April 26, 2018

The Honorable Joe McDermott Chair, King County Council Room 1200 COURTHOUSE

Dear Councilmember McDermott:

This letter transmits an ordinance and a report that will enable King County to prepare for and support the future of the wine and adult beverage industry as it grows and evolves in King County while respecting our rural and agricultural areas. We refer to the "wine industry" generally, but our response addresses all adult beverage industry uses including wineries, breweries, distilleries, and cideries.

The ordinance and report are in response to the King County Sammamish Valley Wine and Beverage Study, which was released in September 2016 following a six-month review process with a stakeholder committee and the general public. While the initial motivation for the report was the rapidly growing wine industry in and around the Sammamish Valley, this response addresses the wine industry throughout the rural and agricultural areas of King County.

In Washington, the wine and beverage industry is a fast growing and quickly evolving industry. These businesses support local economic development through the production and sale of wine, beer, and distilled beverages, as well as through tourism. With growth comes concern about enforcement of current land use regulations and the overall impact of the wine and beverage industry on the quality of life and the sense of place not only in the Sammamish Valley, but throughout rural King County. The attached ordinance updates the regulatory structure for wineries, breweries, and distilleries, establishes a business license for these industries, and proposes two short-term demonstration projects in limited areas to test the suitability of tasting rooms and an alternative way to regulate events at the larger wineries.

This proposal integrates the requirements of the state Growth Management Act and the county's Comprehensive Plan as they relate to urban growth areas, farmland preservation, and rural areas using a framework that is based on accommodating the wine and adult beverage industries at a size and scale appropriate for the rural and agricultural areas in King County. The attached report outlines a series of possible actions including an adult beverage

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toolkit, updated signage, and trail connections in the Sammamish Valley. This report advances the Healthy Environment and Economic Vitality goals of the King County Strategic Plan.

Robust stakeholder and community engagement guided our work at each step in the process. Public involvement included: five stakeholder meetings, one large public meeting, an online comment portal, issuance of the public review draft for broad public comment, and 213 emails received over the course of developing the proposal.

We retained a consultant to assist staff in supporting the stakeholder committee, conducting public outreach, and preparing the King County Sammamish Valley Wine and Beverage Study. The consultant contract was \$75,000. In addition, King County staff from several departments contributed to the report over the course of two years. The estimated cost of the staff time spent on preparting the report is \$150,000 for an estimated total cost of \$225,000.

Thank you for your consideration of this ordinance. This important legislation will allow King County to establish a strong foundation for moving the wine and adult beverage industry into the future, while honoring and protecting the rural and agricultural lands in the Sammamish Valley and throughout King County.

If you have any questions, please feel free to contact Rachel Smith, Chief of Staff to the King County Executive, at 206-263-9628.

Sincerely,

Dow Constantine King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Carolyn Busch, Chief of Staff
Melani Pedroza, Clerk of the Council
Dwight Dively, Director, Office of Performance, Strategy and Budget
Rachel Smith, Chief of Staff to the King County Executive