



RATIONALE FOR BEVERAGE ORDINANCE PROPOSED CHANGES

King County Beverage Ordinance #2018-0241

Abstract

This document contains an explanation for changes proposed in the Friends of Sammamish Valley Beverage Ordinance Redline dated July 24, 2018 as submitted to King County Council members. Friends of Sammamish Valley is a group of local citizens, businesses and organizations dedicated to protecting agriculture, maintaining the character of the Rural Area and preserving a rural lifestyle in the Sammamish Valley

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1 Executive Summary

Who are we?

Friends of Sammamish Valley is a group of local citizens, businesses and organizations whose goals are to protect the Sammamish Valley Agricultural Production District (APD), maintain the character of the surrounding Rural Area, and preserve the rural lifestyle for local residents.

What are our concerns?

Friends of Sammamish Valley's position is that urban uses cannot be allowed to sprawl across the Rural Area and APD. Retail and commercial buildings, traffic, parking lots, signage and outdoor lighting for wine, beer and liquor tasting rooms, and for event centers, are urban uses that do not belong on APD farmland and in the Rural Area. There is plenty of land for these businesses to operate legally inside of the Urban Growth Areas in the surrounding cities of Woodinville, Redmond, Kirkland and Bothell.

The Sammamish Valley is a unique asset where farming, a rural lifestyle and the wine tourism industry operate in symbiosis. Urban sprawl will quickly produce a wide range of negative consequences. Urban uses destroy the rural character of the Sammamish Valley and the quality of life for local residents who have chosen to live in a rural area. The viability of farmland in the APD will be directly harmed. Converting rural lands to urban uses would be counterproductive to the success of Woodinville area wine tourism, which leverages the visible presence of open lands and agriculture in the Sammamish Valley to draw in tourists. And with the increasing urban density in the core areas of surrounding cities, the Sammamish Valley is a rural oasis that is welcomed more than ever by nearby urban residents.

What do we propose?

Friends of Sammamish Valley has set forth detailed changes to King County Beverage Ordinance 2018-0241 that are required to eliminate aspects of the ordinance that are most detrimental to farms and rural residents. The changes are shown in our redlined alternative ordinance dated July 24, 2018. The document you are now reading contains the rationale for the proposed changes. In summary, we propose:

- 1) **Remove Demonstration Project Overlays A and B from the Sammamish Valley. The Demonstration Project provisions would permanently allow wine, beer and liquor sales by the glass and bottle, and one-time permanent permits for special event centers in the Rural Area.**

The Demonstration Project Overlays:

- a) Are completely unnecessary—they serve no legitimate purpose.
- b) Overwhelm already crowded rural roads.
- c) Directly harm the viability of farmland.

- d) Convert affordable housing to bars.
- e) Convert landscaped and open space areas to parking lots.
- f) Flood farmlands with storm water runoff.
- g) Exceed the capacity of septic systems.
- h) Prioritize the interests of a few illegal business operators over the legitimate interests of thousands of residents and voters who have chosen a rural lifestyle.
- i) Reduce the open, rural nature of the Valley which also benefits urban residents in nearby cities.
- j) Reward a handful of illegal business operators over the interests of hundreds of legally operating businesses.
- k) Are counterproductive to the wine tourism industry that relies on the bucolic nature of the rural valley and farmlands to draw tourists.
- l) Violate numerous state and local regulations including the State Growth Management Act, King County Comprehensive Plan, KC SO-120, and KC Chapter 21A.55.
- m) Fail to meet the goals of the King County Action Report dated April 26, 2018.
- n) The Demonstration Project Overlays are really permanent. They reward a handful of existing code violators and legalize additional urban use development in the Rural Area. The Overlays are essentially a backdoor way to bring urban activities onto rural lands without following state and county mandated processes to expand the Urban Area and are a de facto move of Woodinville and Redmond's Urban Growth Boundaries.

2) Improve the remaining provisions of the ordinance by:

- a) Closing loopholes that would allow retail operations to call themselves “wineries”, “breweries” or “distilleries” when they in fact they produce little or no product on-site.
- b) Stipulating that “tastings and sales” conducted at beverage production sites are for products made on-site only.

What about the tasting rooms and other alcoholic beverage related business that have sprouted up in the Rural Area and APD near the Woodinville Tourist District?

Our proposal is that all illegally operating tasting rooms/retail sales outlets/event centers be given a 12-month grace period to move to a new legal location or cease illegal operations. Note that King County has already given violators a 3+ year grace period by freezing zoning enforcement while the “Wine Study” was conducted. Open King County code enforcement cases have clarified that such retail operations are not permitted on these properties.

Requiring compliance with zoning laws impacts approximately 6 tasting rooms/event centers in the Sammamish Valley, of which 4 are on rented properties. Giving another 12 months to comply with the law is a more than fair accommodation of the interest of these businesses, especially when compared to real interests of thousands of rural residents and

hundreds of legally operating businesses in seeing the rural character of their communities protected.

2 Remove Demonstration Project Overlays A & B in the Sammamish Valley

Demonstration Project Overlay A. The Overlay A provisions would allow sales of wine, beer and liquor in facilities termed “remote tasting rooms” (classified as retail “drinking places” under the current zoning code). Remote tasting rooms would be allowed to sell “adult beverages” in the Rural Area—a category of land protected by the King County Comprehensive Plan and the State Growth Management Act and that has been designated as a buffer to the adjacent Sammamish Valley Agricultural Production District (APD). (See map attached as Exhibit A).

The Ordinance also proposes that a Demonstration Project Overlay A be located in the Vashon Island commercial district. The urban commercial uses that would be allowed by Demonstration Project A may be appropriate in the commercial area of Vashon Island, but we do not intend to express any opinions on the Vashon Island Overlay in this document.

Demonstration Project Overlay B. The Overlay B provisions would allow adult beverage businesses (wineries/breweries/distilleries) to conduct large events and weddings (up 250 people per event) on a large swath of Rural Area properties in the APD buffer area extending from Woodinville to Redmond (See map attached as Exhibit B). Demonstration Project Overlays A and B in the Sammamish Valley should be removed from the Beverage Ordinance for the following reasons:

2.1 Test Plan is Flawed

The Beverage Ordinance states that the purpose of the Demonstration Overlays A and B is to evaluate the impact of “remote tasting rooms” and “expanded wine and adult beverage-based uses” (event centers) in the rural area and on the agricultural production district (lines 34-37).

