ORD16-0001

Public Comments

2/9/22 to 2/15/22

EXTERNAL

This is so important. Please consider the following points in fashioning the Ordinance.

1. All parties are events. There is no rational basis for the Staff including Release and Wine Club parties as events and categorizing Pick-up Parties and Harvest Parties as activities and thus not subject to the limitation in use permits on events. All parties must be considered events as has been the County's practice for decades. Creating carve-outs for certain types of events that are not subject to the limitations in use permits, particularly when there is little if any practical difference in impacts between such types of events, will create a compliance nightmare. The County must include in the ordinance its long-standing practice that all parties - wine club, pick-up, release, harvest or any other such party be counted as an event and covered under the winery's use permit.

2. Trade gatherings that include a meal or that are held after hours must be categorized as an

event just the County treats a such a gathering of other visitors to the winery and included in the use permit. By proposing a carve-out to allow events for "Trade Partners" that do not count as events under a winery's use permit creates a major loophole for wineries to expand entitlements. There is no practical means for the public or the County to assess if an event held for the "trade" was truly trade event or some other event for customers of the winery. Furthermore, the impacts to the neighborhood resulting from an event held for the "trade" are exactly the same as the impacts created by an event held for any other group of visitors to the winery. Wineries have the ability to conduct trade events; however, such gatherings need to be specified in the use permit application so the County can assess the potential impacts to the neighborhood, just like the County does with all other types of gatherings.

3. Since the County is not conducting any CEQA analysis, the ordinance has to be absolutely clear that any existing use permit holder must get a modification to it use permit for any increase in its hospitality operations

4. The Commission should adopt additional siting criteria as part of the ordinance including:

- a. 20-acre minimum parcel size
- b. 18-foot minimum access roads
- c. No outdoor amplified sound
- d. Density standard of no more than 2 facilities in 1/2 mile

Our future depends on this. Thank you,

Nancy Feehan 30090 Seaview Road Cazadero CA 95421

THIS EMAIL ORIGINATED OUTSIDE OF THE SONOMA COUNTY EMAIL SYSTEM.

Warning: If you don't know this email sender or the email is unexpected, do not click any web links, attachments, and never give out your user ID or password. Dear PRMD:

Regarding the proposed ordinance: we would like to see further clarity on what is classified as an event as compared to a business activity. We would like to see wine pick up days, winemaker lunches and distributor dinners classified as a business activity and not count as an event on the winery use permit. These activities already fall within the winery's use permit guidelines for parking, max capacity, sewage etc. In particular, wine pick up days are important customer relations days. Many of us do not have cased good storage of any significance on site. There is no way for us to accommodate holding wine for customers over many weeks or months while they dribble in to pick up their wines. The latter format also places a much heavier burden on our staff and takes away from precious time with new customers.

Thank you,

Ted Lemon Proprietor Littorai Wines 788 Gold Ridge Rd Sebastopol, CA 95472

Tel: 707-823-9586 Fax: 707-823-9589

THIS EMAIL ORIGINATED OUTSIDE OF THE SONOMA COUNTY EMAIL SYSTEM. Warning: If you don't know this email sender or the email is unexpected, do not click any web links, attachments, and never give out your user ID or password. February 11, 2022

Good Afternoon:

I am writing in anticipation of the Sonoma County Planning Commission's Update on Winery Events scheduled for Tuesday, February 17.

Sonoma County Vintners Association once again wants to communicate and support our previous proposal and efforts over the past few years recommending our County adopt clear definitions as to what constitutes a winery event versus a winery business activity.

The operation of a winery in any agricultural Land Use Designation requires a Use Permit. Like other Use Permits, conditions are required to address the impacts of that operation. The conditions are not to direct how the applicant operates the business. For example, a church needs to provide parking, ADA compliant access and restrooms, however, limitations are not made on the number of weddings they may perform or the number of services offered.

Similarly, a winery produces wine and sells that wine through several different channels allowed under their permits from the California Alcoholic Beverage Control and the federal TTB.

These are business activities inherent to the operation of the winery that allow the winery to be successful.

With wholesale wine distribution undergoing vast consolidation over the past five years, now more than ever, wineries, especially small family owed wineries, cannot secure adequate wholesale distribution. Direct to Consumer sales and the related business activities are without a doubt critical for winery survival in today's market.

We support the definitions and proposal that wine pick up days, winemaker lunches, distributor dinners and additional consumer sales related activities be classified as a business activity and not count as an event on a winery use permit. These activities will fall within the wineries use permit guidelines for parking, max capacity, sewage...

Other activities outside a winery operations business model (i.e. weddings, political gatherings, philanthropic fundraisers) or those that exceed the winery's managed capacity, can be regulated as events. The number of these events can be spelled out in the winery's Use Permit.

The past five years have been stressful for our family owned wineries as they have responded to fires, flood, power cutoffs and now pandemic challenges. Our wineries have been resilient and demonstrated creativity in order to survive and remain one of our

counties main economic and employment leaders, as well as a main charitable contributor. Now is not the time to handcuff them further with guidelines or an ordinance that does not clearly identify what an allowed business activity is conditioned by the property's ability to mitigate impacts.

Thank you for your time and consideration.

Sincerely,

Michael Haney Executive Director Sonoma County Vintners Sonoma County Vintners Foundation

THIS EMAIL ORIGINATED OUTSIDE OF THE SONOMA COUNTY EMAIL SYSTEM. Warning: If you don't know this email sender or the email is unexpected, do not click any web links, attachments, and never give out your user ID or password. Dear Planning Commissioner:

I support the winery ordinance and applaud the work everyone has done so far.

The purpose of the ordinance is to provide clarity for staff, avoid conflicts and close loopholes while protecting local residents from unauthorized events, parties and other gatherings.

What continues to trouble me is the new proposed definition of events and activities. While the Staff's table is generally consistent with long-standing practices, the ordinance needs further clarification and the closure of a few significant loopholes.

Here are areas that need to be addressed:

1- Anytime visitors are invited it is an event, whether it be pick-up parties, harvest parties, trade gatherings, weddings, educational outings or whatever.

2- Staff lists winemaker lunches, dinners, release parties and wine club parties as promotional events. That's fine. Exempting lunches or dinners for a certain class of Trade Meeting attendees will create an unverifiable and unenforceable standard. There will never be an effective way to monitor this. It is an invitation to abuse with no means of enforcement. A gathering has the same impact whether held for trade or members of the public. There should be no exemptions for wine trade members.

3- The County has long maintained parties held for visitors (not employees) are events. If wine club and release parties are events so are pick-up and harvest parties. The invitation to gather and the impacts are the same no matter what name you give it.

4- Trade Meetings should be treated the same as other AG promotional events and all parties should be classified as events.

5- No "Honor System" will be sufficient here. We need clearly defined rules to make the ordinance effective.

Climate change and drought conditions are not going away. We want businesses to thrive as well as take care of our lands and ecosystem. Let's do this ordinance to protect everyone and everything.

Thank you for your cooperation.

CHRISTINA MEYER Rohnert Park

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Greetings~

Thank you for helping to support homes and residents that are subjected to winery noise elements, including congestion on roads! We desperately need support from our elected officials.

We live in a neighborhood of homes and apartments that are greatly impacted pretty much every day by a loud winery and their events.

The winery has basically turned into an event center. They have amplified music almost everyday but two, parties/events, weddings and happy hours in addition to their regular wine tastings. Patrons have very raised conversations due to the amplified music and drinking. There are loud arguments. Advertised Happy hours go from 5:00 to 9:00 at night. Not the normal 3:00-5:00. At any given time there can be 60 plus cars in their parking lot. There is no turn lane into the property from the Highway. This is an example of over concentration and abuse of any permits? And where is the septic? These are legitimate concerns.

When approached by their neighbors about the events and noise the response from the owner is, "We will do what it takes to make our customers happy" When asked what their noise policy is, there is no response. There is no monitoring or enforcement. When all else fails, calling the sheriff, the response is "There is no noise ordinance" When asked to build a sound wall, the answer is no. When calling to complain they accuse us of harassing them.

This establishment is not focused on ag/vineyards to learn about wine making etc. There is no wine making on site. This obtrusive situation has become a health problem and contributes to stress. It decreases property values. It also interferes with sleep and concentration.

The question is what are the set back requirements in a residential area? The outdoor patio events are 30 feet from property lines. The wedding site is even less from property line. Why does there have to be amplified music? This has been going on for years.

We feel defeated with no recourse, and no rights.

Thank you for your help, no one should have to endure this frustrating situation.

Susan and Keith Evans West County Residents of 27 years

From:	Brian Oh
То:	Hannah Spencer; Georgia McDaniel
Subject:	FW: Winery Event Ordinance
Date:	Monday, February 14, 2022 9:22:39 AM

Dear Commissioners:

So much time has passed since the Commission originally began the discussions, it is imperative to remind you of the community groups' concern about the potential for the ordinance to expand entitlements for entertainment and hospitality services at wineries located in ag and rural areas.

The proposed ordinance has a number of loopholes (see below) that have the effect of rolling back long-standing County standards and making enforcement of standards virtually impossible.

1. All parties are events. There is no rational basis for the Staff including Release and Wine Club parties as events and categorizing Pick-up Parties and Harvest Parties as activities and thus not subject to the limitation in use permits on events. All parties must be considered events as has been the County's practice for decades. Creating carve-outs for certain types of events that are not subject to the limitations in use permits, particularly when there is little if any practical difference in impacts between such types of events, will create a compliance nightmare. The County must include in the ordinance its long-standing practice that all parties -- wine club, pick-up, release, harvest or any other such party -- be counted as events and covered under the winery's use permit.

2. Trade gatherings that include a meal or that are held after hours must be categorized as events just the County treats such gatherings of other visitors to the winery and included in the use permit. A carve-out to allow events for "Trade Partners" that do not count as events under a winery's use permit creates a major loophole for wineries to expand entitlements. There is no practical means for the public or the County to assess if an event held for the "trade" was truly a trade event or some other event for customers of the winery. Furthermore, the impacts to the neighborhood resulting from an event held for the "trade" are exactly the same as the impacts

created by an event held for any other group of visitors to the winery. Wineries have the ability to conduct trade events; however, such gatherings need to be specified in the use permit application so the County can assess the potential impacts to the neighborhood, just like the County does with all other types of gatherings.

3. Since the County is not conducting any CEQA analysis, the ordinance has to be absolute clear that any existing use permit holder must get a modification to its use permit for any increase in its hospitality operations

4. The Commission should adopt additional siting criteria as part of the ordinance including:

- a. 20-acre minimum parcel size
- b. 18-foot minimum access roads
- c. No outdoor amplified sound
- d. Density standard of no more than 2 facilities in 1/2 mile

Thank you for your consideration of my perspectives.

-- Rick Luttmann

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Warning: If you don't know this email sender or the email is unexpected, do not click any web links, attachments, and never give out your user ID or password. Dear Planning Commission,

You have many issues to address with respect to the winery events. I would like to focus on one.

I like the wine industry. I am a consumer. I think it's important to the character of the County. I want it to be financially successful.

