



AGRICULTURAL ADVISORY COMMITTEE

March 1, 2021

The Honorable Tom Hucker, President
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Council President Hucker: Subdivision Regulation Amendment (SRA) 21-01,
Exemptions -Alcohol Production and Agritourism

On behalf of the Montgomery County Agricultural Advisory Committee-AAC, please accept this letter in support of the SRA 21-01 that will exempt commercial buildings from the subdivision process when these commercial buildings are used for farm alcohol production and agritourism.

The AAC is encouraged by the progress of farm alcohol production in Montgomery County that was reported to the County Council in November 2020. The progress of farm alcohol production-FAP and agritourism reveals economic development opportunities including job creation in the County. The 10 existing FAP businesses in the County have contributed almost 200 jobs both full time and part time positions.

The AAC embraces the priorities of the County Government to create a friendlier business environment with greater emphasis to expand the local economy. The SRA 21-01 will help to achieve this County Government priority and further assist in the creation of more jobs in the County. This SRA will complement House Bill 805 (2020) http://mgaleg.maryland.gov/2020RS/chapters/noln/Ch_331_hb0805T.pdf where farms with existing agricultural buildings can be used for occupancies up to 99 people when the buildings are used for FAP and agritourism.

When a property owner wants to expand into agritourism including FAP or an on-site farm market that may require a commercial building permit-CBP, this triggers other code requirements where each has its own associated fees and costs. A CBP triggers subdivision under Chapter 50, Subdivision triggers Forest Conservation under Chapter 22A, Subdivision triggers (E&S and SWM) Erosion and Sediment Control and Storm Water Management under Chapter 19, Subdivision triggers Fire and Safety under Chapter 22, Subdivision triggers, Road Dedication under Chapter 49. Subdivision triggers Green Building Certification under Chapter 8, and Subdivision triggers Development Impact Tax under Chapter 52.

When farms do not have existing agricultural buildings, the owners must request a commercial building permit, and this triggers the subdivision process and all the code requirements mentioned above even if the property boundaries are not being reconfigured. We are aware of



how the subdivision process costs more than \$150K to the owners of these projects and we do not believe this represents a friendly business environment for Montgomery County.

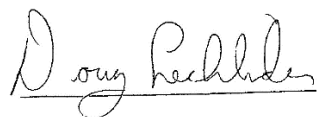
There are several reasons commercial buildings used for agritourism, FAP and on-site farm markets need to be exempted from the subdivision requirements. Agritourism must be a subordinate use to the main use of a property, farming. This type of use is different than a typical commercial type of facility found Down-County. Unlike a Panera Bread or Subway, farmers can only charge what the market will allow. Farmers are price takers not price makers. Along with charging a price the market will support, farmers cannot afford to build a Down-County type of commercial building because they will not be able to recoup the costs. Farmers do not have the public water and sewer that Down County businesses are afforded. This means farmers must incur additional costs to install wells and septic systems that Down County businesses do not. Individual wells are often limited in the capacity of gallons per minute and therefore, do not have the ability to accommodate sprinkler systems that commercial buildings require unless the farmer incurs additional expenses for multiple wells, pumps, and tanks to support a sprinkler system.

We are aware that some agencies and organizations will not support this amendment. We have prepared a list of agencies involved in the Subdivision process as part of the Development Review Committee-DRC and referenced the specific Chapter of the County Code they are responsible for. We suggest the County needs to develop a new and different process for reviewing and approving commercial buildings used for agriculture and we should start with the Pre-Design Consultation process that the Department of Permitting Services offers. We do not believe the development standards for commercial buildings Up County should be held to the same standard of commercial buildings Down County. There are different economies of scale between Up County and Down County businesses including the availability and access to public infrastructure that Down County businesses have access to and take for granted. In addition to the need for wells and septic systems previously mentioned, the hours of operation for most agricultural businesses are seasonal and they are not open to the same extent of businesses Down County.

As Chairman of the AAC, I am proud of how the agricultural businesses in the County are expanding production capacity during this COVID-19 Pandemic. It is encouraging to see the recent developments like job creation for farm alcohol production, expanded farm to food bank program, expanded sales at farmers markets and Community Supported Agriculture-CSAs which illustrate an increase in production of local food in Montgomery County. These recent developments help to demonstrate the diversity of our agricultural and farming businesses including their contributions to the local economy.

We thank the County Council for this opportunity to present our views and we will participate in the PHED Committee Work Session when this SRA 21-01 is scheduled.

Sincerely,

A handwritten signature in cursive script that reads "Doug Lechlides". The signature is written in black ink and is positioned above a horizontal line.

Doug Lechlides, Chairman Cc: Marc Elrich, County Executive