The test plan for this evaluation in the Sammamish Valley is completely flawed. The Overlays are adjacent to the City of Woodinville’s commercially zoned Tourist District which already contains a significant number of urban activities - tasting rooms, wineries, event spaces, restaurants, and other entertainment options. There is no way to separate the positive or negative effects caused by the Overlay A & B area on the rural and agricultural surroundings from the effects created by the Tourist District. The Sammamish Valley Overlay A and B tests cannot provide any unique data for actionable decisions, and thus do not meet the stated objectives.

2.2 Impact Test Data Already Exists

The Demonstration Project Overlays A and B “test” is unnecessary because the legally operating facilities in the Woodinville Tourist District already provide significant test

data to demonstrate the impact of urban activities on the Sammamish APD and Rural Area. The stated goals of the proposed demonstration projects are already met.

The Woodinville Tourist District is situated midway in the Valley between Woodinville and Redmond, and is surrounded by lands zoned A and RA. If the county wishes to understand the impact of tasting rooms in a rural setting it should review the positive and negative effects already evident from the Woodinville Tourist District. (See map attached as Exhibit C).

2.3 Invalid Process to Expand Urban Area

Wine, beer and liquor sales businesses and special events businesses are urban activities not allowed in Rural Areas. The process required to expand the Urban Area has not been followed. The criteria for expansion cannot be satisfied.

Commercial development drawing customers from a broad region is not allowed in the Rural Area. If the County wants to allow wine, beer and liquor sales, and related special events, in the Sammamish Valley Rural Area, there is a process that must be followed to expand the Urban Growth Area. The process has not been followed. The Demonstration Project Overlays are essentially a backdoor way to bring urban activities onto rural lands without following mandated processes, and a de facto move of the Woodinville Urban Growth Boundary.

Even with the right process, expansion of the Urban Area is not warranted because the County would need to demonstrate that there is insufficient capacity within the existing Urban Growth Area to accommodate the proposed development. In this case expanding the Urban Growth Area is not justified because there is plenty of capacity to accommodate additional wine, beer and liquor sales and production, and special events, inside the Woodinville Urban Growth Area.

2.4 Plenty of Legal Space Available

The Woodinville Urban Area (City Center and Tourist District) has plenty of retail and commercial space available for rent, with more than adequate room for additional drinking establishments and event centers in the properly zoned Urban Area, so there is no need to expand the Woodinville Urban Area.

Woodinville has:

- **Land:** 130 acres of vacant and re-developable commercial land inside our city limits.
- **Industrial construction:** 170,000 square feet of new industrial space north of Chateau Ste. Michelle.
- **Retail construction:** About 60,000 to 80,000 square feet of new retail space under construction or nearing Development Agreement in Woodinville's Central Business District and Tourist Business District.

The City of Woodinville shares about 3 miles of border with the Sammamish Valley—plenty of space for businesses that want to take advantage of the view. Redmond and Kirkland also have vacant and re-developable land, and leasable commercial space, along rivers, trails, parks, and lakefront.

There are over a hundred winery operations inside Woodinville’s city limits thriving legally, without needing to come to King County for relief. Woodinville is ready, willing, and able to accommodate the needs of the beverage industry.

2.5 Demonstration Project Overlays Are Really Permanent

The Demonstration Project Overlays are simply a way to permanently legitimize ongoing illegal activities on a handful of properties, and to allow additional urban use business development on Rural Area lands. There is no termination of the rights for businesses established in the demonstration areas and the handful of individuals who have already willfully broken the law will be rewarded by gaining the status of being legal non-conforming uses (grandfather rights) by obtaining a conditional use permit—a one-time, administratively issued permit that grants permanent rights. At the end of the 3-year demonstration period, nothing changes.

The “demonstration” characterization is very misleading. Rewarding this handful of violators is a slap in the face to the hundreds of businesses in the area that play by the rules, and ultimately undermines the legitimacy of the King County government.

2.6 Fuel Already Rampant Land Speculation and Harm Farms

The Rural Area lands in the Demonstration Project Overlays will be available for the next three years for development of drinking establishments and event centers. Any operating businesses at the end of three years will then become legal permanently. This de facto zoning change will cause a land rush for developers and will set an extremely bad precedent by encouraging further land speculation.

Farmland in the APD, sold for the specific purpose of farming, has typically been priced in the \$20k - \$35k per acre, for the land. Lease rates are typically \$450.00 to \$1000.00 per acre per year, when leased for farming.

But agricultural and rural land values in the Sammamish Valley have already been highly inflated based upon the expectation that urban commercial development will be allowed. This is already a reality after 3 plus years of the County’s failure to code enforce against illegally operating commercial uses. Besides the handful of violators that are within the wine industry, several additional properties elsewhere in the valley on Rural Area or APD lands have sold to developers, or are for sale, at significantly inflated prices:

Parcel Number: 1526059052
14711 148th Ave NE, 98072
Formerly known as: Christine’s Landscaping
Zoning: RA2.5
Acreage: 1.41

Buildings: Home built in 1955, no renovations, 1561 sq ft
Sold: \$1.2m on 5/22/17
New Owner: TRF Equities CCL, LLC.
TRF is a Seattle based property development company

Parcel Number: 152605-9056
Adjacent to 14711 148th Ave NE, 98072
Formerly known as: Christine's Landscaping
Zoning: RA2.5
Acreage: 1.48
Buildings: None, open land adjacent to home
Sold: \$1.2m on 5/22/17
New Owner: TRF Equities CCL, LLC
TRF is a Seattle based property development company

Parcel Number: 3404700170
14123 Woodinville Redmond Road, 98052
Formerly: private home/farm
Zoning: A10
Acreage: 4.82
Buildings: Home built in 1979, 2400 sq ft
Sold: \$600,000 on 10/7/13
New Owner: Brian Ross, who is currently CEO of Oakpointe LLC, which is part of the Yarrow Bay Development Group. Brian was formerly CEO of Yarrow Bay Holdings.
Current Usage: Being rented

Parcel Number: 152605-9028
16507 140th PL NE, 98072
Formerly: Kirshner Trailers & French Bakery
Zoning: A10
Acreage: 5
Buildings: 1806 sq ft
Sold: \$1.5m on 6/21/2016
New Owner: Icarus Holding LLC (Vladan Milosavljevic)
Current Usage: Illegally operating Antiques store and Bakery/coffee shop. Heavy equipment and construction materials for another business being stored behind bakery. Been cited for multiple KC code violations.

