

BANNING AG STRs WILL BENEFIT THE PASO WINERIES AND INCREASE THE DEFICIT

By Steve Pepe, President, EconAlliance Board of Directors

STRs are short -term rentals we know as Airbnb. Our shortage of reasonably priced hotel rooms makes STRs popular with wine tourists. The complaints against STRs are noise, parking and traffic. These are correct in residential areas but are non -existent on AG land.

There are many benefits to STRs on agricultural land:

- Extra income will keep farmers in farming.
- Consumers who stay on farm land will be more loyal customers.
- Urban dwellers who support the farm to table and organic movements want AG land experiences.

For the Supervisors October 3rd meeting, they directed staff to prepare a STR Ordinance that:

Bans STRs in:

Residential zones;

AG-I Zones (40 acres or less) but with a “home stay” exception; and

AG - II Zones (40+ acres) but with a ‘farm stay” exception.

According to the County staff there are 535 lawful STRs in the County providing \$1,669,810 dollars in Bed Tax revenue. Of those legitimate STRs 24% (128) are on AG I or AG II land. Staff also estimated an equal number of STRs are operating illegally and not paying an estimated additional \$1.5 million in Bed Tax. Staff also stated that the Supervisors’ decision would eliminate 92% of existing STRs because they would not qualify for the exceptions.

Banning STRs will continue the Supervisors’ hostility to wine tourists. Paso Robles, two hours north of us, attracts 1.5 million wine tourists. Santa Barbara County attracts 866,000. The Paso Robles wine tourists are not coming from Bakersfield or the Bay Area. They are from the southland. They are driving thru Santa Barbara to stay in Paso

Robles because of the shortage of reasonably priced hotel rooms, because they want to experience staying on vineyards and dining in vineyard restaurants which are permitted in Paso Robles but prohibited in Santa Barbara County. They also want to see where the grapes are grown, where the wine is made and interact with the winemakers, all of which are permitted in Paso Robles while Santa Barbara continues to cram wine tourists into urban tasting rooms divorced from the vineyard and winery.

The Visit Santa Barbara statistics for the last several years record an increase in day trippers confirming that southland wine tourists are stopping in Santa Barbara for lunch and continuing North to stay in Paso Robles.

The EVP & Founder of Silicon Valley Bank's Wine Division-Rob McMillian's presentation at the EconAlliance – Vintners Wine/Tourism Forum on July 26, 2017 demonstrated that, by all available metrics, the Santa Barbara Wine Industry is a distant "also-ran" to the Paso Robles Wine Industry.

Tourist Wine Club sales-	Paso 58%	S. B. 53%
Avg. bottle price -	Paso \$41.30	S. B. \$39.37
Tot. Rev. from DTC	Paso 73%	S. B. 64%
Avg. Winery/month Visitors	Paso 1,342	S. B. 751 (US Ind. Avg. is 1,116)
Avg. Tasting Room Purchase	Paso \$86	S. B. \$74
Avg. Length of Club Mem.	Paso 34 mos.	S. B. 28 mos. (US Ind. Avg. 30 mos.)

From 2014 to 2016 Santa Barbara had a 4% drop in Direct to Consumer revenue and a 9% drop in cases sold.

On March 7, 2017, the San Luis Board of Supervisors voted to permit STRs on Williamson Act land.

Banning STRs on Ag land has no rational basis and will benefit the Paso wineries and adversely impact the Santa Barbara wine industry and County taxes.

If you support STRs on AG land, please email the Supervisors at sbcob@co.santa-barbara.ca.us and tell them so.