



**Testimony before the Loudoun County Board of Supervisors  
Re: Item #9 - ZOAM 2014-0003, LIMITED BREWERY  
Brian J. Fauls, Manager of Government Affairs  
Loudoun County Chamber of Commerce  
November 12, 2014**

Good evening Chairman York and members of the Board. My name is Brian Fauls and I am the Government Affairs Manager of the Loudoun County Chamber of Commerce.

On behalf of the more than 1,300 members of the Loudoun County Chamber of Commerce I am here this evening to share with you the Chamber's position on the proposed ZOAM 2014-0003, Limited Breweries in agricultural districts.

To begin with, let me say that the Chamber is very appreciative of this ZOAM. Adding limited breweries as a development option in agricultural districts is an incredibly positive step forward economically for the county. With 82 breweries and more opening every year, Virginia has become a magnet for the craft beer industry. In fact, Virginia's state tourism development plan, DRIVE Tourism, identifies craft breweries and distilleries as an expanding culinary tourism attraction opportunity statewide. Craft beer alone, is already making a positive economic impact on the Commonwealth to the tune of approximately \$622 million annually and growing. Loudoun County can play a leading role in this industry, much as we play a leading role in Virginia's winery industry, if we do this Limited Breweries, or farm breweries, Zoning Amendment right.

Which is why, the Chamber strongly supports the position adopted by the County's Zoning Ordinance Action Group (ZOAG) with regard to farm breweries; namely, farm breweries, being similar in nature to farm wineries, should be regulated the same as farm wineries. We understand that the County's Rural Economic Development Commission also supports that position, as does the County's Department of Economic Development and Loudoun Wine Growers Association.

Unfortunately, although the proposal before the Board tonight is significantly better than the proposal that went to the Planning Commission in September, it still appears to be contrary to ZOAG's original recommendation and continues to impose standards and requirements on farm breweries that are not imposed on farm wineries.

Let me stress in the strongest terms that the Chamber and Loudoun County business community would not support adding new zoning or land use regulations on the farm wineries to "level the playing field." The current regulatory regime has served Loudoun's winery industry very well and made our wineries the envy of the Commonwealth. We should not tamper with that regime but rather emulate it for the farm breweries.

The Chamber has long advocated, and will continue to advocate, that similar businesses must be subject to the same land use and zoning regulations. Excessive and inconsistent restrictions placed on new business development or expansion that do not contribute materially to improving the quality and effectiveness of that development, send a negative signal to prospective businesses considering our County as a place to locate and grow.

Others more familiar with the workings of the craft brewery industry can speak to the specific concerns raised by county staff to justify imposing performance standards on farm breweries. I would like to raise a few broad points for consideration, similar points I raised for the Planning Commission.



First, the whole purpose of the Board's Zoning Ordinance Action Group (ZOAG) initiative, of which this ZOAM is a part, was to revise the zoning regulations to make them more business friendly. And overall the zoning amendments that have come out of this process have conformed to that mandate. And we applaud the Board for undertaking this effort.

Over the last few months ZOAG exhaustively examined and debated the issue of farm breweries. They worked with county staff, questioned stakeholders, and even met with representatives from the Commonwealth's Alcohol Control Board, the agency charged with licensing these breweries. In short, ZOAG did its due diligence and at the end of the day concluded that farm breweries are no different than farm wineries. We should listen to ZOAG.

Second, the County's own *Rural Economy Business Development Strategy* report, states that:

*"Despite the best efforts and interests of rural entrepreneurs, the rural economy in Loudoun County is in transition. High development pressure, restrictive regulations, and low replacement rates of rural business owners, particularly in agriculture, challenge the future of the industry."*

Again, the individuals empaneled by the Board of Supervisors to study and advise the County on Loudoun's rural economy and rural business community have said that restrictive regulations are already a burden on our rural industries.

Does the ZOAM proposal before you relieve that burden? The Rural Economic Development Council (REDC), created by the Board of Supervisors to promote the sustainable economic growth and vitality of Loudoun County's agricultural, horticultural, equine and other rural industries and implement the Rural Economy Business Development Strategy's recommendations, supports ZOAG's approach as being the least burdensome. We should listen to the REDC.

Third, in the staff report accompanying this item the County's Department of Economic Development (DED) notes:

*"As defined by State Code, Limited Breweries are of similar scale and intensity as VA Farm Wineries. As such, standards associated with the use should reflect the same level of standards applied to farm wineries."*

We should listen to DED.

Fourth, Loudoun's Wine Growers Association support's ZOAG's position that farm breweries and farm wineries are comparable. Loudoun County is justifiably proud to be known as DC's Wine Country. In fact, Visit Loudoun and the Department of Economic Development actively market Loudoun County as wine country. We have risen to this title because of the prudent way Loudoun County regulated the development of farm wineries. The wineries believe farm breweries can complement their industry and should be regulated like the farm wineries. The Chamber agrees. We should listen to the vintners.

Finally, if you examine Senate Bill 430, the state law which created the license for Limited Breweries, you will see that the bill's language authorizes any locality to exempt limited breweries from certain ordinances not impose separate regulation.



We appreciate that the General Assembly left the localities room to protect public health and safety but that authority comes with a high hurdle. Specifically, State Code requires “a substantial impact on the health, safety, or welfare of the public,” before a locality can impose restrictions. We have seen no solid evidence to suggest that farm breweries pose a threat to health and safety much less a substantial threat warranting special zoning and land-use treatment.

The Virginia Manufacturers Association, in a letter to a Loudoun County ZOAG member back in June touched upon this very point. According to VMA, “At no point in the legislative process did anyone introduce or interpret this language to allow local governments to create new regulations on breweries located on farms.” We should listen to the General Assembly.

Mr. Chairman, members of the Board, rural business development is increasingly critical to the strength of our economy, the fiscal health of Loudoun County and it contributes to the unique character of our community.

We ask that as you review the proposal before you, that you do so with one overarching question in mind, is this provision more business friendly. If you do so, as ZOAG did, you will likely arrive at the same conclusion that ZOAG did; namely, that farm breweries should be treated like farm wineries.

Again, thank you for your attention to this issue and for this opportunity to express the Chamber’s position on an important business question.

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