

 <p>YAKIMA COUNTY WASHINGTON</p>	<p>DEVELOPMENT REGULATION TEXT AMENDMENT</p> <p>CASE NUMBER(S): LRN2019-00010</p> <p>STAFF REPORT DRAFTED BY: Olivia Story</p> <p>DATE: September 29, 2021</p> <p>Staff Report</p>
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Applicant:	Yakima County
Representative:	Noelle Madera, Long Range Manager and Olivia Story, Project Planner
Request:	Type of Amendment: Development Regulation Text Amendment
General Description of proposed Text Amendment:	By adding clarity to the current regulations, this proposal hopes to make it easier for applicants to anticipate what is included in the permits while adhering to the framework of the state's Growth Management Act and ensuring continued protection for agricultural zones and support for rural communities and tourist industries.

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3 **A. SUMMARY OF RECOMMENDATIONS**

4 Recommended approval of staff recommended changes to the Development Regulation Text
5 Amendment, subject to consideration of testimony from neighbors and interested parties.

6 **B. SUMMARY OF REQUEST**

7 The Planning Department requests text changes and additions regarding the permitting of WB&D,
8 ATO's, and Outdoor Festival Permits:

- 9 • YCC 8.10 Outdoor Festivals
- 10 • YCC 19.01 Definitions
- 11 • YCC 19.14-1 Allowable Land Use Table
- 12 • YCC 19.18 Special Uses and Standards (WB&D)
- 13 • YCC 19.18 Special Uses and Standards (ATO)

14 **C. BACKGROUND**

15 The agricultural activity in Yakima County is one of the major characteristics in the area, attracting
16 visitors to the many wineries, breweries, and distilleries, and is developing as one of the state's major
17 craft beverage tourism destinations. This combination of uses has come with concerns about
18 enforcement of current land use regulations and the overall impact of the craft beverage industry on
19 the quality of life and the sense of place in Yakima County.

20 Wineries, breweries, distilleries (WB&D), and Agricultural Tourist Operations (ATO) have become
21 more popular within Yakima County over the last few decades, which recently have included on-site
22 tasting rooms and event facilities in our rural zones, however, they do not meet existing event permit
23 requirements or get Special Occasion Permits. They have since grown and the events are becoming a
24 regular part of their business practice. An increase of events and several un-permitted and under-
25 permitted WB&D's have brought attention to the County's lack of regulations and our current focus
26 on this issue. Yakima County supports the agritourism industry and recognizes the need to establish

1 a strong foundation for moving the industry into the future, while also respecting our rural and
2 resource communities.

3 Prior to the '80s and '90s, Yakima County has permitted WB&D land use approvals via a note in a
4 building permit. This was often done for buildings associated with wine production and storage.
5 Initially, these facilities were not used for events or wine tasting. This became an issue later when
6 WB&D expanded their uses but never had official land use approval. For example, if a winery was
7 approved in a building permit note in 1985, but is now a modern-day winery with a tasting room,
8 customer parking, and events such as weddings, they are operating at a much higher level of land use
9 intensity than the original approval was granted.

10 While permitting wineries, breweries, and distilleries under Title 15, Yakima County Planning primarily
11 had issues with the lack of rural road standards for Conditional Use Permits (CUPs) in the code, parking
12 requirements, the RCW mandated one-acre conversion limit, and the request for events associated
13 with these land uses in the rural zones. Due to these existing issues with permitting, County staff tried
14 to address most of these issues during the Title 19 update, such as including road standards for
15 conditions of approval and requiring a minimum of five acres for Agricultural Tourist Operations,
16 which would allow for events associated with WB&D's on larger parcels better able to handle the
17 impacts associated with event facilities. Even with our code fixes, we find that we are having issues
18 with some of the impacts associated with our rural WB&Ds, primarily those approved before Title 19.
19 With the proposed changes, staff wants to ensure the code is clear that different permit options are
20 intended for increased intensity. If a winery wants a higher intensity of land uses (like multiple small
21 events a week and large events on a weekend) then they should apply for a higher intensity land-use
22 option, such as the ATO-Retail or ATO-Destination.