BUT, I believe **amplified music** at winery events is an unfair and annoying inconvenience imposed on neighbors. County noise standards are not the answer, as the sound of amplified music can and does carry considerable distances. Winery events should not impose noise pollution on neighbors.

If a winery needs amplified music to sell its wine, it should get a new winemaker. The Winery Ordinance should not allow amplified music at events.

If a winery feels it needs amplified music at a particular event, let it apply for a special permit. Amplified music should not be a part of the Winery Ordinance.

Thank you for your consideration.

Chris Koch Kenwood

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From:	sonomacountyhospitality@gmail.com
To:	PlanningAgency
Subject:	Sonoma County Planning Commission"s Update on Winery Events - Letter From SCHA
Date:	February 14, 2022 9:32:02 AM
Attachments:	image001.png
	Winery Events, Letter to Supervisors, Planning Commission.pdf
Importance:	High

EXTERNAL

Please review the attached letter regarding the Sonoma County Planning Commission's Update on Winery Events scheduled for Tuesday, February 15.

Thank you,

Debbie Osborn Senior Program Director Sonoma County Hospitality Association PO Box 6181 Santa Rosa, CA 95406 707-478-7878 https://www.sonomacountyhospitality.org/ SonomaCountyHospitality@gmail.com



HOSPITALITY ASSOCIATION

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February 11, 2022

Sonoma County Planning Commission and Board of Supervisors:

The Sonoma County Hospitality Association (SCHA) represents a wide range of area businesses, from small restaurants to large hotels, wineries, breweries, transportation, attractions and guest facing retail. As a trade group SCHA tends to focus on training, networking, member relations and advocacy. SCHA believes in "stronger together" and recognizes that decisions made that have a negative effect on one effect all.

We are writing in anticipation of and in regard to the Sonoma County Planning Commission's Update on Winery Events scheduled for Tuesday, February 15.

We agree and support the Sonoma County Vintners Association proposal and our Sonoma County wine community efforts over the past few years as they have worked with the County and suggested solutions in order for our County to adopt clear definitions as to what constitutes a winery event versus a winery business activity.

The operation of a winery in any agricultural Land Use Designation requires a Use Permit. Like other Use Permits. For example, a church needs to provide parking, ADA compliant access and restrooms, however, limitations are not made on the number of weddings they may perform or the number of services offered. A winery produces wine and sells that wine through several different channels allowed under their permits from the California Alcoholic Beverage Control and the federal TTB. These are business activities inherent to the operation of the winery that allow the winery to be successful. Other activities outside a winery operations business model (i.e., weddings, political gatherings, philanthropic fundraisers) or those that exceed the winery's managed capacity, can be regulated as events. The number of these events can be spelled out in the winery's Use Permit.

Direct to Consumer sales and the related business activities are without a doubt critical for winery survival in today's market.

So, we support the Vintners proposal that wine pick up days, winemaker lunches, distributor dinners and additional consumer sales related activities be classified as a business activity and not count as an event on a winery use permit.

The past five years have been more than stressful for our family-owned wineries as they have responded to fires, flood, power cutoffs and now pandemic challenges. Our wineries have been resilient and demonstrated creativity in order to survive and remain one of our counties main economic and employment leaders, as well as a main charitable contributor.

Now is not the time to handcuff them further with guidelines or an ordinance that does not clearly identify what an allowed business activity is conditioned by the property's ability to mitigate impacts.

Eric Markson

SCHA Board Chair, President

From:	Marc Bommersbach
To:	Brian Oh; Scott Orr; Georgia McDaniel
Subject:	Fw: Preserve Rural Sonoma County''s comments on the Winery Event Ordinance
Date:	Tuesday, February 15, 2022 11:05:38 AM
Attachments:	Exhibit B PRSC redline markup 5-26.pdf
	PRSC5 winery ordinance5-28PS.pdf

----- Forwarded Message -----

From: Marc Bommersbach <mbommersbach@att.net>

To: greg.carr@sonoma-county.org <greg.carr@sonoma-county.org>; Pat Gilardi county.org>; Jacquelynne Ocana <jacquelynne.ocana@sonoma-county.org>; shaun.mccaffery@sonoma-county.org>; Eric Koenigshofer

<eric.koenigshofer@sonoma-county.org>

Sent: Saturday, February 12, 2022, 11:17:56 AM PST

Subject: Preserve Rural Sonoma County's comments on the Winery Event Ordinance

Dear Commissioners,

PRSC greatly appreciates the County's efforts to conclude a winery event ordinance that codifies many of the County's practices for review and approval of winery use permits.

Attached are Preserve Rural Sonoma County's (PRSC) markup of the Staff's proposed ordinance and comment letter that were submitted into the record for the last hearing.

To expeditiously get to the essence of this ordinance, the Commissioners should review PRSC's proposed changes highlighted in red (attached).

As you can see from the attached markup, the changes PRSC proposes are relatively few, but critically important to have a meaningful and enforceable ordinance.

Key issues:

1. All parties are events. All parties must be considered events as has been the County's practice for decades. Creating carve-outs for certain types of events that are not subject to the limitations in use permits, particularly when there is little if any practical difference in impacts between such types of events, will create a compliance nightmare. The County must include in the ordinance its long-standing practice that all parties - wine club, pick-up, release, harvest or any other such party be counted as an event and covered under the winery's use permit.

2. Trade gatherings held after hours or where meals are provided must be categorized as an event just the County treats a such a gathering of other visitors to the winery. Creating a carve-out for "Trade Partners" that do not count as events under a winery's use permit creates a major loophole for wineries to expand entitlements. The impacts to the neighborhood resulting from an event held for the "trade" are exactly the same as the impacts created by an event held for any other group of visitors to the winery. Furthermore, there is no practical means for the public or the County to assess if an event held for the "trade" was truly trade event or some other event for customers of the winery. Wineries have the ability to conduct trade events; however, such gatherings need to be specified in the use permit application so the County can assess the potential impacts to the neighborhood, just like the County does with all other types of gatherings.

3. Since the County is not conducting any CEQA analysis, the ordinance has to be absolutely clear that any existing use permit holder must get a modification to it use permit for any increase in its hospitality operations

In addition, siting criteria for new winery/tasting rooms was included in discussions from the inception of the County's efforts to manage development in ag areas. The following siting criteria should be included in the ordinance.

- a. 20-acre minimum parcel size
- b. 20-foot minimum access roads
- c. No outdoor amplified sound
- d. Density standard of no more than 2 facilities in 1/2 mile

Thank you for your consideration of this important matter.

Marc Bommersbach

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EXHIBIT "B" CHAPTER 26. SONOMA COUNTY ZONING REGULATIONS ARTICLE 18. AGRICULTURE AND RESOURCE-BASED USE STANDARDS

26-18-260 – Winery Standards

- A. Purpose. This Section 26-18-260 provides a greater level of detail for the desired character of development in areas zoned LIA Land Intensive Agriculture, LEA Land Extensive Agriculture, and DA Diverse Agriculture. For the areas zoned LIA, LEA, and DA, this Section 26-18-260 identifies procedures and criteria applicable to new or modified use permit applications for winery visitor serving activities and winery events. <u>Current use permit holders shall be limited to the visitor and hospitality uses specifically allowed in their use permit conditions.</u> The Standards in this division shall be referred to as "Winery Standards."
- B. Applicable Areas. The provisions of this section apply to parcels zoned LIA Land Intensive Agriculture, LEA-Land Extensive Agriculture, and DA -Diverse Agriculture. For split-zoned parcels, the provisions of this section apply to the portion of the parcel zoned for any of the agricultural zoning districts listed above.
- C. Local Advisory Guidelines. Citizen advisory councils/commissions established by the Board of Supervisors review projects subject to this section in accordance with their adopted local advisory guidelines, and make advisory recommendations to the Permit and Resource Management Department, Board of Zoning Adjustments, Planning Commission, and Board of Supervisors.
- D. Terms and phrases used in this section are defined as follows:
 - 1. **Catering Kitchen** means a facility used for the preparation of food to be served in conjunction with winery visitor-serving activities and/or winery events. A catering kitchen associated with a winery and/or tasting room can include warming ovens, sinks and refrigeration, but no stove top, grill or range hood.
 - 2. **Commercial Kitchen** means a facility used for the preparation of food to be served in conjunction with winery visitor-serving activities and/or winery events. A commercial kitchen associated with a winery and/or tasting room can include counter space, sinks, microwave oven(s), warming oven(s), refrigeration, a stove or range, grill and an exhaust hood, and outdoor equipment such as pizza ovens or barbecues.
 - 3. **Food and Wine Pairing** means providing samples or tastes of site-grown or locallygrown food products that are showcased with different wines.
 - 4. **Rural Area** means any area not located within an urban service area designated on the General Plan Land Use Map.
 - 5. **Winery** means an agricultural processing facility that converts fruit into wine. Wineries may include crush areas, production rooms, case goods and barrel storage, tank rooms, warehouses, bottling lines, laboratories, administrative offices, tasting rooms, event space, commercial kitchen, and catering kitchen.
 - 6. **Winery Events** means events held at wineries and tasting rooms for the purpose of promoting and marketing agricultural products grown or processed in the County. Winery events are secondary and incidental to agricultural production activities occurring onsite and/or in the area and are consistent with General Plan Policy AR-

6d. There are two types of winery events: Agricultural Promotional Events and Industry-Wide Events.

- 7. **Agricultural Promotional Events** are directly related to public education, sales and promotion of agricultural products to consumers, including but not limited to: winemaker lunches, dinners, release/<u>pick-up</u> parties, <u>harvest</u> and wine club parties and similar events.
- 8. **Industry-Wide Events** are promotional activities sponsored by a recognized wine industry association that may involve multiple wineries and/or tasting rooms. Industry-wide events are held within a specified geographic area, during regular tasting room hours, and may last up to 3 consecutive days.
- 9. Wine Trade Partners means distributors, wine trade buyers, restaurant owners and their representatives, <u>winery or tasting room owner(s)</u>, winery employees, and tasting room employees.
- 10. **Winery Visitor Serving Activities** means visitor serving activities that are part of normal winery and wine tasting room business operations. There are two types of winery visitor-serving activities: Sales Activities and Wine Trade Activities.
- 11. **Sales Activities** are wine tasting, <u>pickup parties</u>, tours, seminars and other <u>similar</u> hospitality related activities that support the promotion of wine sales <u>excluding winery</u> <u>events</u>.
- 12. **Wine Trade Activities** are by-invitation meetings, seminars, harvest parties wine tastings and similar activities excluding winery events, and attended only by wine trade partners and are not advertised to the consumer.
- E. Operating Standards.
 - 1. Winery Visitor Serving Activities. Winery visitor serving activities are considered part of normal winery and tasting room business operations. All winery visitor serving activities must be consistent with the <u>tasting room</u> hours of operation, maximum number of guests allowed, building occupancy limits, and operational requirements specified in the use permit.
 - 2. Winery Events. Winery events must be consistent with the hours of operation, maximum number of event days, maximum number of guests allowed, building occupancy limits, and <u>other</u> operational requirements specified in the use permit.
 - 3. Sizing, permissibility and other parameters of winery visitor serving activities and winery events, and maximum number of event days is based upon a variety of factors specific to the site and surrounding uses, including, but not limited to, septic capacity, available water supply, emergency access, availability of on-site parking, noise attenuation, increased risk of harm to people or property as a result of hazards, and the potential for negative cumulative effects related to noise, traffic, and water supplies.
 - 4. Hours of Operation. The maximum hours of operation for winery visitor serving activities and winery events are specified below, unless further limited by the use permit.
 - a. Tasting Rooms. Regular business hours for tasting rooms are 10 am 5 pm.