Parcel Number: 102605-9031
16725 140th Ave NE, 98072
Formerly: private home
Zoning: A10
Acreage: 7.98
Buildings: Home built in 1958, 3030 sq ft
Sold: \$1.85m on 6/28/2016

New Owner: Icarus Holding LLC (Vladan Milosavljevic)

Parcel Number: 232605-9024

13229 Woodinville Redmond Rd 98052

Currently: private farm

Zoning: A10

Acreage: 4

Buildings: Home built in 1949, 2300 sq ft, 2 barns

FOR SALE: Asking price \$6.5m

Farm land price speculation occurs when purchasers pay way more for the land than would be feasible if it was going to be farmed. The expectation for these purchasers is they will be able to commercialize their properties in some way in order to warrant the purchase price. This makes it impossible for new farmers to purchase the land as it is too expensive, thus driving out the farmers over time. Farmers who wish to lease need leases that last at least 10 years in order to make improvements to the land (e.g. drainage) economical feasible. Land owners don't want to tie themselves up for 10 years at farming rates when expectation of sales or leasing at commercial rates are forthcoming. So, land use speculation pushes out the farmers and destroys the APD.

The same argument holds for rural lands adjacent to the APD. Paying commercial land prices for Rural Area lands incent developers to push for commercial rezoning in order to gain return on their investments.

In addition to the slippery slope of farmland destruction through land price/usage speculation, there is also the issue of conversion from one commercial use to another. The Demonstration Project Overlays would legitimize the continued broad use commercialization of the Rural Area. Selling alcoholic beverages is not really distinct from other kinds of retail, and other retail uses are *already* springing up on APD land, including a café/bakery and antiques store.

Real estate agents are also promoting commercial uses on rural and agricultural lands for sale in the Sammamish Valley as can be seen in a current sales brochure for a property within the APD (See Exhibit D).

2.7 Farms in the APD Harmed Due to Water Management Issues

The Sammamish Valley APD is one of the most productive farming areas in Washington State. There is enough farmland available in the Sammamish Valley to produce over 12 million pounds of vegetables annually, enough to provide more than 80,000 people with 150 lbs each year. One farm is regularly producing an average annual production of vegetables of 11,250 lbs (5.6 tons) per acre. Some farms, in addition to selling their produce, also provide fresh local organic vegetables to people who do not have access. They do this by weekly deliveries, free of charge, to agencies such as food banks, youth residential programs, domestic abuse housing programs, and programs which provide services to those in transition from homelessness.

A healthy farm ecosystem has to maintain a certain size in order to function. Any change in density of rural lands surrounding farmlands has an immediate and detrimental effect on farming production. Which is why SO-120 (discussed below) is so important to sustaining the Sammamish Valley APD. Specifically, water management can make or break farms and agricultural-related businesses. Rural areas do not have storm sewers, so storm water runoff from roads and uphill properties pollutes farmland and makes it too wet to farm. Farmers often are unable to build diversion ditches for polluted runoff. Two farms in the APD have already lost land to farming due to runoff issues from recent development. Since some of this land is in the Farmland Preservation Program, this loss is not only the farmer's loss, but a loss to all the citizens of King County who voted to tax themselves so that food could be produced here.

Both land price speculation and water management issues have a direct and immediate impact on farms in the APD. Bringing urban activities onto Rural Area lands that buffer the APD will harm the viability of the APD.

2.8 Wine Tourism Booming and Dependent on APD and Rural Area

Converting Sammamish Valley Rural Area lands to the Urban Area would be completely counterproductive to the success of the overall wine tourism business. The wine industry is thriving in the Woodinville area where currently more than 130 wineries and tasting rooms are in operation. The success of the local wine industry in drawing in tourists is in fact dependent on the visible presence of open lands and agriculture, and the bucolic nature of the Sammamish Valley. It is no accident that significant investments have been made by numerous wineries into this geographic area.

The symbiotic nature of the wine tourism industry with the rural lands is best summarized on the Woodinville Wine Country website which states: *"Woodinville Wine Country is a mere 30 minutes northeast of Seattle, but it might as well be the other side of the world. This small, scenic valley is where the fruit of Eastern Washington meets the vintners, chefs and flavors of the Pacific Northwest."*

In the King County Action Report dated April 26, 2018, the County in fact acknowledged *"agricultural activity adds to the distinctive character in the area, particularly for visitors to the more than 100 wineries and tasting rooms in Woodinville and the nearby unincorporated areas."*

The Overlay A and B regulations in the proposed ordinance would create a de facto expansion of the Urban Growth Area. The Overlays would set a precedent that will undermine the successful interplay between rural and urban that currently exists.

2.9 Local Residents' Interests Must Be Protected

Urban uses destroy the rural character of the Sammamish Valley and the quality of life for local residents. Specifically, traffic, which is already a major issue, will be significantly impacted due to the nature of the road running through the valley. It is a 2 – lane rural road for Rural Areas, lacking shoulders, lighting, turn lanes, and presenting difficult ingress/egress in a number of locations. The Sammamish Valley Winery and

Beverage Study dated April 26, 2018 in fact acknowledges that the already existing traffic impacts cannot be mitigated due to the physical constraints of the location and the lack of funding.

Local residents, who have chosen and invested in a rural lifestyle have the right to enjoy their community. The de facto urbanization created by the Demonstration Project Overlays ignores these rights in favor of the interests of a very narrow segment of businesses catering to regional customers.