23 Yakima County has different levels of permits associated with the craft beverage industry. For
24 operators who want to have a small winery that makes and processes wine and holds a few tasting
25 events a year, a basic winery, brewery, or distillery permit would be appropriate. However, if they
26 want to increase their business offerings, to include food service, an event venue, and overnight
27 lodging to guests, that type of facility includes several non-agricultural uses that would generate
28 significantly more impacts to the neighboring residents or farmers, the environment, county roads,
29 emergency facilities, etc. In this scenario, an ATO would be the more appropriate choice of permit.
30 Different types of businesses have different levels of impact and need different levels of
31 review. When the Board of Yakima County Commissioners adopted the original ATO regulations in
32 2007 they felt that agricultural businesses with a high-intensity use other than agriculturally related
33 activities have the potential to generate enough impacts to the neighbors that they should have the
34 opportunity to voice their concerns to the hearing examiner. This helps ensure everyone's property
35 rights are properly considered before approving the ATO.

36 The Planning Division understands that the WB&D industry is wanting to promote their businesses,
37 which include varying levels of events and/or food service. However, these uses still need to comply
38 with existing State and local laws relating to food service, fire and life safety, and the protection of
39 agricultural lands, as well as fit within the proposed development regulations.

40 Out of the roughly 30 wineries, breweries, and distilleries operating in the County, only a handful
41 have applied for the ATO permit to have full food service, concerts, events, weddings, or overnight
42 lodging. Most of them are operating under the basic winery or brewery permit, which currently
43 allows tasting and salesrooms, but doesn't allow those types of land uses mentioned above. The
44 ATO permit would be more appropriate for their intended business practices. The ATO application
45 process would allow their neighbors an opportunity to comment about a potential concert venue

1 moving in next to them. Additionally, some ATO businesses have already gone through the
2 application process and paid the fees. The County cannot require some businesses to apply for the
3 permit, and allow others, who are operating the same kinds of businesses, to neglect the application
4 process.

5 The Board of County Commissioners asked the Planning Division to come up with code changes to
6 the ATO regulations that would incentivize those with the basic winery permit to apply for an ATO,
7 so they can conduct the activities already in place.

8 Although Planning's goal is not to promote agritourism, we don't want our permitting requirements
9 to negatively impact agritourism. The proposed text changes will reduce the existing restrictions
10 that are already in place in hopes these "under-permitted" businesses receive the appropriate
11 review and obtain the necessary permit approvals.

12 In an attempt to gain an understanding of the industry's needs in this issue, the Planning Department
13 reached out to over 80 known craft beverage businesses in the County and invited them to
14 participate in the review process. It was important to staff that their voices were heard in the
15 process and any changes made to the County Code were not made in a vacuum.

17 The Agritourism Advisory Group was assembled early in 2021 to review the proposed draft text
18 changes regarding the permitting of Wineries, Breweries, and Distilleries, Agricultural Tourism
19 Operations, Outdoor Festival Permits, and Special Occasion Permits. The review of these proposed
20 changes was called the Agritourism Project. The Advisory Group met six times over three months,
21 with the final meeting ending on July 7, 2021.

23 During the first meeting, the group was presented with a draft of the staff's proposed changes to
24 the code. Over the subsequent meetings, the group discussed in detail with staff their needs and
25 recommendations. In addition to the staff draft text changes, (attached in appendix A) the Advisory
26 Group is recommending their own draft text changes that reflect the work and recommendations
27 of this group. Additionally, where the group had a differing recommendation from each other or
28 staff, a note is made as to why there is a difference in the recommendation and what their suggested
29 text would be. These differences in opinion are also discussed below in the analysis section of this
30 staff report.

