

Community Development Steering Committee

Association of Oregon Counties

June 6, 2011 Meeting Minutes

Members: Diane McKeel, Chair, (Multnomah); Gary Thompson (Sherman); Mary McArthur (Economic Development Districts); Tony Hyde (Columbia); Mike Benedict (Hood River); Alan Unger (Deschutes); Craig Polk; Kris Latimer (Workforce Consortium); Tony Hyde (Columbia); Jim Bernard (Clackamas); Janet Carlson (Marion); Linda Modrell (Benton); Joe Laurance (Douglas)

Guests: Tara Bowen Biggs (Multnomah); Dan Jarmin (Oregon Wine Growers); Barb Young (Marion County)

AOC Staff: Ann Hanus; Doris Penwell; Art Schlack

Chair Diane McKeel convened the meeting at 8:15 am.

A motion to approve the April and May minutes was made by Gary Thompson and seconded by Mike Benedict. The motion was approved.

NACo Conference Report and Resolution (Action) – Kris Latimer

Kris Latimer discussed the need for the proposed NACo resolution to support the restoration of funding and reauthorization of the federal Workforce Investment Act. She said this program has not been re-authorized since it expired in 2003. She noted they have lost significant amount of funding. Tony Hyde moved to approve the motion with Gary Thompson seconding the motion. Tony Hyde and Gary Thompson were added as sponsors.

Land Use Legislation: Farmland Activities (SB 960)/Winery Related Legislation (HB 3280)

Art Schlack discussed HB 3280 and the -14 amendment. The amendments were a product of a work group and the Governor's Office. It did pass out of the Senate Environment and Natural Resources Committee 5-0. The strategy is to keep the bill alive to allow more time to work on the issues. It will likely be passed by the Senate but then the House will not concur resulting in the need for a conference

committee. At this point there is not a consensus. If no consensus is reached, it will be re-visited in 2012. The three categories of wineries were collapsed into two. There is a range of opinions among different wineries about what to support.

Janet Carlson said there was a discussion in Special Operations Committee who provided direction to Art Schlack. For example, they talked about who should do inspections for restaurants. They decided to oppose the amendment. Art Schlack needs additional direction on several issues such as whether AOC supports full service restaurants for large wineries (production over 250,000 gallons) such as Willamette Wineries and King Estates.

Art said that SB 960 (AOC Farmland Activities) has passed out of Committee.

Dan Jarmin said that after SB 1055 passed last session, issues were raised about wine facilities especially if buying grapes from elsewhere. Since there was a sunset, they knew they had to revisit the issue. He reviewed a list of core winery issues and provided an outline of the issues. They had discussions and town meetings around the state and then adopted principles by their board. Wineries should have the ability to have facilities to market and sell their wine. They listened to counties and stakeholders such as 1000 Friends and decided that issues such as weddings, events where admission was charged such as concerts, and non-winery specific activities should require a permit from counties. They were able to develop consensus over this approach. Incidental items (cookbooks, glasses etc) that were sold can't exceed 25% of on-site wine sales. It is difficult to separate wine and food since they are so intertwined. Wineries are required by OLCC to have some food on hand to lessen intoxication effects. As a result, kitchen facilities would be needed to comply with OLCC; however, where do you draw the line? After talking with Legislators, most feel that more activity on wineries is good. SB 829 and HB 3980 passed. They believe that large wineries should have restaurants but do not have consensus in the industry about whether medium size wineries should have the same right to do so. They are not fully supportive of the -14 amendments but would like to see it get to Conference Committee so more time is available to work on issues. There have been more "faux wineries" appearing whose main objective is holding events; the winery industry is not supportive of this type of establishment.

Art Schlack said the -14 amendments refer to "food as required by law". He said they agreed about the need for kitchens. The Farmland Activities Task Force discussed winery events. The preference was to have a permit when food is provided beyond what is required by law. Dan Jarmin said this is where wineries and the counties disagree. Art asked whether there should be side-boards and permit requirements.

