Joseph Farace, AICP July 1, 2015 Group Program manager, Advance Planning Division County of San Diego 5510 Overland Avenue, #310 San Diego, CA 92123

Dear Mr. Farace,

Thank you for your support of San Diego’s growing wine-grape industry. I appreciate the opportunity to provide input from an operational and small business owner’s perspective on the proposed changes to the County’s Winery Ordinance, #6910. In 2004, we moved to Ramona, joining the Ramona Valley Vineyard Association (RVVA) in February of 2005. Micole now serves as president representing over 100 vineyard members, 25+ winery owners, and numerous business partners. During the first five years we lived in Ramona, we saw our property values plummet, local businesses go bankrupt, and the town of Ramona earn the designation in some circles as “blighted.” Well…I am happy to say this is no longer the case. There is a renewed optimism in the town of Ramona, with much credit being given to the collaboration and impact of the vineyards and wineries that are active in and around the Community. Property values, while not yet where they were when we moved “up the hill” in 2004, are recovering and Main Street is now inviting, with interesting and varied shops and businesses. At the heart of this momentum is our wine tourism industry.

 I’d like to provide you with some highlights from the California Wine Institute’s 2013 Report as an example of how this growing industry can impact our local economy:

* There were 20.7 Million Wine-Related Tourist visits in California in 2013.
* 2.1 Billion was spent by Tourists in the California Wine Industry in 2013.
* The California Wine Industry paid 14.7 Billion in State and Federal Taxes in 2013.
* The California Wine Industry created 25.8 Billion in American Jobs
* The full economic impact on the Wine Industry on the American Economy was 162 Billion in 2007 according to MKF’s Research on “The Impact of Wine, Grapes and Grape Products on the American Economy – Family Businesses Building Value.”

Producing wine and growing grapes is a long-term, family owned small business; 90% of vineyards in the US are less than 100 acres; in San Diego County, most are less than 10. These family businesses are credited with the revitalization of rural communities, bringing jobs, shops, restaurants and agro-tourism with an investment in the local culture. We can’t pick up and move a vineyard which costs around $30,000 per acre to install. This roots us in our communities, making us an integral part. Micole and I chose to start a winery in Ramona because we love the community; the open spaces, trails, horses and people invested in our shared future within the community. The current ordinance encourages us on this path. **Eliminating the ‘by-right’ allowances, prohibiting events and advertising while restricting our operations removes the incentive to invest thousands of dollars in our rural communities and will not draw tourists.**

Our specific recommendations regarding the 6/26/15 Ordinance Draft includes the following:

Page 1 – Preamble “Commercial Activities not expressly allowed pursuant to the provisions of Section 6910 are prohibited.’ This is vague, open to interpretation and limits the ordinance and industry’s potential to engage supporting businesses in the growing wine industry; often referred to as the ‘ripple effect.’ **I am asking that this statement be removed**.

Page 3 - #4 The building sizes proposed do not support the amount of wine allowed to be made at the Boutique winery level. For example, at Ramona Ranch with ten acres, we are allowed no more than 3200 square feet; yet we can make up to 5000 cases of wine. Wine requires aging and storage; a good estimate is one foot per case, so just to store 5000 cases, we would need a 5000 square foot facility, plus additional room for shipping, receiving, laboratory, maintenance, circulation, and offices; **a reasonable estimate is double these numbers.**

Page 4 – #4 (continued) No additional barns, agricultural storage…shall be utilized. Where are we to store all of the equipment that is used once a year in the harvest and production of wine? **Recommend this be changed to barns and agricultural storage buildings on the premises shall not be used for wine storage or tasting without the proper Federal Bond and ABC License.**

Page 4 – #6 – The word “Parties” has been added to prohibited events; adding the advertising and promotions of any events is prohibited. This is very restrictive and not in-line with the promotion of Agro-tourism. In my review of several other successful wine regions in California, boutique wineries are allowed a limited number of events per year by-right, for example in Napa they can host 6 events per year for no more than 399 persons, and 3 events per year for more than 400 persons.  **My recommendation is that the ordinance allows the boutique wineries by-right the ability to host no more than 24 events per year, not to exceed 100 guests without a special permit, CEQA exempt.**

Page 5 - #7 – Disallows licensed caterers from preparing food on-site which may be in conflict with their license and appears to prohibit food trucks; a common practice at our local breweries and urban wineries, as well as in other Counties, for example, Amador County. Serving food to wine drinkers is a good practice and should be encouraged. **My recommendation is that caterers be allowed to operate within the constraints of their own specific licenses.**

Page 5 - #11 – Does not allow outside amplified music, and requires an “Entertainment Establishment License.” I’ve attempted to obtain an Entertainment Establishment License, after being told by the Sheriff that we cannot provide the acoustic music currently allowed by the existing boutique winery ordinance without this license. Then I was informed that as Ag land, we are not zoned for an Entertainment Establishment License so can’t have one. In reviewing the license application, boutique wineries are not noted as a required establishment. **My recommendation is that “Music is allowed in compliance with the existing County Noise Ordinances.”**

Page 5 - #13 – States outdoor eating areas shall only be used during the hours specified in the ordinance. I am recommending this be re-worded to clearly not apply to the owners, stating instead **“outdoor eating areas shall only be used by the public during the hours specified in the ordinance. “**

Agritourism is a form of niche tourism that is considered a growth opportunity in many parts of California. This is supported by the University of California’s statement **“Agricultural tourism is one alternative for improving the incomes and potential economic viability of small farms and rural communities…with potential for development.”** American Farm Bureau Community Development Specialist Sabrina Matteson says **agricultural tourism has become an important alternative for improving the incomes and potential economic viability of small farms and rural communities.**

The proposed changes to the San Diego County Winery Ordinance are not Agritourism, Small Business, nor Consumer friendly; I ask that you read this reports I cite, look at the challenges facing our start-up industry and let us know if you want us to succeed or stagnate? Should the changes proceed as written, many fear for the death of our budding wineries, eliminating our potential growth, impact and long-term commitment to our communities. We encourage you to move forward cautiously and avoid adding restrictions that would make our future as wine-grape growers and wine-makers unsustainable, eliminating the potential tax base created by this growing industry and revitalization of our back country.

Sincerely,

Teri & Micole

Teri Kerns, Owner and President, Ramona Ranch Vineyard and Winery Editor in Chief, Ramona Valley Wine Region Magazine

Micole Moore, Co-owner and Wine-maker, Ramona Ranch Vineyard and Winery President, Ramona Valley Vineyard Association (RVVA)

CC:

* *Supervisor Dianne Jacob, San Diego County Board of Supervisors*
* *Eric Larson, Executive Director, San Diego Farm Bureau*
* *Michael Harrison, Deputy District Director, Congressman Hunter*
* *Ramona Chamber of Commerce*