2.10 Residents Living in Local Urban Areas Lose Open Space Access

The Sammamish Valley Rural Area and APD serve as a separator between the cities of Woodinville and Redmond. Many of these local urban residents take advantage of the open spaces and outdoor activities available in the valley as a respite from urban living. Urbanizing the rural area provides a disservice to local urban residents.

2.11 No Service Infrastructure for Commercial Business on Rural Lands

RA zoned lands do not have the services infrastructure to support commercial activities. Without proper infrastructure significant harm will be caused to adjacent farms and residential properties.

1. Sewer services are not available in rural lands outside the Urban Growth Boundary. Commercial enterprises, especially those hosting regularly scheduled, large events, cannot function effectively on a septic system.
2. Bars and event centers need large-scale parking, which requires lots of impervious surfaces or the building of parking structures, as well an ingress and egress for vehicles off arterial roads. Large-scale parking can cause dust storms and compaction of land, leading to runoff issues. Commercial businesses are also tempted to park cars on adjacent open lands. Several incidents have already occurred in the Sammamish Valley where businesses holding events have parked cars on prime farmland, thus directly compacting and damaging land in the APD. Parking lots are also incompatible with rural character.
3. Redmond-Woodinville Road is a 2-lane rural road, not designed to support extensive drive up commercial business activity. Traffic is already a major nightmare for the residents and businesses within the valley.
4. Pedestrian safety is already an issue, even within the legally zoned Woodinville Tourist District, where inebriated tourists are often found tottering along the edge of the roundabout. The County has already acknowledged this in the Transportation section of the King County Action Report dated April 26, 2018. There is no infrastructure for supporting pedestrians along the rural 2-lane road bordering the Demonstration Project Overlays.
5. Rural areas do not have storm sewers, so storm water runoff from roads and uphill properties pollutes farmland and makes it too wet to farm, as discussed above.

2.12 Overlay Restrictions Detrimental to Success for Urban Businesses

The Planning, Rural Services, and Environment Committee met on June 19, 2018 to begin discussion of the Beverage Ordinance. While the Beverage Ordinance opens up the Demonstration Overlay Areas to urban activities, it also attempts to heavily regulate those businesses operating in the Overlays.

Members of the community were allowed to present comments at the meeting. The feedback from code violators conducting urban activities in the proposed Overlay areas was clear. Given the urban nature of their businesses they understandably want longer opening hours (till 11pm daily), more parking spaces, bigger operating square footage inside and out, relief from noise complaints, etc. In an attempt to shoe horn commercial businesses into the Rural Area, the Beverage Ordinance places restrictions on those businesses that are, in fact, counterproductive to their success. The violators feedback shines a bright light on why urban commercial activities are completely inappropriate in the Rural Area. The Overlays are counterproductive for the businesses themselves and would also set up King County with significantly more ongoing enforcement issues.

2.13 Loss of Affordable Housing

Significant emphasis has been placed on the lack of affordable housing in King County. The small, modest structures in the Demonstration Project Overlay A area have been converted from single-family homes to wine tasting bars. The houses should be returned to their original use. The reintroduction of these homes into the community would provide diversity through additional availability of more affordable housing in an area that is becoming increasingly high end and expensive to live in.

2.14 The Ordinance Violates KC Chapter 21A.55

Demonstration Projects are authorized and regulated by KCC Chapter 21A.55. Allowing a change in permitted land uses within a zoning classification is not an authorized purpose of a demonstration project:

21A.55.010 Purpose. The purpose of this section is to provide for "demonstration projects" as a mechanism to test and evaluate alternative development standards and processes prior to amending King County policies and regulations. Alternative development standards might include standards affecting building and/or site design requirements. Alternative processes might include permit review prioritization, alternative review and revision scheduling, or staff and peer review practices. All demonstration projects shall have broad public benefit through the testing of new development regulations and shall not be used solely to benefit individual property owners seeking relief from King County development standards.

The proposed demonstration project overlays authorize business uses not currently allowed by Rural Area zoning. Specifically, remote tasting rooms are classified as retail sales activities and denominated "Eating and Drinking Places" in the permitted land uses charts. Eating and drinking places are allowed in commercial and industrial zones—not RA zones (with very limited exceptions in connection with public parks). The proposed ordinance will make remote tasting rooms permitted uses in the RA zone within the

Overlay A area.

In the Overlay B area, nominal adult beverage production facilities that operate primarily as special event centers will be given a permanent, vested right to continue to operate in perpetuity upon receipt of a one-time issued conditional use permit. Under current zoning they receive only a temporary right to operate pursuant to an annual permit that may or may not be renewed, and that may be subjected to additional conditions as needed based on conflicts with surrounding land uses. This is a substantial change of permitted uses in the RA zone, not just a procedural change or modification of development standards authorized by KCC 21A.55. The lack of authorization for these purported demonstration projects is particularly evident where the prime motivation for the ordinance is to benefit a small number of property owners who have devoted their properties to business uses that are not legal under current zoning.

The demonstration project overlay areas are highly inconsistent with KCC 21A.55.010 which also provides:

Demonstration projects shall be located in urban and/or rural areas which are deemed most suitable for the testing of the proposed alternative development regulations. Within such areas development proposals may be undertaken to test the efficacy of alternative regulations that are proposed to facilitate increased quality of development and/or increased efficiency in the development review processes.

Overlay Areas A and B, far from being the “most suitable for testing of the proposed alternative development regulations” could not be more unsuitable for experimentation with the proposed remote tasting rooms and production facilities that in reality often serve as special event centers. These overlay areas are adjacent to the Sammamish Valley Agricultural Production District, and within the Rural Area intended to serve as a buffer for the Agricultural Production District. Perhaps the Overlay A located in the Rural Town of Vashon in which commercial and retail uses are allowed, could be justified as an area “most suitable” for the experiment. Certainly, the Sammamish Valley is not such a “most suitable” place.

The demonstration projects violate an essential requirement of KCC 21A.55.010:

21A.55.030 Demonstration project - general provisions.

(a) The demonstration projects set forth in this chapter are the only authorized demonstration projects. New or amended demonstration projects to carry out new or different goals or policies shall be adopted as part of this chapter.