Craig Pope said there are different players and opinions within the winery industry. How did we get to the -14 amendments? Art Schlack responded that the wineries had different views and then Dan Jarmin tried to get a consensus in the winery industry. The major players are the Department of Agriculture, Farm Bureau, 1000 Friends, Counties, Governors Office, Legislators, and winery industry. The -10 amendments were from the winery industry. The -14 came from the Governor's office and workgroup. Dan noted there is a grandfather issue where they had prior permit approvals and have secured financing and construction; counties concur with having a grandfather clause.

Art Schlack talked about the major issues and referred to the handout entitled "Core Winery Issues". What constitutes public and private events? Should they be subject to standard criteria and permitting processes? Should there be a limit on the percentage of sales of incidental items e.g. 25%? Should wine be sold at farm stands?

Janet Carlson moved that there should be a limit of 25% of wine sales for incidental sales with a CPA report as requested by counties. The motion was seconded by Craig Pope. Motion passed.

Janet Carlson moved that AOC support the existing uses of farm stands regarding bottled wine sales. Craig Pope seconded the motion. He mentioned that small wineries in his county have their wines bottled elsewhere but sold at their small farm stand; this would remove their incentive to process and sell their wines. Motion passed.

Janet Carlson said that counties should be able to have a multi-year renewable permit process for winery events beyond those events currently allowed in law. She said that obtaining conditional permits can be onerous and time consuming. Craig Pope seconded the motion. Tony Hyde and Linda Modrell said their mass gathering ordinances have worked well. Craig Polk said he does not want to reduce ability to make an income. However, he is aware about the issue of loading more responsibility for oversight by the counties. The members discussed the need for counties to determine the needs of their own counties and have flexibility regarding the number and size of events. Mike Benedict asked whether there should be a differentiation between public and private events? Motion passed.

Janet Carlson moved that food as required by law can be served with wine tasting, catered food can be permitted in conjunction with permitted public and private events, and a full service café/restaurant can be allowed for wineries producing over 250,000 gallons. Craig Pope seconded. Motion passed.

Recognition of Oregon Economic Development District Association as an Associate Member of AOC (Action) – Mary McArthur

Mary McArthur said that a new statewide association was formed to ensure that the entire state can be given service. Also, they want to establish consistent loan program service delivery and coordination with local economic development groups. The coordination would allow for more match dollars to leverage federal grants. Tony Hyde moved and Janet Carlson seconded the motion to recommend that the AOC Board recognize the Oregon Economic District Association as an Associate Member of AOC.

Legislation Review

Ann Hanus highlighted the status of major bills:

HB 3017 – Extends the sunset of enterprise zones passed both chambers unanimously. This is a high priority AOC bill.

SB 437 – Extends the same confidentiality exemption to counties and cities as the state as currently has for initial business recruitment.

HB 3656 – Requires that ODFW consult with counties and cities. Passed out of committee.

Ann also mentioned that there is a petition effort by Rep. Hunt to spring HB 2624 from the House Revenue Committee. The bill would require prevailing wages be paid in Enterprise Zones. The petition must be signed by 31 members to force a vote on the House floor.

Tax credit bills such as the Long-term Enterprise Zone Tax credit, the Electronic Commerce tax credit bill and film and video are still in question.

Doris discussed the status of the BETC bills. Rep. Bailey is working with other legislators to amend the bill. She expects that the size of renewable projects will be reduced to 35 MW. The bills would likely deal with new pre-certifications rather than for already approved pre-certifications. The RETC will likely be curtailed for appliance purchases and transportation passes. The Committee will need to reduce costs and focus on needs. There will be one omnibus bill on tax credits.

Chair McKeel said there would not be a meeting on June 20 for the Community and Economic Development Steering Committee.

Meeting adjourned at 10:00 am.