- b. Winery Visitor Serving Activities. The maximum hours of operation for winery visitor-serving activities are specified below by activity type.
 - (1) Sales Activities: 10 am 5 pm.
 - (2) Wine Trade Activities: 8 10 am 10 5 pm.
- c. Winery Events. The maximum hours of operation for events are specified below by event type.
 - Agricultural Promotional Events may occur during the hours of 10 am – 10 pm, with all cleanup occurring no later than between 9:30-00 pm – 10 pm<u>or as otherwise specified in Use Permit</u> conditions.
 - (2) Industry-wide Events may occur during the hours of 10 am 5 pm.
- 5. Wineries and tasting rooms shall not be rented out to third parties for events.
- 6. On-Site Parking. The following on-site parking is required for wineries and tasting rooms:
 - a. 1 parking space per 2.5 guests and 1 space per employee. The parking standard may be reduced in accordance with Article 86. Parking Regulations Sec. 26-86-010 (i).
 - b. Use of on-site unimproved overflow parking areas or shuttling may be allowed to accommodate winery events, if specified in the use permit.
 - c. Overflow parking and shuttling shall not be used to accommodate parking for winery visitor serving activities.
 - d. No parking is permitted along any public or private roadways or on shared vineyard roads.
- 7. Food Service. Food service is allowed as specified below.
 - a. All food service must be designed to promote and enhance marketing of wine. Food service shall be secondary and incidental to agricultural production, wine sales and education.
 - b. Operating the food service area as a restaurant, café, delicatessen or any food service offering cooked-to-order food is prohibited.
 - c. Food and wine pairings featuring local foods and food products is allowed in conjunction with winery visitor serving activities and winery events_-
 - d.c. Prepared meals featuring local foods and food products is allowed in conjunction with wine trade activities and winery events.

- e.d. Retail sales of pre-packaged food in conjunction with wine tasting is allowed subject to the following limitations:
 - (1) Retail sale of pre-packaged food featuring local foods and food products is allowed during the regular business hours identified in the use permit.
 - (2) Retail sale of pre-packaged food is allowed for on-site consumption only. Outdoor seating areas may be allowed for use as outdoor picnic areas.
 - (3) Indoor seating area or table service in conjunction with retail sales of prepackaged food is prohibited.
 - (4) Off-site signs advertising retail sales of pre-packaged food are prohibited.
- 8. Event Coordination and Traffic Management.
 - a. On-Site Coordinator. An on-site coordinator is required to address complaints about winery events both during and following an event. The on-site Coordinator shall:
 - (1) Ensure that the winery's website prominently lists a telephone number for the public to make event-related complaints; and
 - (2) Send an annual notice to owners and occupants of lots within 300 feet of the winery/tasting room lot boundaries to provide the "complaint hotline" telephone number.
 - b. Traffic Management Plan. Traffic management and parking plans are required to address the maximum number of people visiting during winery visitor serving activities and winery events. For events exceeding 100 participants and for events that require use of overflow parking, the traffic management plan shall include the following:
 - (1) Provisions for event coordination to avoid local traffic delays.
 - (2) Parking attendants for each day of the event.
 - (3) A shuttle plan, if shuttling is requested, to support each day of the event. A convenient and secure "park and ride" area must be provided.
 - (4) A plan for on-site parking requirements and queuing of traffic.
 - (5) Enforcement of the on-street parking restrictions.
 - (6) Subsequent changes to the approved Traffic Management Plan shall be submitted in advance to the Permit and Resource Management Department.
 (6)
- 9. Noise Attenuation Setbacks. Noise is attenuated by distance from the noise source. To ensure compliance with the Sonoma County General Plan Noise Element thresholds for maximum allowable exterior noise exposure levels, winery visitor serving activities and winery events shall meet the required setbacks provided in Table 18-2 below:

Noise generating land use	Setback measured from the exterior property line of any adjacent noise sensitive land use
Parking lots	450 feet
Outdoor areas involving groups of people or non- amplified music (i.e. acoustic)	625 feet
Outdoor areas involving amplified music, or loud instruments such as brass instruments, horns, or drums	1,600 feet

Table 18-2: Required Noise Attenuation Setbacks

Exceptions to the setbacks listed in Table 18-2 above may be allowed when a project-specific noise study prepared in accordance with the Permit and Resource Management Department Guidelines for the Preparation of Noise Analysis determines the project will comply with the Sonoma County General Plan Noise Element due to intervening structures or natural features, available open land on noise sensitive parcels, or by incorporating noise mitigation measures.

- F. Siting Standards:
 - 1. Parcels for new winery and tasting room development shall be at least 20 acres in size
 - 2. New winery and tasting room project locations cannot result in more that two facilities withing a ½ mile distance.
 - 3. Project access shall be off public roads with a minimum 18-foot width
 - 4. Outdoor amplified sound is prohibited



May 28, 2021

County of Sonoma Permit and Resource Management Department 2550 Ventura Avenue Santa Rosa CA 95403

Attn: Tennis Wick, Scott Orr, Brian Oh, Georgia McDaniels

RE: Winery Event Ordinance Hearing, June 3, 2021,

Dear Director Wick,

Preserve Rural Sonoma County (PRSC) appreciates the opportunity to provide comments on the Winery Event Ordinance (red line mark-up attached). To meet the County's objective to avoid CEQA review for this Ordinance, the changes proposed in this letter and the attached red-line mark-up address the concerns of many rural residents who have been impacted by tasting rooms as they have morphed from drop in, stand-up tasting, to venues that offer seated wine and food pairing, meals, and potentially thousands of events.

PRSC's proposed changes will reduce land use conflicts in rural communities and provide clarity and more specificity to the County's winery permitting process by:

- 1. Revising definitions to close loopholes, remove inconsistencies and enhance enforcement.
- 2. Clarifying the ordinance to ensure any additional entitlements are conferred only under a modification to an existing use permit, with appropriate project-specific environmental review.
- 3. Adding siting criteria to address neighborhood compatibility and road safety issues, while preventing new areas of over-concentration.

These changes will not limit the wine industry's ability to grow and to adapt to future business conditions.

Background

The need for the Winery Event Ordinance grew out of concerns that the proliferation of tasting rooms and events in rural areas had gotten out of hand – resulting in significant public safety and environmental impacts. The objective of the Ordinance, as codified in the General Plan, is to create clear standards to manage winery hospitality and events on agricultural land and to address unauthorized promotional uses.

The Ordinance was never intended to expand or intensify visitor serving uses, however, efforts to reclassify what have been historically deemed as "events" to "tasting room activities," and allowing "daily events", would create a significant expansion of entitlements for promotional uses that have been included in hundreds of Use Permits approved over the last several decades.

PRSC appreciates the efforts, both past and present, of Permit Sonoma, Planning Commissioners and the Supervisors, to regulate hospitality uses through Use Permit-based project approvals that clearly specify the size, number, type, and time of day for all uses beyond normal drop-in or by appointment wine tasting. Citizens rely on these criteria and standards to maintain the peace, wellbeing, and safety of our roads and neighborhoods.

Loopholes in the "Definitions:" section should be closed. For example:

<u>"Parties" are events</u> – The County has long considered parties held for visitors (not employees) to be "events". These include release/pick-up parties, wine club parties, harvest parties or other holiday or cultural parties. According to the dictionary, the definition of a party is: *a social gathering of invited guests, typically involving eating, drinking, and entertainment*. The proposed ordinance correctly defines release parties and wine club parties as Agricultural Promotional Events, however, pick-up parties and harvest parties, are listed as activities. This is clearly contradictory, confusing, and inconsistent with past practices. The definition of Agpromotional events should include all four of the listed "parties" (or any other type of party held for visitors) as "events". The rather vague and overly broad term "and other hospitality related activities" should be removed or clarified as to what hospitality uses are envisioned in the term "other".

All visitor gatherings, including Wine Trade Activities, held after tasting room hours or where a meal is served should be considered to be an event - The draft ordinance recognizes the County's long-standing policy that any gathering of visitors after tasting room hours or where a meal is served constitutes an event.

The after-hours limitation is an important provision, particularly for tasting rooms in rural areas. Long duration drinking past 5 pm - into the cocktail and dinner hour has the potential to create both evening disruption in neighborhoods and road safety issues on lightly-patrolled rural roads. Excluding winemaker lunches, dinners and evening gatherings for the trade from the "after tasting room hours" limitation creates an entitlement to an unlimited number of these events. It also creates a loophole for enforcement, because there is no way to determine if a winemaker dinner was an event solely for the trade or just another promotional event. The impacts from events are the same regardless of what is on someone's business card. Furthermore, given the County's long history of limited enforcement, this is a clear opportunity for abuse.

If a winery's business plan requires lunches and dinners and after-hours gatherings for the trade, these events can be included and evaluated in the event totals requested in the Use Permit application process. <u>A winery use permit should not allow events on parcels disassociated from the</u> <u>winery</u> – Section D.6. defines Winery Events as events held at wineries and tasting rooms. However, it also makes the conflicting statements that they can "occur on site and/or in the area". Besides contradicting the first statement, this phrase has the effect of allowing events to be held on parcels geographically disassociated from the winery. The reference to "or in the area" should be removed, otherwise hundreds more parcels, with no protection from a use permit, could be opened up for events. Wineries have the ability to request a zoning permit for a limited number of events in other areas.

<u>Clarify that the Ordinance cannot confer additional entitlements to existing use permit</u> <u>holders</u>

In order to support the County's contention that the ordinance does not create an intensification of use that would require CEQA review for ordinance adoption, it should explicitly state that the provisions of this ordinance do not confer any visitation related entitlements over what is currently specified in writing and approved in a winery/tasting room's current use permit.

In addition, it is our opinion that, without the changes proposed in this letter and the redlined mark-up the items listed below, the ordinance DOES in fact change to the County's "current application review practices," a finding that would trigger CEQA review for the ordinance due to the following changes:

1. Reclassification of gatherings after tasting-room hours, or with service of a meal, to Wine Trade Partners as "activities" instead of them being specified as "events"

2. The classification of some categories of parties as Winery Visitor Serving Activities and part of normal tasting room business operations

3. Modifying "noise setbacks" to allow a portion of the attenuation distance to be measured on adjacent properties, which is inconsistent with the General Plan Noise Element and the County's current use permit review practice that measures noise element compliance at the property line.

