

Public Comment

August 17, 2020

#3
Late
Dist.

Re: Item 20-00631 Proposed Wine BID

Dear Santa Barbara County Supervisors,

My name is David deLaski and I am a former Vintners Association member who owns a family run winery producing 2000 cases and selling mostly out of a tasting room in Los Olivos. There are many reasons why vintners like me oppose the BID proposal to fund the Vintners Association. I will focus on the three most important as they pertain to this meeting, your Board and the requirements and actions you can provide.

- 1. Lack of majority support.** The Vintners' website currently lists 78 members while the list of stakeholders exceeds 300. That means that **75% of wineries who will be assessed do not support the Association and are not currently willing to pay for services the Association offers.** You will hear from the Association that a recent survey shows majority support for the BID based on weighting of direct sales. There were 3 informal surveys e-mailed to stakeholders in May. In the first, we were asked by the association to choose between two forms of assessment. The second survey was sent by me (and attached herein) and asked to choose between the two forms of assessment and a third no bid option. **The no bid option received 67% of the votes.** A third survey was then sent by the Association to ask yes or no to the BID entirely. Two months after that survey closed, the association says, based on theoretical and not actual sales data, that the yes option received a weighted vote of 60% and the **NO option received 40%.** No information was given on the percentage of respondents or the actual percentage of yes/no votes.
- 2. Use of funds for Political Activity.** The WineBID proposes 25% of the assessment or 1.2 million dollars over 5 years for "Protection". An Association email promoting the BID says its goal is "to reduce Government Regulations for wineries and farm development". Association meetings and emails also promote fighting the Cannabis industry. In meetings, I have been told that we need money to have "a seat at the table" and that "We need a war chest against Cannabis" because "it poses an existential threat to the wine industry". I do not feel my own business is impacted by any of these perceived problems. The idea of a fee imposed on my business going to pay for lawyers, lobbyists and political campaigns to propose law changes is unacceptable and does nothing to increase my wine sales. The use of the assessment for advocacy and political activity should be prohibited by your Board because **the case that such activities would have direct specific benefit to stakeholders is unprecedented and false.**
- 3. Assessment Basis is Unattainable and unfair.** Lastly, the current assessment basis and the use of any proposed theoretical formula to provide sales data would skew the weighting of votes and not allow a fair opposition to the petition. It is also not reasonable to believe the opposing 40-65% of wineries would volunteer any sales data for analysis. The County's hotel BIDs are based on a flat fee per room and easily audited

through the TOT. The WineBID creates endless issues for compliance and reporting of sales. The WineBID only affects certain businesses selling the exact same merchandise in the boundary. For instance, tasting room sales on candles will be assessed whereas a gift shop selling the same candle would not. Wine in my tasting room is assessed but my same wine carried at the wine shop across the street is not. Additionally, on site sales are assessed based on arbitrary things such as whether or not it was part of a wine club purchase.

I hope you will review these and other issues and take appropriate action. As much as the Association would like the boost in funding, **Business Improvement Districts cannot be easily applied county wide to wineries.** More importantly, most wineries in the county don't want mandatory fees imposed on their hard-earned sales for things they don't care about. In this day and age, we certainly have enough to worry about.

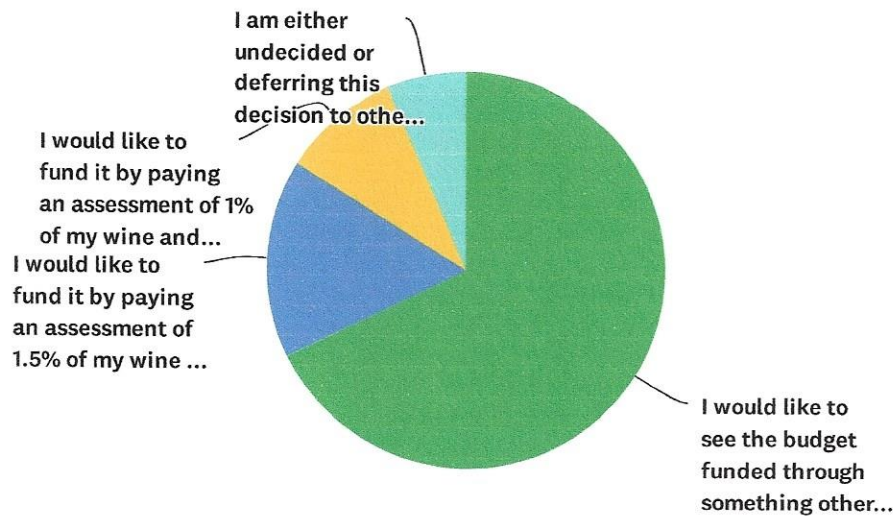
Thank you so much for your time.

Sincerely ,

David deLaski
Solminer Wine
Los Olivos, CA

Q1 How would you like to see the Vintners Association's annual budget funded?

Answered: 62 Skipped: 0



ANSWER CHOICES

RESPONSES

I would like to see the budget funded through something other than creating the proposed Business Improvement District and would not like to be assessed a mandatory fee. This could include voluntary dues for members, fundraising and grants but NOT fees mandated on all wineries in Santa Barbara County.	67.74%	42
I would like to fund it by paying an assessment of 1.5% of my wine and merchandise sales excluding wholesale, wine club, internet and out of state sales. This includes in person tasting room, winery and private sales.	16.13%	10
I would like to fund it by paying an assessment of 1% of my wine and merchandise sales excluding wholesale and out of state sales. This includes all sales you pay CA tax on.	9.68%	6
I am either undecided or deferring this decision to others in the community.	6.45%	4
TOTAL		62