

Deborah Lockwood
10047 NW Dick Rd
Hillsboro OR 97124
503-647-2270

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Chairman Roblan, Senators Baertschiger, Burdick, Close and Prozanski,

I appreciate the opportunity to testify today regarding SB 841. I live in the Hillsboro area, 3 miles outside the Urban Growth Boundary. My immediate neighborhood is rural, with large acreages devoted to producing grass seed, alfalfa and wheat. We have a commercial dairy, a large alpaca farm and several horse training facilities. The character of the area is agricultural, but we are only 20 minutes from downtown Portland.

SB 841 will affect my area, just as much as it will affect rural communities in less populated areas of the state. My neighborhood has just gone through a difficult and expensive 3-year process of reining in constant promotional and commercial activities and events at a local 15-acre vineyard. The objective of the operators was to maximize onsite retail sales of wine. So I look at SB 841 through that lens: if I were a small wine producer looking to maximize onsite retail sales, what could I legally do under this bill?

The answer is: a lot. I am allowed unlimited promotional activities, including unlimited "winemaker luncheons and dinners" and unlimited "open houses." The winery is not to operate like "a café or restaurant open to the public"—but I wonder, if a winery in the Ashland area offered "winemaker luncheons and dinners" every weekend featuring own-label wine, a set menu and required advance registration, would that not qualify as permissible under this bill? Similarly, could the unlimited "open houses" feature enough "complimentary" food to make a visit to a winery a meal as well? Business is drawn away from towns, in this way, and traffic is increased in farm and forest areas.

The only check on this kind of "promotional" activity that the bill offers is the income ratio: income from wine sales on these occasions must be no less than 75% of the income from "incidental" sales such as food. This is not effective. No county has the staff for meaningful review of winery accounts. All winemakers have the discretion to price their product as they see fit.

I respectfully suggest that a provision to be added to this section of the bill. Along with keeping income records, to be available for inspection, wineries should keep a log of all promotional activities listed in this section of the bill, including the attendance at each. The attendance could be indicated in a range, such as 0-50, 50-100, and so on. I suggest this because in reality it is not the income produced by the winery that is the crucial indicator, as far as maintaining agricultural character. The crucial indicator is the amount of traffic produced.

The next section of the bill addresses non-agricultural activities, or events, allowed at wineries. These are limited in number, require county-issued licenses and permits, and conditions of use may be imposed. Here, again with respect, I would like to make a couple more suggestions. Every winery putting on events should be required to maintain a public schedule of the events. Most wineries already publish an online calendar, but perhaps do not include all events such as weddings or corporate retreats. I make this suggestion because enforcement, at least in my county, Washington County, is complaint-driven. That means it is up to the public to call attention to possible code violations. The public should be able to check, easily and quickly, how many events are scheduled at a winery and when.

I have one further comment about this section of SB 841. Wineries will not only be a permitted use on land zoned for farm and mixed farm and forest use, under this bill. Events at wineries will also be permitted, subject to county review and approval. The public in effect is left out. The evidence and input of area farmers, owners of forest parcels, and rural residents, as to the adverse impacts of events, is minimized.

Under these circumstances 5 years is much too long a term for the licenses and permits. The legislature would be granting significant privileges to wine producers with this bill. It is only just, prudent and appropriate to link those privileges with accountability to neighboring landowners, and also, with accountability to Oregon's land use system, which deliberately separates urban and rural uses. I believe that is far better accomplished with a 3-year term for licenses and permits.

Thank you for your attention and your thoughtful consideration of the issues in this bill.

Sincerely,

Deborah Lockwood