To avoid the need for CEQA review, the ordinance must correct the above listed changes to "current application evaluation practices", and clearly state that these definitional changes will only expand the uses that are specifically allowed under current use permits by permit modification.

Additional siting criteria need to be added

Siting criteria, such as minimum road width and parcel size, and a separation or density standard have always been included as part of the ordinance discussions. By setting Siting Criteria, the Ordinance would help the County to screen out projects that would likely be unable to meet mitigation requirements in the use permit process. This early project screening would protect local residents and reduce the risk to developers who may

otherwise spend considerable resources before coming up short in the decision process. It would also relieve staff, commissioners and the public from having to review contentious projects that have significant challenges for approval.

PRSC proposes the following four siting criteria that would address many of the issues raised in stakeholder discussions:

- 1. Access off minimum 18-ft. wide County roadway
- 2. 20-acre minimum parcel size for new wineries
- 3. Separation criteria of no more than two winery driveways in ½ mile
- 4. No outdoor amplified sound, except under a limited number of events per a zoning permit

<u>Minimum 18 ft. roadway</u> – This requirement was discussed in the Winery Working Group that included first responder personnel, and it was generally agreed between the community groups and wine industry that for, new winery applications, there should be sufficient access/egress for both visitors and emergency vehicles.

<u>20-acre minimum parcel size</u> – In agricultural areas the minimum zoning is generally 10 acres for DA and 20 acres for LEA and LIA zones. However, there are a number of parcels in all ag zones that are well below this threshold and that already have use permits. These small parcels present a challenge because they are usually surrounded by residences, are often located on rural lanes with poor access, and draw water from wells that are in close proximity to neighbors' wells. The 20-acre minimum is included in the Dry Creek guidelines and SVCAC guidelines. A 20-acre minimum standard would reduce many of the siting issues associated with smaller parcels. Permit Sonoma and the BZA are already starting to informally consider this criterion in project reviews.

<u>Separation criteria</u> – a separation criteria that allows a maximum two wineries in a ½ mile stretch of roadway would not only address the over-concentration of winery facilities in the identified areas of concentration, but it would lessen the potential for other areas in the County to become over concentrated over time. Both the City of Healdsburg and the City of Sonoma have enacted standards to address over-concentration of tasting rooms in their jurisdictions, and the Sonoma Valley CAC includes the proposed standard as well. The BZA has also now begun to consider density in project approvals.

<u>No outdoor amplified sound</u> –. In rural areas sound can travel significant distances greater than the 1600-foot setback recommended by the sound consultant. Even with applicant-monitored "mitigation," amplified sound can be very disruptive to the neighborhood. This is why the vast majority of use permits prohibit outdoor amplified sound.

<u>Summary</u>

With the changes proposed in this letter, including the revisions incorporated in the attached markup, the Ordinance would not restrict the expansion of visitor serving uses in ag-zones overall. The County would continue to issue use permits, and use permit modifications, with project-specific CEQA review. And the County would retain the right of discretionary review that limits development on specific parcels where environmental, safety and neighborhood compatibility, or cumulative impact issues cannot be addressed.

Ideally, an Ordinance with clear definitions and siting criteria would direct development into areas where it can have fewer impacts and, in order to be in compliance with CEQA, the ordinance would not allow current use permit holders to engage in new or unspecified visitor serving uses without first securing approval through a use permit modification.

Thank you

Preserve Rural Sonoma County

Attachment: Redline comments

EXTERNAL

To: Members of the Board of Zoning Adjustments

Re: Draft Winery Events Ordinance - ORD16-0001

I urge you to direct staff to come back with a Draft Ordinance for Winery Events that is consistent with the direction established by the Board of Supervisors in their resolution of October 11, 2016. The current draft ordinance over-complicates and over-steps what the supervisors resolved.

Winery Events were discussed at a Board of Supervisors study session on July 12, 2016. The clear consensus was that county wide definitions of events and food service were needed and that siting criteria and standards were best set at the local level.

In their meeting on Oct. 11, 2016, the supervisors approved a <u>resolution</u> directing the staff to establish <u>county wide definitions</u> of events and food service and to <u>establish limits in local areas</u> (see attached Resolution).

Following the resolution, the Dry Creek Valley Citizens Advisory Council set out to create a set of guidelines for the Dry Creek Valley. As a member of the CAC at the time, I was intimately involved in this process. The Dry Creek Guidelines were drafted, rigorously debated, and ultimately agreed by the boards of the Dry Creek Valley Association and the Winegrowers of Dry Creek Valley.

The Guidelines were presented for public comment on two publicly noticed meetings of the Dry Creek Valley CAC. They have been utilized by the CAC and applicants to prepare and evaluate winery permit applications since April of 2017. The Guidelines were added to the DCVCAC Blue Book by unanimous approval of the Board of Supervisors on October 16, 2018.

The Dry Creek Valley Guidelines have been working successfully for nearly five years. As it is currently written the draft ordinance would negate these local guidelines. That is not what the supervisors intended.

I understand and support the value of having a consistent set of definitions at the County level with siting criteria and guidelines set at the local level. I respectfully request that you either vote No on the current Draft or ask staff to come back with a draft that is consistent with the guidance provided by the Board of Supervisors in their resolution of October 11, 2016.

Sincerely,

Vicky Farrow

Vicky Farrow, Proprietor Amista Vineyards 3320 Dry Creek Road Healdsburg, CA 95448



Amista ~ making friends

THIS EMAIL ORIGINATED OUTSIDE OF THE SONOMA COUNTY EMAIL SYSTEM. Warning: If you don't know this email sender or the email is unexpected, do not click any web links, attachments, and never give out your user ID or password.

County of Sonoma Agenda Item Summary Report Clerk of the Board 575 Administration Drive Santa Rosa, CA 95403	Agenda Item Number: 10 (This Section for use by Clerk of the Board Only.)		
To: Board of Supervisors	<u> </u>		
Board Agenda Date: October 11, 2016	Vote Requirement: Majority		
Department or Agency Name(s): Permit and Resou	urce Management		
Staff Name and Phone Number:	Supervisorial District(s):		
Jennifer Barrett 565-2336 Dean Parsons 565-1948	All		
Title: Winery Events Study Session Report			
Recommended Actions:			
 Receive a report on the results of the winery events study session, adopt a limited Resolution of Intention for development of specific code amendments, and direct staff to develop standards and siting criteria for areas of local concentration, to be adopted either as guidelines or code amendments. Approve the use of contingency funds in the amount of \$68,272 for the County Counsel's Office for legal review of code amendments and development and operational guidelines. 			
Executive Summary:			
On July 12, 2016, the Board held a study session on Winery Events to consider key issues and policy options that could reduce the potential for neighborhood conflicts and provide more certainty to the permitting process. The Board discussed the policy options, and directed staff to return with a summary of the Board's comments and a revised Resolution of Intention. Staff requests that the Board consider the revised Resolution of Intention limited to code amendments to define events and food service, allow tasting rooms in the Industrial Park zone where processing is sited, and require cultural event permits for industry wide events. Staff would also bring policy options for enhanced code compliance. As requested by some Board members, staff will develop guidelines for winery events that would apply only to specific geographical areas (West Dry Creek, Westside Road and Sonoma Valley).			
BOARD COMMENTS			
Code Compliance			

At the July 12, 2016, meeting, the Board expressed a desire to ensure compliance with existing code, given the difficulty of a "one size fits all" approach in our geographically diverse County. The Board identified new tools to facilitate enforcement and compliance, such as an administrative citation program, third party staff to respond to night and weekend complaints, designation of on-site contacts to respond to complaints, and a progressive discipline (or "three strikes") approach to use permit modification or revocation. The Board has adopted similar measures to this end in the vacation rental program. Some members of the Board also expressed interest in a Napa County-style auditing and fee program.

Code Amendments

The Board recognized the need to clarify the definition of events; giving vintners and the public a clearer idea of what constitutes an event and food service is good policy, and enables both compliance and enforcement efforts. A countywide definition would not change how events are defined in approved use permits, but would apply to new use permit applications. Other proposed code amendments would require cultural event permits for industry-wide events to better coordinate their occurrence in the public right-of-way with triathlon, cycling and running events. The Board also expressed support for a code amendment to allow tasting rooms and events in Industrial Park zones where facilities already provide processing.

Development and Operational Guidelines

Some Board members expressed interest in developing standards and siting criteria for events in areas of local concentration, potentially including Sonoma Valley, Dry Creek Valley and Westside Road. Two Board members expressed concern that a singular approach would not be sensitive to local needs, and observed that the use permit process tends to ferret out issues based on the circumstances of each case. In order to address areas of local concentration without applying a singular approach to the entire County, Staff could develop siting criteria and standards for those areas only addressing, among other things, the following:

- Minimum parcel size;
- Minimum site area for outdoor events;
- Graduated thresholds (event size/lot size);
- Amplified sound;
- Setbacks for noise;
- Complaint 24/7 contacts;
- Parking management;
- Peak hour limitations;
- Local fruit for custom crush; and
- Incentivizing local foods/produce in tasting rooms.

The Board directed staff to return with options to adopt these types of standards either as part of the zoning code or as separate guidelines. Staff would work through the advisory bodies for the Dry Creek Valley Citizens Advisory Council and the Sonoma Valley Citizens Advisory Commission to develop the criteria and standards.

NEXT STEPS

Once the Board adopts the recommended Resolution of Intention, staff will complete the policy analysis, including the Traffic and Noise Studies that are underway. Staff will prepare a recommended draft ordinance that will go to the Planning Commission for consideration and a public hearing. Government Code Section 65855 requires that the Board receive a written recommendation from the Planning Commission on zoning code amendments before Board consideration. Sonoma County Code Section 26-010 states that zoning code amendments may be initiated by a resolution of intention by the Board or Planning Commission.

Prior Board Actions:

July 12, 2016 – Board Study Session

December 9, 2014 – Approve the Comprehensive Planning Work Plan

September 10, 1996 – Adopt resolution of intention to allow limited food service

March 9, 1993 – Adopt Ordinance updating Zoning Code to reflect new policies for agricultural promotion

March 23, 1989 – Adopts General Plan including new Agricultural Resources Element

Strategic Plan Alignment Goal 2: Economic and Environmental Stewardship

Agricultural promotional activities and events are considered essential to the economic viability of the wine industry. These activities can also impact neighborhoods as well as agricultural operations and create potential conflicts with incompatible uses. The goal of existing General Plan policies is to balance these competing interests and preserve agricultural lands while maintaining rural character of the area.

FISCAL Summary - FY 16-17					
Expenditures		Funding Source(s)			
Budgeted Amount	\$	96,510	County General Fund	\$	96,510
Add Appropriations Reqd.	\$	68,272	State/Federal	\$	
	\$		Fees/Other	\$	
	\$		Use of Fund Balance	\$	
	\$		Contingencies	\$	68,272
	\$			\$	
Total Expenditure	\$	164,782	Total Sources	\$	164,782
Narrative Explanation of Fig	scal Impa	cts (If Require	d):	l	

Fiscal Summary - FY 16-17

Narrative Explanation of Fiscal Impacts (If Required):

PRMD planning staff hours for this effort were estimated at \$96,510 in the approved Winery Events Work Plan and are included in the approved budget for FY16/17.