(b) Demonstration projects must be consistent with the King County Comprehensive Plan. Designation of a demonstration project and its provisions to waive or modify development standards must not require nor result in amendment of the comprehensive plan nor the comprehensive land use map.

The proposed demonstration projects are inconsistent with the Comprehensive Plan's prohibition on land uses that are inconsistent with the rural character of the area. They conflict with the Comprehensive Plan's protection of agricultural land and particularly the lands within the Agricultural Production District. Interjecting retail sales and event centers into the Rural Area adjacent to the APD increases traffic congestion, replaces open space with parking areas, adds commercial signage and fuels land speculation, pushing agricultural and rural land prices far beyond the level that allows farming, and other agricultural and rural uses.

2.15 The Ordinance Violates GMA Through Comp Plan Inconsistency

The Ordinance Violates the GMA because it is Inconsistent with the King County Comprehensive Plan and Does Not Implement its Goals, Policies and Standards.

The Washington Growth Management Act requires that a county's zoning must be consistent with, and carry out the goals, policies and directions of its comprehensive plan.

The proposed winery, brewery and distillery ordinance is inconsistent with the King County Comprehensive Plan because it would allow drinking places that are not permitted in Rural Area zones. It violates the GMA because, by allowing businesses that are urban in character, it contradicts the policy and direction of the Comprehensive plan which requires that the rural character of the areas designated Rural Area by the Comprehensive Plan be preserved.

To be specific, Chapter 12 of the Comprehensive Plan prescribes a range of zones that may be applied in Rural Areas in the table that appears on page 12-9 of the Comprehensive Plan. The allowed Rural Area zones are RA-2.5, RA-5, RA-10 and RA-20. The "Overlay A" area in the Sammamish Valley is zoned RA-2.5. Neither RA-2.5 nor any of the other Rural Area zones allows tasting rooms.

Tasting rooms fall within the Zoning Code land use category of "Drinking Places". Drinking Places are classified as retail uses per KCC 21A.08.070 A. They are permitted in Commercial and Industrial zones. They are not permitted in Rural Area zones.

The proposed Ordinance would create a hybrid Rural Area/Commercial-Industrial zone in which the Retail Use of Drinking Places would be added to allowed Rural Area uses for the "Overlay A" area. This action would violate the Comprehensive Plan and the GMA and would thus be unlawful.

2.16 The Ordinance Violates Objectives of the Comprehensive Plan

The Overlays Violate the Objectives of the King County Comprehensive Plan of Avoiding Land Uses that are Incompatible with the Rural Area and that Primarily Serve Urban Areas

The current King County Comprehensive Plan known as the "2016 Plan" was most recently updated as of December 2017 (the "Comprehensive Plan"). The County

Executive's summary of the updates included in the Comprehensive Plan identifies the following as a significant update:

Rural Area policies strengthened to avoid incompatible uses. Avoiding placement of primarily urban serving facilities in the Rural Area and Natural Resource Lands (consistent with the Growth Management Act).

Executive Summary, page 5.

The proposed ordinance is at odds with this objective. It would promote a district in the Rural Area surrounding the Sammamish Valley Agricultural Production District comprised of wine, beer and liquor bars, and a second district to encourage special events centers nominally characterized as “wineries, breweries and distilleries”. The ordinance would allow these uses in two roadside strips of land boarding the Woodinville-Redmond Road referred to as “overlay districts”. This action would foster strip commercial development along this rural roadway that is incompatible with the protected, low density, rural character of the area.

The Comprehensive Plan classifies land areas by intensity of land use and the degree of protection given to natural resource areas. In other parts of the county more intensive land use designations have been assigned to unincorporated areas outside of the UGA, including Rural Towns and Rural Neighborhood Commercial Centers. The zoning classifications that correspond to these land use designations and areas designated Rural Area are shown in the table that appears on page 12-9 of the Comprehensive Plan, a copy of which has been pasted in on the following page:

IV. Land Use Designations and Zoning Classifications and Codes

The application of zoning classifications on specific properties is the first step towards implementing the land use designations of the Comprehensive Plan. Boundaries between different zone classifications may follow property lines, natural features or other dividing lines such as roads. A land use designation is implemented by one or more specific zone classification, as indicated on the table below:

Comprehensive Plan Land Uses	Zoning*																								
Unincorporated Activity Center : White Center	R-12, R-18, R-24, R-48, NB, CB, O, I																								
Community Business Center	NB, CB, O																								
Neighborhood Business Center	NB, O																								
Commercial Outside of Centers	NB, CB, RB, O, I - this is the range of existing zoning in place when the Comprehensive Plan was adopted																								
Urban Planned Development	R-1, R-4, R-6, R-8, R-12, R-18, R-24, R-48, NB, CB, RB, O, I																								
Urban Residential, High	R-18, R-24, R-48																								
Urban Residential, Medium	R-4, R-6, R-8, R-12																								
Urban Residential, Low	R-1																								
Urban Growth Areas for Cities in Rural Area	UR. The following two zones were in place in the North Bend Urban Growth Area when the comprehensive plan was adopted in 1994: I, RB																								
Rural Town	R-1, R-4, R-6, R-8, R-12, R-18, R-24, R-48, NB, CB, RB, O, I																								
Rural Neighborhood Commercial Center	NB																								
Rural Area	RA-2.5, RA-5, RA-10, RA-20																								
Industrial	I																								
Forestry	F, M																								
Agriculture	A																								
Mining	M																								
Greenbelt/Urban Separator	R-1																								
King County Open Space System	All zones																								
Other Parks/Wilderness	All zones																								
* This is the range of zoning that may be allowed within each comprehensive plan land use designations subject to comprehensive plan and subarea plan policies. Actual zoning on a specific property is determined through the area-wide zoning process or through a quasi-judicial rezone application.																									
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Implementation, Amendments and Evaluation – Page 12-9

The proposed Ordinance proposes to allow alcoholic beverage “tasting rooms” in “Overlay A” areas designated in the Sammamish Valley Rural Area and on Vashon Island in an area designated as Vashon Rural Town. The difference in permitted intensity of land uses in Rural Towns compared to Rural Areas is shown by the table. Allowing drinking places such as wine, beer and liquor tasting rooms in a Rural Town with a range of business, commercial, office and industrial zoning is a far cry from allowing these uses in the Rural Area of the Sammamish Valley that zoned RA-2.5. If the County Council wants to experiment with these urban-serving uses outside of the Urban Growth Boundary, perhaps a Rural Town may make sense as a place for these uses. But these

uses are not compatible with areas designated Rural Area—particularly in the Sammamish Valley adjacent to the Agricultural Production District.

