experience that reflects local culture.”

And that culture is increasingly driven by tourism.

“People come from all over the world to live the good life right here,” he says. “So of course we should be here. This place gives us goosebumps.

“And,” he adds, “we want to give them goosebumps, too.”

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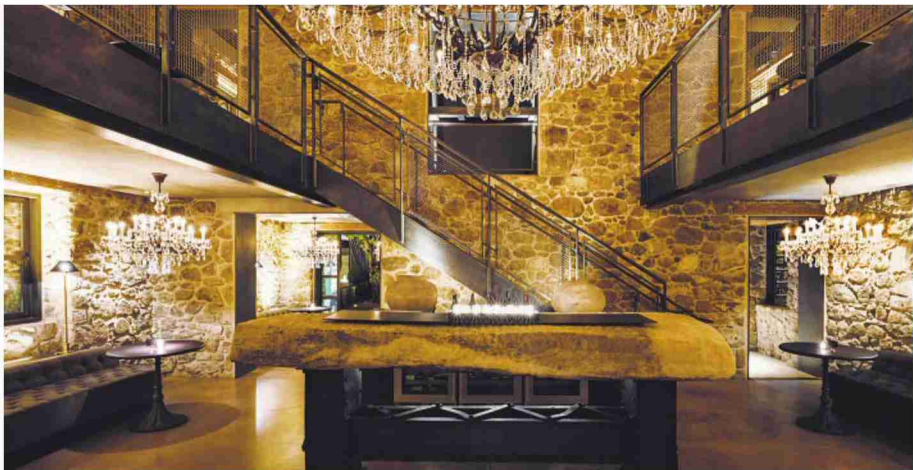
The restaurant of the Ritz-Carlton, Napa Valley, a five-building complex in town.

“We have the opportunity to communicate through extraordinary physical spaces. This is a living, breathing experience.”

Gary Friedman, RH chairman & CEO



Liz Hafalia / The Chronicle



The stone-clad Wine Vault at the historic Ma(i)sonry winery has reopened as part of RH Yountville and includes a tasting room.