Additional legal review by County Counsel is required and is estimated at \$68,272 for FY 16/17. This adjustment would be made at second quarter consolidated budget adjustments.

	Staffing Impacts			
Position Title (Payroll Classification)	Monthly Salary Range (A – I Step)	Additions (Number)	Deletions (Number)	
Narrative Explanation of Staffing Impact	s (If Required):			
Attachments:				
Draft Board of Supervisors Resolution of	Intention			



County of Sonoma State of California

	Item Number:
Date: October 11, 2016	Resolution Number: <u>16-</u>
	ORD16-0001 Jennifer Barrett
	4/5 Vote Required

Resolution Of Intention of the Board of Supervisors Of The County Of Sonoma, State Of California, Directing Staff To Initiate Zoning Code Amendments To Address Key Issues Associated With Winery Events And Promotional Activities, and To Develop Siting Criteria and Standards for Areas of Local Concentration

Whereas, the General Plan Agricultural Resources Element allows for the sale and promotion of agricultural products grown or processed in the County, including promotional events that support and are secondary and incidental to local agricultural production; and

Whereas, the General Plan Agricultural Resources Element contains a number of policies relating to the definition and limitations for agricultural promotional events; and

Whereas, General Plan Policies AR-6f and AR-6g state that local concentrations of visitor serving and recreational uses can be detrimental to the primary use of the land for production of food, fiber and plant materials and may constitute grounds for denial of such uses. Detrimental concentration can be caused by the following factors: road access conflicts, negative impacts to neighboring wells, and rural character; and

Whereas, General Plan Policy AR-6g calls for the Board to "define in the Development Code compatible visitor serving uses such as tasting rooms, sales and promotion of products grown or processed in the County, educational activities and tours, incidental sales of items related to local area agricultural products, and promotional events which support and are incidental to local agricultural production, and define their permissible sizes and intensities"; and

Whereas, in 2014 the Board of Supervisors adopted a Work Plan for Comprehensive Planning that included development of guidelines, policies, and implementation programs addressing agricultural promotional events and potential overconcentration in areas including Sonoma Valley and West Dry Creek/ Westside Road; and Resolution # Date: October 11, 2016 Page 2

Whereas, the PRMD Director formed a Winery Working Group of County stakeholders to provide input and guidance on potential regulation of promotional event activities at wineries and tasting rooms and policies to address areas of concentration. The Working Group was comprised of community volunteers, including representatives from the wine industry, grape growers and neighborhood groups. The Working Group met over a period of six months and a number of issues and concerns emerged from their meetings, including: 1) business need for direct marketing activities; 2) neighborhood compatibility; 3) potential impacts related to noise, traffic, dust and water supplies; 4) commercialization of agricultural lands and concentration; and 5) maintaining rural agricultural character; and

Whereas, following the Working Group meetings, staff conducted a public workshop attended by an estimated 500 people and received written comments from various groups. Staff reviewed regulations from other counties, completed an audit of use permits issued to date, updated the winery database and contracted with qualified traffic and noise consultants to assist with the analysis. The traffic and noise reports are currently in progress.

Now, Therefore, Be It Resolved that the Board of Supervisors hereby directs staff to prepare a draft ordinance amending the County Zoning Code for consideration by the Planning Commission and recommendation to the Board of Supervisors to clarify the definition of events and food service, require cultural event permits for industry-wide events, and allow tasting rooms and events in Industrial Park zones where facilities already provide processing. The Board of Supervisors further directs staff to develop standards and siting criteria for events in areas of local concentration, for adoption either as part of the Zoning Code or as separate guidelines.

Be It Further Resolved that the Board of Supervisors designates the Clerk of the Board as the custodian of the documents and other material which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the Clerk of the Board, 575 Administration Drive, Room 100-A, Santa Rosa, California 95403.

Su	pervisors	:

Ayes:	Noes:	Absent:	Abstain:
		So Ordered	I.

From:	Brian Oh
To:	Hannah Spencer; Georgia McDaniel; Scott Orr
Subject:	FW: Feb. 17 Winery Events Ordinance hearing
Date:	Tuesday, February 15, 2022 2:04:02 PM
Attachments:	Winery Events- CAFF 7-14-21.pdf
	Winery Events- CAFE 5-28-21.pdf

From: Greg Carr <Greg.Carr@sonoma-county.org>
Sent: Tuesday, February 15, 2022 1:58 PM
To: Brian Oh <Brian.Oh@sonoma-county.org>
Subject: Fw: Feb. 17 Winery Events Ordinance hearing

From: Wendy Krupnick <<u>wlk@sonic.net</u>>
Sent: Tuesday, February 15, 2022 1:53 PM
To: Greg Carr; Pat Gilardi; Jacquelynne Ocana; Shaun McCaffery; Eric Koenigshofer
Subject: Feb. 17 Winery Events Ordinance hearing

Dear Planning Commissioners,

The Sonoma County chapter of Community Alliance with Family Farmers, (CAFF), is resubmitting two comment letters sent last year regarding the proposed Winery Events Ordinance. We have submitted a number of comment letters over the six years the County has acknowledged the problems associated with winery events and need for such an ordinance. We have been dismayed that during this time events at wineries have continued and more permits for more wineries with events have been approved, often exacerbating these widely acknowledged problems.

As several of you had not received our comment letters last year, they are attached here. We hope that the Commission will move forward with a strong, clear and enforceable ordinance that will address the current problems and prevent such problems in the future.

Thank you for your consideration of our views, Wendy Krupnick Vice president, CAFF Sonoma County THIS EMAIL ORIGINATED OUTSIDE OF THE SONOMA COUNTY EMAIL SYSTEM. Warning: If you don't know this email sender or the email is unexpected, do not click any web links, attachments, and never give out your user ID or password.



July 14, 2021

To: Sonoma County Planning Commission Georgia McDaniel, Planner

cc: Tennis Wick, Director Permit Sonoma

Supervisors Lynda Hopkins, Chair; Susan Gorin, David Rabbitt, Chris Coursey, James Gore

Re: Draft Winery Events Ordinance

Dear Planning Commissioners and Ms. McDaniel,

Community Alliance with Family Farmers Sonoma County has reviewed the chart prepared by Planning staff comparing proposed definitions and standards for inclusion in the Winery Events ordinance. We are submitting the following recommendations for these definitions and standards. In addition, there are aspects of this issue which have been called for by the public that are not addressed in this chart as well as some key points we have submitted in earlier letters that we would like to emphasize again.

Key points:

- It is imperative for future food security, for carbon and water capture, and to preserve the agricultural economy and character of Sonoma County that all land zoned for agriculture be protected for agricultural production, and that this protection must guide all regulations for uses in these zones.
- All activities *except for* drop-in and by-appointment sales and tastings, tours during tasting room hours for individuals or small groups, and invitation-only business meetings specifically focused on the wine industry with less than 25 attendees should be classified as "events."
- Size of winery, tasting room, parking lots and other visitor serving areas must be *proportionate* to winery production capacity, which must be based on wine grape production acreage on site or sites owned within the immediate proximity.
- The County should encourage agricultural diversification and allow a variety of farmproduced products to be sold on-site. The ordinance should have clear definitions and be enforceable.
- In order to provide clarity for all, to be enforceable and prevent more areas of overconcentration, the Ordinance, with definitions and standards, should apply county-wide.
- Monitoring and enforcement are a critical part of ordinance and must be included in the Ordinance.

Recommendations from Permit Sonoma Chart:

Definitions:



Commercial kitchens - Explicitly not allowed in ag zones so no definition associated with a winery in an ag zone is appropriate.

Winery - May not include commercial kitchen. Use Sonoma Valley definition but substitute "fruit" for "grapes". (Cideries are technically wineries and subject to same regs).

Winery events - Use County definition

Ag Promo events - Use County definition

Industry-wide events - Use Sonoma Valley definition

Sales activities - Use Public Sales part of Dry Creek definition. Pick up parties, winemaker dinners, etc. **are events**, not regular activities.

Wine trade activities - Must be limited to by invitation only meetings and seminars. Can be earlier than tasting room hours but no later than 5:00.

Wine trade event - Any parties or celebrations, or gatherings that happen after 5:00 are events and must be included as such in the Use permit.

Standards:

Sizing of activities/events & max # of days - Use combination of County and Sonoma Valley. Add limitation based on road access and proximity to main arteries and cities to reduce Vehicle Miles Traveled by visitors and staff.

Hours of operation - Use Sonoma Valley and add clarification that regular wine trade activities end at 5:00.

On-site parking - Use County standard and add that capacity for visitors must be tied to volume of on-site agricultural production as well as road accessibility and water availability. No land may be taken out of potential production for parking or other visitor accommodations.

Food service - Use Sonoma Valley standard but allow daytime on-site food prep for wine and food tastings in catering kitchen.

Traffic management - Use Sonoma Valley standard but add accounting for traffic from neighboring wineries and other event centers.

Access - Use Sonoma Valley standards.

Concentration - Enforce GP AR-5g with **maximum** of 2 wineries per half mile and apply county-wide to prevent new areas of over-concentration. Permit Sonoma should research additional methods of preventing more areas of over-concentration.



Event Proposal - Use Sonoma Valley standard.

Maximum size for Tasting Associated areas - Use Sonoma Valley and see On-site parking, above.

Maximum Winery Size - Use Sonoma Valley standard

Minimum Parcel Size - Use Sonoma Valley standard

Water use - Zero net increase in water use for visitor services must be required.

Source of wine grapes - At least 75% of fruit processed should be grown **on site or in the immediate vicinity**. (Not appropriate to be trucking in and processing fruit from other parts of the county. This is an industrial use and such facilities should be in industrial zones.)

As we have previously noted, although many farmers and ranchers welcome the opportunity to host the public and educate them about their products and practices, the business of hospitality is not the same as the business of agriculture. We believe the multiple benefits of preserving agricultural lands for agricultural production are essential for the long-term health of our society, our economy and our planet.

Sincerely yours,

Wendy Krupnick, Vice president, CAFF Sonoma County



May 28, 2021

To: Sonoma County Planning Commission Georgia McDaniel, Planner

cc: Tennis Wick, Director Permit Sonoma

Supervisors Lynda Hopkins, Chair; Susan Gorin, David Rabbitt, Chris Coursey, James Gore,

Re: Draft Winery Events Ordinance

Dear Sonoma County Planning Commissioners and Ms. McDaniel,

The Sonoma County chapter of Community Alliance with Family Farmers (CAFF) appreciates the work Permit Sonoma staff has done to draft the long-awaited and much-needed Winery Events Ordinance. While we were pleased with several of the provisions included in the Draft Ordinance, we feel that the current draft proposal has many inconsistencies and loopholes so some modifications will be required to achieve the intended goals of protecting the primacy of agricultural production on agricultural lands, providing clarity on standards for visitor services to the wine industry, and limiting impacts to rural roads and neighborhoods.