Violate GMA and KC Comprehensive Plan Through Retail Sales in Rural Area

The Beverage Ordinance Violates the GMA and King County Comprehensive Plan by Establishing a Retail Alcoholic Beverage Sales District in a Rural Area.

A district comprised of businesses serving and selling wine, beer and liquor is incompatible with rural character. The Growth Management Act defines “Rural Character”:

Rural character refers to the pattern of land use and development established by a county in the rural element of its comprehensive plan:

- (c) In which open space, the natural landscape, and vegetation predominate over the built environment;*
- (d) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in Rural Areas;*
- (c) That provide visual landscapes that are traditionally found in Rural Areas and communities;*
- (d) That are compatible with the use of the land by wildlife and for fish and wildlife habitat;*
- (e) That reduce the inappropriate conversion of undeveloped land into sprawling, low-density Development;*
- (f) That generally do not require the extension of urban governmental services; and*
- (g) That are consistent with the protection of natural surface water flows and groundwater and surface water recharge and discharge areas.*

A concentrated district of wine, beer and liquor establishments is incompatible with rural character because:

- “open space, the natural landscape, and vegetation” are displaced by parking areas, retail buildings and signage;
- “traditional rural lifestyles” do not include bar hopping;
- “rural-based economies” are not based on tourist-oriented adult drinking districts typically found in city tourist and entertainment districts;
- retail drinking establishments do not provide “visual landscapes that are traditionally found in Rural Areas and communities”;

- use of land for retail drinking establishments is not “compatible with the use of the land by wildlife and for fish and wildlife habitat”;
- a district of retail wine, beer and liquor sales businesses increases rather than reduces “the inappropriate conversion of undeveloped land into sprawling, low-density development”;
- a concentrated district of wine, beer and liquor bars creates need for extension of urban governmental services including sewers, storm drainage, gas lines, upgraded water service, sidewalks, traffic control, street widening, street lighting, police protection and code enforcement;
- a drinking district disrupts rather than protects natural surface water flows and groundwater and surface water discharge areas.

2.17 The Ordinance Violates KC SO-120

Sammamish Valley Overlays A and B lie directly on top of the King County Special District Overlay 120 (SO-120), an agricultural production buffer (See map attached as Exhibit E). The purpose of SO-120 is to provide a buffer between agriculture and upslope residential land uses. The Demonstration Project Overlays violate SO-120, so therefore are in violation of the King County Comprehensive Plan. Additionally, County development regulations must be consistent with one another. The Overlays fail the internal consistency test with SO-120.

2.18 The Ordinance Fails to Meet Goals in King County Action Report

In the King County Action Report dated April 26, 2018, the stated overarching goal is that the proposed strategies and actions (of which the Ordinance is one) adhere to the framework of the state Growth Management Act and ensure continued protection for the Agricultural Production Districts (APDs) and support for rural communities. The Overlays within the Ordinance fail to meet the County’s stated goal on all counts.

2.19 Code Enforcement Required

The lack of King County DPER code enforcement must be rectified. If proper code enforcement had existed there would have been no need for a wine study in the first place, or the subsequent Beverage Ordinance that essentially legitimizes a handful of violators, encourages land speculators, and allows urban activities expansion into rural areas. The vast majority of farms, wine related businesses, and local rural residents have existed in a successful balance with smart growth. Sammamish Valley residents and businesses need King County to enforce code.

3 Improve Remaining County-wide Provisions of Ordinance

The redlined alternative ordinance dated July 24, 2018 submitted by Friends of Sammamish Valley proposes several changes to the remaining provisions of the Ordinance that are applicable county-wide.

The definitions of “Winery”, “Brewery” and “Distillery” have been tightened to close loopholes that would allow retail operations to call themselves “wineries”, “breweries” or “distilleries” when they in fact they produce little or no product on-site. The purpose of the ordinance should not be to create multiple new drinking establishments on Rural Area properties adjacent to protected farmland and rural residential neighborhoods. The definitions need to ensure that the beverage production activity is the primary use of the property. When allowed, other activities such as alcoholic beverage sales and special events should be minor, ancillary activities. They should not be major components of the overall activities on the site.

Ordinance language has been proposed to ensure only products produced on-site should be allowed for sale at wineries, breweries, and distilleries. Otherwise these facilities just become retail sales outlets for product produced elsewhere.

Activities allowed by King County zoning should not be defined using the terms “as authorized by state law” or “in accordance with state law”. The zoning code needs to clearly inform the reader what is allowed and what is not. County council members and the public need to understand what this ordinance would permit and prohibit in order to conduct a valid process of adoption and ultimately - enforcement of the ordinance.

We propose that all illegally operating tasting rooms/retail sales outlets/ be given a 12-month grace period to move to a new legal location or cease illegal operations. Note that King County has already given violators a 3+ year grace period by freezing zoning enforcement while the “Wine Study” was conducted.

Requiring compliance with zoning laws impacts approximately 6 tasting rooms/event centers in the Sammamish Valley, of which 4 are on rented properties. Giving another 12 months to comply with the law is a more than fair accommodation of the interest of these businesses, especially when compared to real interests of thousands of rural residents and hundreds of legally operating businesses in seeing the rural character of their communities protected.

Exhibit A – Demonstration Project Overlay A

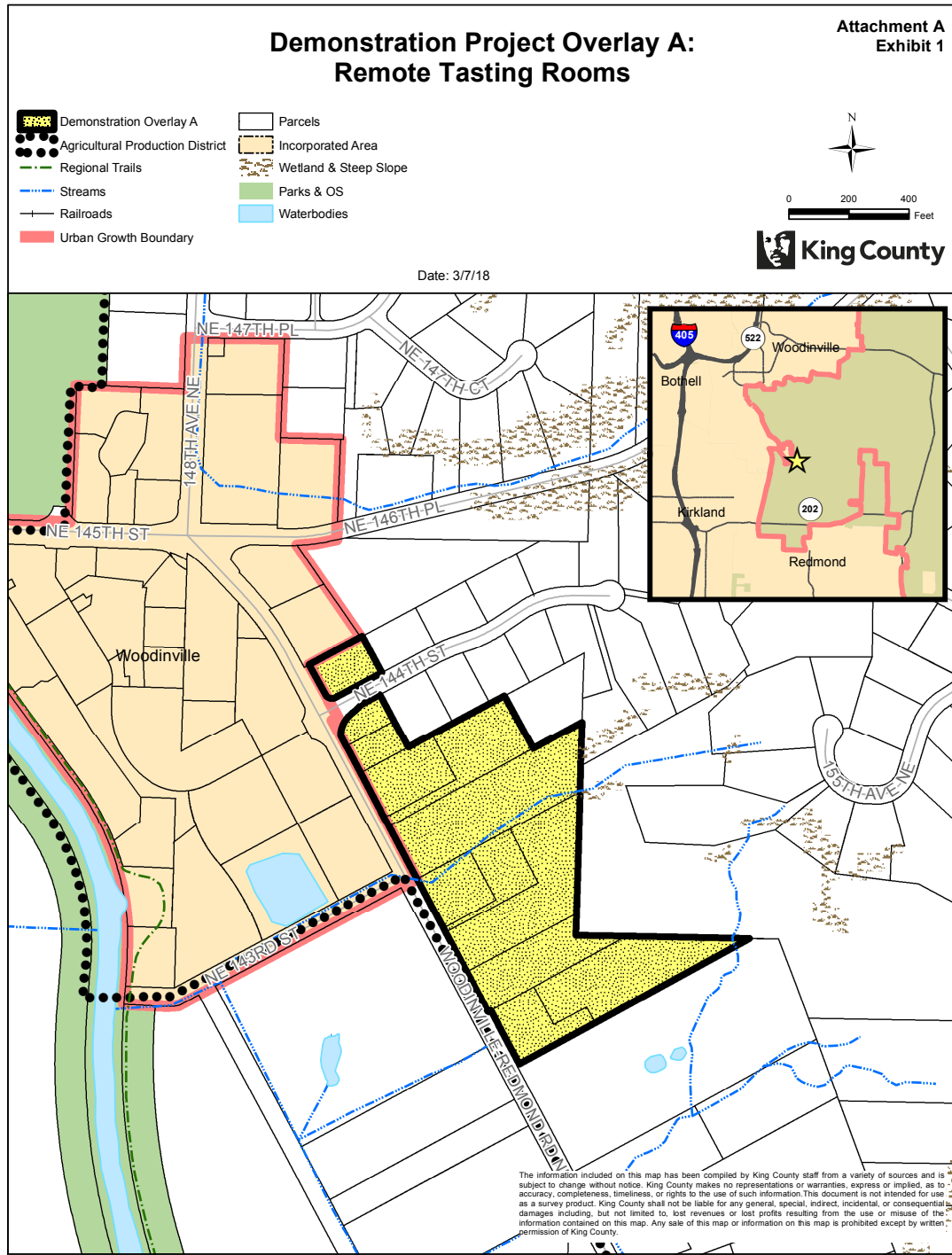


Exhibit B - Demonstration Project Overlay B

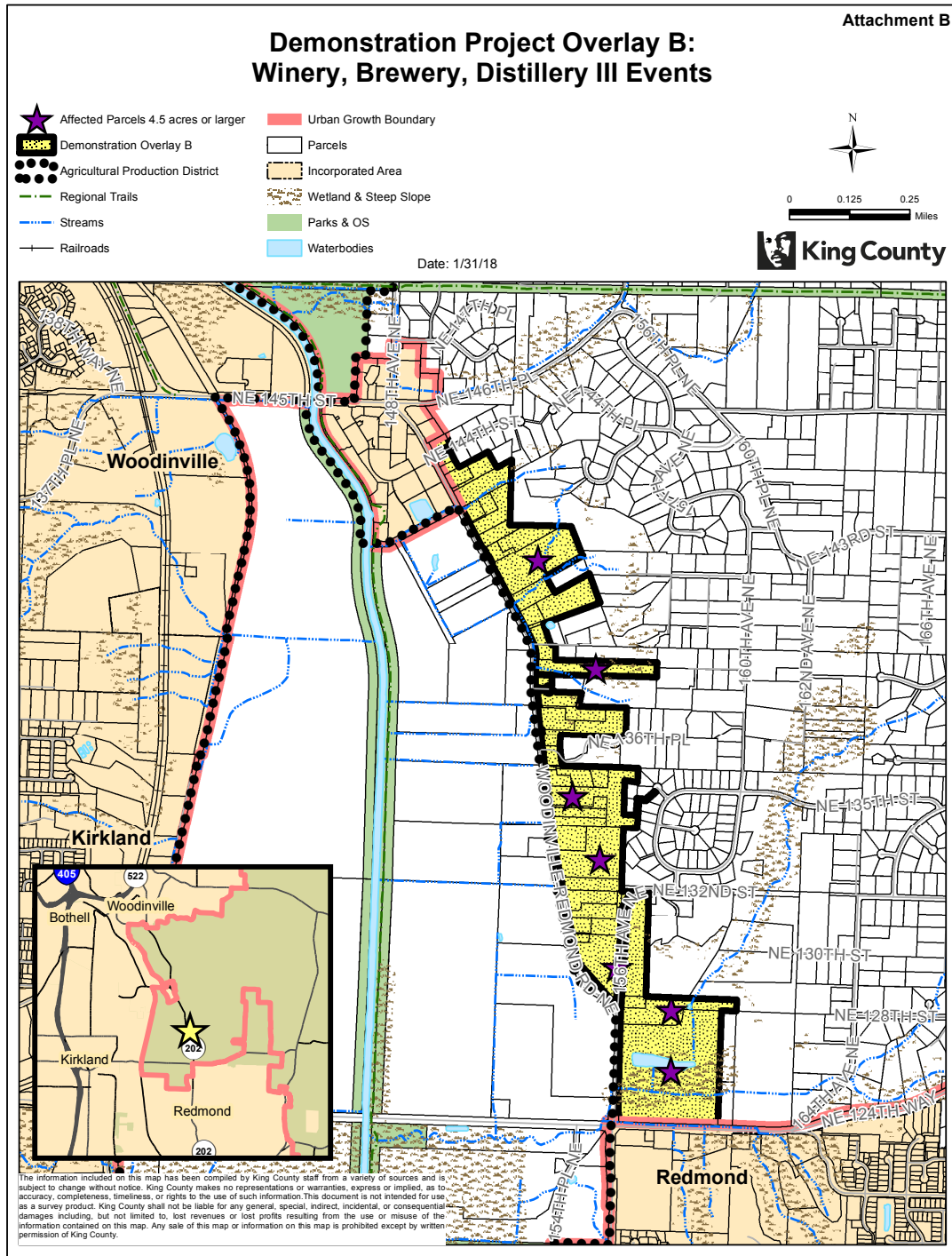


Exhibit C – Sammamish Valley Zoning

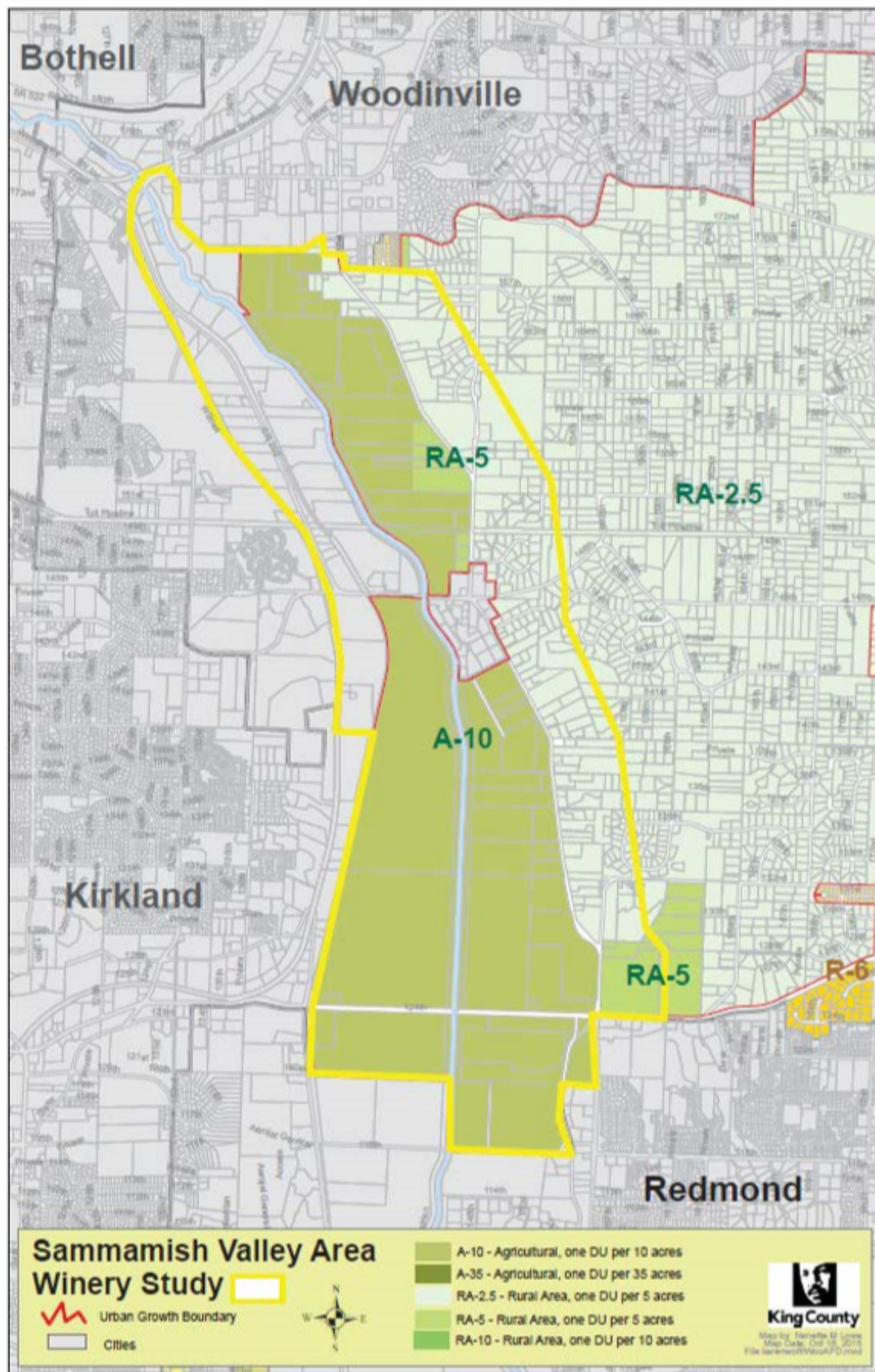


Exhibit D – APD Sales

WINE COUNTRY OPPORTUNITY

Offered At \$6,500,000



13229 Redmond Woodinville Rd NE; Redmond, WA 98052

Attention Winemakers, Brewers, Farms & Chefs. Opportunity is knocking with the winery study regulations now realized, making this the best find in the Valley! Located in the heart of Sammamish Wine Country's Agricultural Production District, home to 40+ wineries and restaurants within walking distance. Currently operating as an equestrian business, farm & homestead, this property includes 2 large barns, an office space, greenhouse, expansive farm land & a lovely home to operate your business idea from. Contact us today for more details! See Sammamish Valley Wine & Beverage Study.*New regulations allow for large scale winery, distillery, & brewery with tasting room & a multitude of business opportunities. Buyer to Verify*
4 Acre Lot, with a 2300 Sq Ft Home & 2 Large Barns in the APD District near Hollywood Wine District

Teresa & Toby Parker
206.595.3006

toby.parker@kw.com
teresa.parker@kw.com

www.KellerWilliams.com



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Exhibit E – SO-120 Agricultural Buffer