We agree with the detailed comments and suggested changes submitted by Preserve Rural Sonoma County this week. In addition, we would like to bring attention to the following issues and proposed solutions with sections of the Draft Ordinance referenced where applicable:

- In defining terms and phrases for Winery Standards, it is important to clarify that the definitions are specific to wine and wineries so they are not confused with other types of agricultural events or services. Specifically, the term "Agricultural Promotional Events" should be changed to "Wine Promotional Events" (Section D-7), "Industry-Wide Events" should be changed to "Industry-Wide Wine Promotion Events" (Section D-8), and "Sales Activities" should be changed to "Wine Sales Activities" (Section D-11).
- 2. The Draft Ordinance defines "Winery Visitor Serving Activities" as being "part of normal winery and tasting room business operations." Parties where full meals are served and where gatherings after normal tasting room hours are not part of normal tasting room business, so must be considered as events. This includes pick-up parties, harvest parties, and Wine Trade parties. (*Section E*)
- 3. The County should encourage agricultural diversification and allow a variety of farmproduced products to be sold on-site. Off-site consumption of local food and food products, eg., olive oil, table olives, canned salsa, jam, and applesauce, sold at a tasting room should be allowed. (*Section E-7*)
- 4. The ordinance should have clear definitions and be enforceable. Specifically, how will "local food and food products" be defined and enforced? (*Section E-7*)



- 5. In order to provide clarity for all, and to be enforceable, there should be mention in the Ordinance of the presence and role of the Area Guidelines that are proposed for the areas of the County that are considered to be "over-concentrated". Definitions and criteria should be provided regarding what an "over-concentrated" area is, as well as information on accessing proposed Area Guidelines. There should be indication regarding how an area experiencing accelerated development in the future can be designated as "over-concentrated" and the procedure for doing that. Current proposed Area Guidelines seem to be an overly complex yet ineffective and unfair layer of bureaucracy. We recommend that the most restrictive provisions of the Area Guidelines should be incorporated into the Ordinance, and should apply county-wide.
- 6. The Ordinance should include explicit provisions to identify, and if possible prevent, new areas of concentration.
- 7. Any new winery proposal should include an analysis of its effect on the cumulative impacts of wineries in the region, and must be evaluated for water availability and Vehicle Miles Traveled by both staff and visitors.
- 8. Climate considerations must be included in all ordinances if the County is to be seen as serious about meeting stated State and local climate goals.
- 9. The size of tasting room and other visitor serving areas must be proportionate to winery production capacity, which itself must be based on wine grape production acreage on site or sites owned within a designated proximity. The ordinance should establish a maximum site area devoted to tasting room and visitor serving uses to ensure the use is incidental to agriculture. We recommend that only one tasting room be allowed per site in agricultural zoned lands, and that tasting rooms be permitted only where grape growing and processing takes place,
- 10. The size of the processing areas the number of custom crush operations in agricultural zones.should be required to be proportionate to vineyard production,
- 11. The need for monitoring and enforcement has been repeatedly called for in public comment and are critical to the effectiveness of the Ordinance, yet they appear to be missing from the draft. Our earlier recommendations on this are included below:
 - Establish an annual monitoring and educational program to periodically review use permits.
 - Require events to be calendared at the beginning of each year, and require annual reports including quarterly information.
 - Require that the applicant hire staff or contract for services to respond to complaints of event activities or other infractions (i.e. parking/noise) including on nights and weekends.
 - Increase fines and penalties for unpermitted event activities.
 - Place a time limit for existing wineries which have been hosting events without a use permit to obtain use permits and impose significant fines on any that to not meet that



deadline. Include the cumulative impacts of existing and "historic" wineries and/or their events in mitigations and in the analysis of cumulative impacts over time

- Require fees for permits that cover administration and monitoring of programs, including traffic/road impact fees.
- Develop and execute an improved system for notifying local area residents of permit applications.

As we have previously noted, although many farmers and ranchers welcome the opportunity to host the public and educate them about their products and practices, the business of hospitality is not the same as the business of agriculture. We believe the multiple benefits of preserving agricultural lands for agricultural production are essential for the long-term health of our society, our economy and our planet, and we strongly urge that the demands of the hospitality industry not be allowed to interfere with the protection of those benefits in Sonoma County.

Sincerely yours,

Wendy Krupnick, Vice President, CAFF Sonoma County

From:	Judith Olney
То:	greg99pole@gmail.com; Pat Gilardi; Eric Koenigshofer; Shaun McCaffery; Jacquelynne Ocana
Cc:	Brian Oh; Georgia McDaniel
Subject:	Input - Feb 17 Planning Commission Briefing
Date:	Tuesday, February 15, 2022 11:46:46 AM
Attachments:	2-17-22 Olney Winery Ordinance.pdf

February 15, 2022

TO: Planning Commissioners

FROM: Judith Olney - long-time communityl advocate (pdf Attached)

RE: Feb 17, 2022 Winery Event Ordinance Briefing

I am submitting this letter for the benefit of our Planning Commissioners who may not have the band width to review the decade-long administrative record for the draft Winery Event Ordinance. Since 2011, I have proactively represented community interests as a board member for the Dry Creek Valley Association and Westside Community Association, as well as a co-Chair of Preserve Rural Sonoma County.

Point 1: I question the wisdom of adopting an Ordinance and/or associated Guidelines that neither addresses the current economic challenges of the wine industry, nor protects the legal rights of surrounding land owners. Sadly, for those of us who have worked for over a decade on the hospitality-industry impact issue, the draft Ordinance does little to uphold the goals of our General Plan to "…protect agricultural land and preserve rural character."

A set of policies, standards and definitions that both transfers the external costs of winery events to surrounding properties and waives the application/environmental analyses requirements/costs to winery/ event center Applicants places additional tax burdens on residential taxpayers while diminishing the value of their properties.

Granted, both Sonoma County's wine and cannabis industries currently are facing significant economic challenges and County officials are looking for ways to bolster these industries. This "solution" does not address the root causes of over-supply and out of county competition; thus, will not result in a robust tourism economy.

Out of date assumptions, internally-inconsistent, unenforceable definitions and loop-holes that one can drive a truck through; however, will accelerate the decline of Sonoma County's competitive advantage. Tourists come here, versus other wine destinations, because we are rural, with beautiful open space and agricultural landscapes– when we damage these qualities, Sonoma County will have killed the goose that laid the golden egg.

My second point is that there are many new Planning Commissioners who may not have had adequate time to research the changes in Sonoma County's economic foundation. And, recent Planning Commission recommendations reinforce the concern that new commissioners are not fully briefed on the policies, standards and protections in our General Plan and Zoning Code.

Adopting Ordinances that allow industry self-regulation may ultimately do more economic harm than good.

History: In 2011, the issues related to detrimental concentration and impacts of winery events were brought to the attention of County officials by the Dry Creek Valley Association. In 2012, the Westside Community

Association and VOTMA, Sonoma Valley joined in; we wrote a joint letter to the County, and presented at Planning Commission workshops. Presentations were made to the Board of Supervisors in 2013 and 2014, and in 2015, the Winery Event Ordinance Stakeholder Group was funded.

At the conclusion of this expensive public process, wine industry representatives stated they did not endorse the findings from studies and benchmarking, and would continue to advocate directly with the Supervisors. The wine industry's position document proposed unenforceable definitions and limited "events" to weddings and concerts, and industry-wide events – hospitality uses that are not "agricultural promotional uses" as defined in the General Plan.

Although, County staff defined Areas of Concentration and completed traffic studies for Sonoma Valley, a partial study for Dry Creek and a study to clarify noise standards, the County continued to approve new wineries and event centers.

For over a decade, Community Groups and coalitions, such as Preserve Rural Sonoma County, prepared studies showing that the high rate of new wineries and event center approvals was promoting destructive competition within the Sonoma County wine market. The "ARMS race" to attract wine club members to one's winery and away from other local wineries, compounded by the costs of events, shrunk everyone's bottom line. (per Silicon Valley Bank, State of the Wine Industry Report 2015-16)

Meanwhile, distracted tourism and wine industry planners did not focus on the changes necessary to compete in the emerging global market, not to mention, the impacts of changes in demographics that showed a decline in wine sales. (Silicon Valley Bank, State of the Wine Industry Report 2021-22)

Early public hearings and drafts of the Ordinance represented a balanced view with enforceable definitions and standards. However, this is not true of the current draft Ordinance even though the 2021 public process validated many of the community advocates long-standing points. And, public processes feel disingenuous when wine industry representatives continue to assert that they are by-passing public discourse and compromise to exclusively deal directly with Supervisors.

County staff has turned over a few times and only one Planning Commissioner has experienced the full process. In fact the draft Ordinance is so out of date that the State Fire Safe Road Regulations changed after 2015; thus, it should be edited to require access roads of 20 feet – the newer State standard - not the 18 feet as specified in the draft Ordinance.

Another major concern with the process is that our new Planning Commissioners are not upholding the environmental analyses designed to protect surrounding property owners. The General Plan Noise Element has clear requirements for technical noise analyses at all wineries and event centers, and the technical studies completed for the draft Winery Event Ordinance clarified these standards. Despite these requirements, in December 2021, the Commissioners approved outdoor amplified music for a Use Permit Modification without any required supporting noise analyses – only the experienced Planning Commissioner dissented.

It's seven (7) years past the official start of this process. In June, 2021 and February, 2022, the draft Winery Event Ordinance has resurfaced. It's doubtful that the one remaining commissioner even remembers positions taken over six (6) months ago, which is immaterial as the other Planning Commissioners did not sit for the June hearing.

More importantly, over the past seven years tourism has changed in numerous ways. No one could have predicted COVID and the switch to on-line wine marketing and the preference for spirits. In 2021-22, Silicon Valley Bank reported,

"We predicted there would be a reopening celebration, and it turns out we were correct," he said. "But the reopening celebration that took place in 2021 didn't include the wine industry." Sonoma County pays significant tax revenue to the Tourism Board for policy and economic strategy advice – what is our return on this investment?

The pre-pandemic proliferation of competing wine areas and the consequent shrinking California's market share was a known factor. Wildfire impacts have been evident since 2017. And, for several years now, Silicon Valley Bank's predictions for future growth in the wine segment – based on trends in demographics and consumer values – have been strong warnings of declining sales.

Future predictions indicate strategic economic planning – not another marketing campaign - is needed now: Per the enclosed February 8, 2022 New York Times article titled, **The Wine Business Sees a Problem: Millennials Aren't Drinking Enough**, that summarizes the annual State of the Wine Industry Report, wine sales are expected to decline. And, grape growing and wine making methods must change to suit millennial values; however, those types of farming and processing changes take time. And, the time to start was several years ago.

To quote the conclusion of the article,

... "If, as Mr. McMillan argues, younger consumers are truly concerned with social justice and environmental issues, what will an anodyne marketing campaign achieve?

In my little corner of the wine world, I see younger people drawn to natural wines and to traditional styles. These sorts of wines meet many of the concerns that Mr. McMillan expressed, and have demonstrated their appeal.

The winemakers do that by showing their concern with the environment by farming conscientiously, sticking with traditional ingredients and processes and, increasingly, I hope, by addressing social justice and equity issues that are as apparent in natural wine as anywhere else.

It's not just a question of perception, it's a matter of action, of demonstrating a commitment to change and to making the effort."

The new economic reality – balanced by the protections within our General Plan and a Zoning Code that requires all hospitality and other uses to be specified in a Use Permit or Use Permit Modification - is the context within which the Planning Commissioners should review the draft Winery Event Ordinance on February 17, 2022. Perhaps this draft Ordinance is not the best course of action for a healthy long-term economy.

Preparing for February 17th: The public was led to believe that the June 2021 Planning Commission hearing was closed; although wine industry representatives submitted information after that date.

We only recently learned that the Staff will brief the Commission as the majority of the members have limited experience in implementing the General Plan and Zoning Code protections.

Instead of reiterating out of date assumptions about "on-site direct to consumer sales" that will do little to bolster wine industry profits while proposing unenforceable definitions and standards that continue to harm adjacent property owners, perhaps the briefing should include data, conclusions and advice provided by Silicon Valley Bank from 2015 to the present.

In addition, the Commissioners should be briefed on the economic realities of cannabis over-supply and the longer-term implications for County costs versus tax revenue – factors that will decide Sonoma County's economic future.

Cannabis economic realities were discussed by the Humboldt County Supervisors who just slashed cannabis

industry taxes by 85% - reducing planned tax revenue from this sector from an expected \$14-20M to a mere \$2M. Who will cover the short-fall and the future costs of cleaning up abandoned cannabis operations? Undoubtedly, other County taxpayers.

Sonoma County growers, especially those in the PRP program, share similar attributes with Humboldt growers. Humboldt Supervisor Wilson concluded:

"The main factor in the local market collapse is out-of-county competitors who are "growing a plant in a more efficient and less costly way and delivering it to the market at a much lower price than the methodology that was created in Humboldt to grow cannabis under prohibition."

Perhaps the Commissioners should read <u>this story from CalMatters</u>, published in January 2022, which dispels the myth of the small family cannabis farmer and quotes Nicole Elliott, director of the California Department of Cannabis Control:

"It is an oversimplification to say that tax reduction will solve all of the industry's problems. It's just a vast oversimplification of the number of variables that impact the health of the legal market and that support or foster illegal activity. It is not tax alone."

Bottom Line: Subsidizing the wine and cannabis industries by proposing reduced permit fees or exempting Applicants from conducting State-required environmental analyses is not a long-term strategy. The public has not been provided information as to whether these industries are no longer covering the County's current costs of administering required land use, zoning and enforcement programs.

Should other taxpayers be burdened with covering current County costs plus the future costs of unstudied impacts and/or the costs of cleaning up intensely developed parcels in remote areas when the normal economic cycle bankrupts' certain operators?

The taxpayers rely on County officials to use taxpayer money wisely and to protect public health and safety. Our tourism economy has been severely impacted by travel bans, wildfire fears, external competition and classic market forces leading to over-supply and reduced prices.

The root cause of our tourism industry's current troubles ranges from factors related to basic economic supply and demand cycles to larger structural issues. Adopting an Ordinance with unenforceable definitions and loopholes that basically require impacted, adjacent neighbors (which may be a resident, a grape grower or another winery whose high-end buyer's wine tasting is impacted by adjacent outdoor amplified music) to check attendee business cards in order to determine compliance, will not meet the objectives set in our General Plan, the protections in our Zoning Code requiring Use Permit modifications, or help restore a robust economy.

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2 Enclosures – Recent articles in New York Times and North Bay Business Journal

1 Link - CalMatters January 31, 2022 article on Cannabis economic issues

Enclosure 1 THE POUR – NEW YORK TIMES - FEB 8, 2022

The Wine Business Sees a Problem: Millennials Aren't Drinking Enough

As baby boomers retire and buy less wine, producers need new ways to tempt a White Claw generation back from other alcoholic drinks, according to a new report.

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Credit...Cat O'Neil



By Eric Asimov Published Feb. 7, 2022Updated Feb. 8, 2022

The American wine industry believes it has a problem: millennials.

More specifically, it's the fact that aging baby boomers — currently the prime market for wine

— are nearing retirement age, the time of life when consumerism typically declines.

Millennials, the generation that began to come of age after the turn of the century, have given no indication that they are poised to step in. They buy much less wine than boomers, and the wine industry has not done enough to entice them to become regular consumers.

In his annual <u>State of the U.S. Wine Industry report</u>, presented last month, Rob McMillan, an executive vice president of Silicon Valley Bank in Santa Clara, Calif., and a longtime analyst of the American wine market, issued a forceful warning that a day of reckoning was coming.

"In prior reports, we noted that the falling interest in wine among younger consumers, coupled with the encroaching retirement and decreasing wine consumption of baby boomers, poses a primary threat to the business," Mr. McMillan said. "That issue has yet to be addressed or solved, and the negative consequences are increasingly evident."

Sales of American wine could plummet by 20 percent in the next decade, he said. It's not exactly clear what the industry can do to change this dynamic. As the father of two millennial sons, I am something of an expert on being unable to persuade millennials to do as I suggest. But Mr. McMillan, who has analyzed the wine industry for decades, has more than a few ideas for an effective strategy.

First, some background: In this discussion it may seem as if Generation X, the generation between the boomers and the millennials, has been overlooked.

This group is smaller than both the baby boomers, the huge population born roughly from 1946 to 1964, and the millennials, born from 1980 to 1995.

Because of the size difference, Generation X has less buying power, although its wine-buying behavior does not seem that different from boomers'. Generation Z, born, approximately, after 1995, has too few years of legal drinking to really figure into the data.

Mr. McMillan quoted a Harris Poll of nearly 2,000 adults from November, which asked what beverage they would bring to share at a party. The choices were wine, beer, spirits, flavored malt beverages, hard seltzer or cider.

Wine was the overwhelming choice among those 65 and older. The top choice was roughly split between wine and beer for those 35 to 64, with the other options trailing in the distance. But people ages 21 to 34 were almost evenly split among five options, with cider trailing.

Wine simply is not preferred by younger people. Mr. McMillan pointed to the reopening of restaurants in 2021 after Covid-19 vaccines became available; during that period, sales of wine declined as sales of spirits rose.

"We predicted there would be a reopening celebration, and it turns out we were correct," he said. "But the reopening celebration that took place in 2021 didn't include the wine industry."

The increase in competition is a real thing. When I, a late boomer, was drawn into wine, domestic beer was still almost entirely in the thrall of huge breweries with insipid products. Craft beer was not yet widely available in the United States, and spirits and cocktails were what older people drank, bought more for their alcoholic punch than for the aesthetic pleasures they might have offered. Single malt Scotch was barely a thing.

Gen Xers and millennials have grown up in an entirely different world. Beers now come from hundreds of small breweries in dozens of historic and newly created styles. Cocktail-making has become an esteemed craft in which every ingredient counts, and high-end spirits producers are all over, working in every style.

This rising interest in the culture and beauty of ingredients isn't restricted to just alcoholic beverages: Chocolate, olive oil and honey, just to name a few, have been marketed according to their provenance and quality to a growing audience of people who appreciate such things.

Millennials grew up in a world that has been far more encouraging of connoisseurship than when boomers were young. Social media has given everybody the opportunity to exercise their critical voices, for better or worse. Millennials are a more discerning generation, at a younger age, than baby boomers were.

But as Mr. McMillan of Silicon Valley Bank points out, millennials have less disposable income than their parents and more economic fears. They are often burdened by student debt, have fewer middle-class job opportunities and cannot assume they will ever be able to afford real estate.

That's a primary reason that millennials have gravitated to beer and spirits rather than wine. The difference between a mass-market brew and a world-class beer is just a few dollars. A really good cocktail at a restaurant might cost the same as a glass of mediocre wine.

By comparison, good wine is more expensive than beer or spirits of comparable quality, and <u>benchmark wines are often shockingly expensive</u>. Partly, this is because wine costs far more today, relatively speaking, than it did in the 1980s and '90s, as Mr. McMillan acknowledges.

"Premium wine was far less expensive in the mid-90s, even on an inflation-adjusted basis," he said.

At the same time, sales of the least expensive wines, those under \$9 a bottle, have been shrinking, while sales of wine priced above \$15 have been rising. The industry calls this move toward more expensive bottles "premiumization." Although the state-of-the-industry report focuses on the United States, this phenomenon has occurred all over the world as people choose to drink less wine but of better quality.

These are structural issues, but Mr. McMillan also noted the shortcomings of the wine industry in appealing to younger consumers. First, it has failed to recognize the changing demographics that millennials represent.

"While only 28 percent of the boomer population is nonwhite, 45 percent of the millennial population — and almost half of Gen Z — is nonwhite," he said.

Without question, the wine industry has been slow to adapt. After the murder of George Floyd in May 2020 and the racial reckoning that followed, the wine industry, or rather a small part of it, began to make some effort to diversify its appeal and its work force. But the experiences of <u>Black wine professionals</u> and <u>Black consumers</u> show how far the industry has to go to make it a more welcoming, inclusive place.

Mr. McMillan also asserted that millennial consumers are more concerned with social justice

and with health and environmental issues, including climate change. "A brand's social values are increasingly connected to a consumer's decision to purchase particular products, including wine," he said.

Among his recommendations, he suggests that producers list their ingredients and offer nutritional data, like calories per serving, and that they be clear about their social values, their efforts to address environmental concerns and their strategies for lowering their carbon footprints.

"The strange reality is that it would be easy to start talking about wine in an evolved way and to reference the many things that are already a part of what we do to produce wine, and that would resonate with younger consumers," Mr. McMillan said. "Yet as an industry we are not doing it."

This is where his report seems problematical. The American wine industry is by no means united in supporting social-justice causes or meaningfully diversifying its work force. It has no industrywide plan for combating climate change, reducing chemical farming or cutting its carbon footprint. It has fought tooth and nail to avoid listing ingredients and nutritional data.

The report suggests that a marketing campaign might be the answer, something along the lines of the <u>"Got Milk?"</u> promotion that began in the 1990s.

These sorts of slogans are likely to be bland and inoffensive, as they must represent a wide range of producers with wildly differing points of view. I don't know much about marketing, but it strikes me that actual change in the industry would go a lot further in appealing to young people than targeting them with a public-relations campaign.

That means attacking complicated, thorny issues with solutions that are just as divisive in the wine industry as they are in the country as a whole.

If, as Mr. McMillan argues, younger consumers are truly concerned with social justice and environmental issues, what will an anodyne marketing campaign achieve?

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It's not just a question of perception, it's a matter of action, of demonstrating a commitment to change and to making the effort. Slogans will not paper over a failure to do that.

END

Meanwhile in Sonoma County, its Planning Commission is set to revisit <u>the draft</u> <u>winery events ordinance</u> at a virtual meeting Feb. 17. The county and industry advocates have been going back and forth on the matter for six years, with long delays after the wildfires and during the pandemic.

One of the key changes that has coming in the most recent draft of the ordinance is defining "business activities" separately from "events," according to Michael Haney, executive director of trade group Sonoma County Vintners.

"This is not about big parties," Haney said. "We tell people that vineyards they see when driving around are not landscaping. That's how we feed our families. Our wine community says what we need is a clear set of definitions."

One of the key arguments the trade group has made is that hosting wholesaler and retailer representatives at the winery for a lunch or dinner and having consumers come to the property to pick up wine is notably different for the resilience of agribusiness from holding weddings, concerts and related events.

"Across the nation with wholesalers there is a massive constriction, so many smaller wineries if they want a distributor in another state they can't get them," Haney said. "That's why marketing directly to the consumer is so vital. If you want to hold a charity event or political fundraiser at the winery, that is another matter."

However, some aren't sold on this change in definitions. Preserve Rural Sonoma County is reiterating what it told the Planning Commission when the draft ordinance was last year, in June 2021.

"We want to clarify what has been the county position for the past 15 years, that parties are events," said Marc Bommersbach, a group member, wine grape grower and part of the Westside Community Association. "Trade meetings are fine, but if they are after hours and serving foods, it is the same impact, regardless if it's the trade or the public. A trade meeting during day with winetasting is fine, but when it turns into an event, it needs to be addressed."

The group views wine club pick-ups, harvest parties and similar activities as events.

"Creating carve-outs for certain types of events that are not subject to the limitations in use permits, particularly when there is little if any practical difference in impacts between such types of events, will create a compliance nightmare," the group wrote to the Planning Commission last year.

The organization also wants the county to specify where wineries can be located, perhaps tailored to the concentration of vintners in a given area: 20-acre minimum parcel size, 18-foot minimum access road width, no outdoor amplified sound and a density standard of no more than two facilities in a half-mile.

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By <u>Eric Asimov</u> Published Feb. 7, 2022Updated Feb. 8, 2022

The American wine industry believes it has a problem: millennials.

More specifically, it's the fact that aging baby boomers — currently the prime market for wine — are nearing retirement age, the time of life when consumerism typically declines.

Millennials, the generation that began to come of age after the turn of the century, have given no indication that they are poised to step in. They buy much less wine than

boomers, and the wine industry has not done enough to entice them to become regular consumers.

In his annual <u>State of the U.S. Wine Industry report</u>, presented last month, Rob McMillan, an executive vice president of Silicon Valley Bank in Santa Clara, Calif., and a longtime analyst of the American wine market, issued a forceful warning that a day of reckoning was coming.

"In prior reports, we noted that the falling interest in wine among younger consumers, coupled with the encroaching retirement and decreasing wine consumption of baby boomers, poses a primary threat to the business," Mr. McMillan said. "That issue has yet to be addressed or solved, and the negative consequences are increasingly evident."

Sales of American wine could plummet by 20 percent in the next decade, he said. It's not exactly clear what the industry can do to change this dynamic. As the father of two millennial sons, I am something of an expert on being unable to persuade millennials to do as I suggest. But Mr. McMillan, who has analyzed the wine industry for decades, has more than a few ideas for an effective strategy.

First, some background: In this discussion it may seem as if Generation X, the generation between the boomers and the millennials, has been overlooked.

This group is smaller than both the baby boomers, the huge population born roughly from 1946 to 1964, and the millennials, born from 1980 to 1995.

Because of the size difference, Generation X has less buying power, although its winebuying behavior does not seem that different from boomers'. Generation Z, born, approximately, after 1995, has too few years of legal drinking to really figure into the data.

Mr. McMillan quoted a Harris Poll of nearly 2,000 adults from November, which asked what beverage they would bring to share at a party. The choices were wine, beer, spirits, flavored malt beverages, hard seltzer or cider.

Wine was the overwhelming choice among those 65 and older. The top choice was roughly split between wine and beer for those 35 to 64, with the other options trailing in the distance. But people ages 21 to 34 were almost evenly split among five options, with cider trailing.

Wine simply is not preferred by younger people. Mr. McMillan pointed to the reopening of restaurants in 2021 after Covid-19 vaccines became available; during that period, sales of wine declined as sales of spirits rose.

"We predicted there would be a reopening celebration, and it turns out we were correct," he said. "But the reopening celebration that took place in 2021 didn't include the wine industry."

The increase in competition is a real thing. When I, a late boomer, was drawn into wine, domestic beer was still almost entirely in the thrall of huge breweries with insipid products. Craft beer was not yet widely available in the United States, and spirits and cocktails were what older people drank, bought more for their alcoholic punch than for the aesthetic pleasures they might have offered. Single malt Scotch was barely a thing.

Gen Xers and millennials have grown up in an entirely different world. Beers now come from hundreds of small breweries in dozens of historic and newly created styles. Cocktail-making has become an esteemed craft in which every ingredient counts, and high-end spirits producers are all over, working in every style.

This rising interest in the culture and beauty of ingredients isn't restricted to just alcoholic beverages: Chocolate, olive oil and honey, just to name a few, have been marketed according to their provenance and quality to a growing audience of people who appreciate such things.

Millennials grew up in a world that has been far more encouraging of connoisseurship than when boomers were young. Social media has given everybody the opportunity to exercise their critical voices, for better or worse. Millennials are a more discerning generation, at a younger age, than baby boomers were.

But as Mr. McMillan of Silicon Valley Bank points out, millennials have less disposable income than their parents and more economic fears. They are often burdened by student debt, have fewer middle-class job opportunities and cannot assume they will ever be able to afford real estate.

That's a primary reason that millennials have gravitated to beer and spirits rather than wine. The difference between a mass-market brew and a world-class beer is just a few dollars. A really good cocktail at a restaurant might cost the same as a glass of mediocre wine.

By comparison, good wine is more expensive than beer or spirits of comparable quality, and <u>benchmark wines are often shockingly expensive</u>. Partly, this is because wine costs far more today, relatively speaking, than it did in the 1980s and '90s, as Mr. McMillan acknowledges.

"Premium wine was far less expensive in the mid-90s, even on an inflation-adjusted basis," he said.

At the same time, sales of the least expensive wines, those under \$9 a bottle, have been shrinking, while sales of wine priced above \$15 have been rising. The industry calls this move toward more expensive bottles "premiumization." Although the state-of-

the-industry report focuses on the United States, this phenomenon has occurred all over the world as people choose to drink less wine but of better quality.

These are structural issues, but Mr. McMillan also noted the shortcomings of the wine industry in appealing to younger consumers. First, it has failed to recognize the changing demographics that millennials represent.

"While only 28 percent of the boomer population is nonwhite, 45 percent of the millennial population — and almost half of Gen Z — is nonwhite," he said.

Without question, the wine industry has been slow to adapt. After the murder of George Floyd in May 2020 and the racial reckoning that followed, the wine industry, or rather a small part of it, began to make some effort to diversify its appeal and its work force. But the experiences of <u>Black wine professionals</u> and <u>Black consumers</u> show how far the industry has to go to make it a more welcoming, inclusive place.

Mr. McMillan also asserted that millennial consumers are more concerned with social justice and with health and environmental issues, including climate change. "A brand's social values are increasingly connected to a consumer's decision to purchase particular products, including wine," he said.

Among his recommendations, he suggests that producers list their ingredients and offer nutritional data, like calories per serving, and that they be clear about their social values, their efforts to address environmental concerns and their strategies for lowering their carbon footprints.

"The strange reality is that it would be easy to start talking about wine in an evolved way and to reference the many things that are already a part of what we do to produce wine, and that would resonate with younger consumers," Mr. McMillan said. "Yet as an industry we are not doing it."

This is where his report seems problematical. The American wine industry is by no means united in supporting social-justice causes or meaningfully diversifying its work force. It has no industrywide plan for combating climate change, reducing chemical farming or cutting its carbon footprint. It has fought tooth and nail to avoid listing ingredients and nutritional data.

The report suggests that a marketing campaign might be the answer, something along the lines of the <u>"Got Milk?"</u> promotion that began in the 1990s.

These sorts of slogans are likely to be bland and inoffensive, as they must represent a wide range of producers with wildly differing points of view. I don't know much about marketing, but it strikes me that actual change in the industry would go a lot further in appealing to young people than targeting them with a public-relations campaign.

That means attacking complicated, thorny issues with solutions that are just as divisive in the wine industry as they are in the country as a whole.

If, as Mr. McMillan argues, younger consumers are truly concerned with social justice and environmental issues, what will an anodyne marketing campaign achieve?

In my little corner of the wine world, I see younger people drawn to natural wines and to traditional styles. These sorts of wines meet many of the concerns that Mr. McMillan expressed, and have demonstrated their appeal.

The winemakers do that by showing their concern with the environment by farming conscientiously, sticking with traditional ingredients and processes and, increasingly, I hope, by addressing social justice and equity issues that are as apparent in natural wine as anywhere else.

It's not just a question of perception, it's a matter of action, of demonstrating a commitment to change and to making the effort. Slogans will not paper over a failure to do that.

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Meanwhile in Sonoma County, its Planning Commission is set to revisit <u>the draft</u> <u>winery events ordinance</u> at a virtual meeting Feb. 17. The county and industry advocates have been going back and forth on the matter for six years, with long delays after the wildfires and during the pandemic.

One of the key changes that has coming in the most recent draft of the ordinance is defining "business activities" separately from "events," according to Michael Haney, executive director of trade group Sonoma County Vintners.

"This is not about big parties," Haney said. "We tell people that vineyards they see when driving around are not landscaping. That's how we feed our families. Our wine community says what we need is a clear set of definitions."

One of the key arguments the trade group has made is that hosting wholesaler and retailer representatives at the winery for a lunch or dinner and having consumers come to the property to pick up wine is notably different for the resilience of agribusiness from holding weddings, concerts and related events.

"Across the nation with wholesalers there is a massive constriction, so many smaller wineries if they want a distributor in another state they can't get them," Haney said.

"That's why marketing directly to the consumer is so vital. If you want to hold a charity event or political fundraiser at the winery, that is another matter."

However, some aren't sold on this change in definitions. Preserve Rural Sonoma County is reiterating what it told the Planning Commission when the draft ordinance was last year, in June 2021.

"We want to clarify what has been the county position for the past 15 years, that parties are events," said Marc Bommersbach, a group member, wine grape grower and part of the Westside Community Association. "Trade meetings are fine, but if they are after hours and serving foods, it is the same impact, regardless if it's the trade or the public. A trade meeting during day with winetasting is fine, but when it turns into an event, it needs to be addressed."

The group views wine club pick-ups, harvest parties and similar activities as events.

"Creating carve-outs for certain types of events that are not subject to the limitations in use permits, particularly when there is little if any practical difference in impacts between such types of events, will create a compliance nightmare," the group wrote to the Planning Commission last year.

The organization also wants the county to specify where wineries can be located, perhaps tailored to the concentration of vintners in a given area: 20-acre minimum parcel size, 18-foot minimum access road width, no outdoor amplified sound and a density standard of no more than two facilities in a half-mile.