32 In addition to the draft text changes, the Advisory Group is recommending all previously existing
33 wineries, breweries, or distilleries, be rolled over into the new standards without applying under the
34 new permit standards or paying any applicable fees. All future applications for a retail ATO are also
35 recommended by the Advisory Group to have a Type 2 Conditional Use Permit review level and
36 lower than adopted application fees (Type 1 fees). The staff has referred this proposal to corporate
37 council for their guidance.

39 **D. ANALYSIS**

40 **1. WINERIES, BREWERIES, AND DISTILLERIES**

41 **a. Area of Attention: Review Level**

42 Current standards require a type 1, 2, or 3 use review as noted in the Allowable Land Use Table. A
43 Type 1 is allowed but will be subject to the approval of applicable permits. A Type 2 use is allowed
44 with an administrative review by the administrative official. A Type 3 is generally not appropriate;
45 however, they may be authorized with a conditional use permit and a Hearings Examiner review.

Table 19.14-1 Allowable Land Uses

	AG	FW	MIN	R/ELD	P/R-10/5	RT	RS	HTC	SR	R-1	R-2	R-3	B-1	B-2	SCC	LCC	GC	M-1	M-2
Brewery, micro*	1			3	2		2	2								1	1	1	
Distillery*	1			3			2	2											
Distillery*, craft*	1			3	2		2	2								2	1	1	
Winery*	1			3	2		2									2	1	1	

1 **Solution.**

2 During the meetings with the Advisory Group, there were discussions on the appropriate level of
 3 review for WB&D. It was recommended that all future applicants for a WB&D, have a maximum of
 4 a type 2 review, but only charged a Type 1 fee. Additionally, for current operators, the Advisory
 5 Group recommended there be no fee or application if they wish to apply and come into compliance.
 6 In this scenario, currently operating WB&D would be rolled into the new definition of a WB&D
 7 without going through the application process. Staff feels the approved levels of review are
 8 appropriate for these types of uses and is not proposing any changes to the review level standards.

9 **b. Area of Attention: Events**

10 Wineries are offering their customers more than a basic tasting room, as was typical in the past.
 11 Modern wineries tend to offer more of an experience that includes spacious grass laws for picnics,
 12 organized activities such as yoga on the lawn, and an event venue where weddings and special
 13 occasion events are held. The problem comes to the surface when these events are held frequently
 14 throughout the year and/or become highly attended and the number of visitors has a higher impact
 15 than the original winery permit had anticipated or accounted for. A Special Occasion Permit offered
 16 by the county fire inspector is an option for owners to obtain when these events are infrequently
 17 held. However, the business model has changed and these events are becoming more of the day-
 18 to-day business operations.

19 **Solution.**

20 Staff recommendation: After in-depth discussions with the Advisory Group, staff has a better
 21 understanding of what the daily needs of a winery are. A higher volume of customers can be
 22 anticipated and events are an important aspect to their businesses. Because of these needs, staff
 23 is recommending allowing events up to 100 people at any given time, and when the number of
 24 attendees goes over 100 guests, a Special Occasion Permit would be required. The Advisory Group
 25 felt that this draft text was acceptable and approved of this recommendation.

26 The proposed text reads:

27 19.18.500 (2) (c) Special events. Events not related to the operational and marketing aspects
 28 of a WB&D such as weddings, receptions, meetings, and retreats, and are anticipated to have
 29 over 100 attendees, will require a one-time special occasion permit (per event) as set forth in
 30 YCC Title 8.10. These special events shall be sized and conditioned consistent with the character
 31 of permitted activities and uses. The Reviewing Official shall place a limit on the number of
 32 occupants or size of indoor and outdoor events allowed. Capacity is limited by building
 33 occupancy and parking limitations.

1 **c. Area of Attention: Food Service**

2 Foodservice is currently limited by the type of Yakima Health District License, Agricultural Tourist
3 Operation, or commercial zoning district where the winery is located. Under current zoning
4 requirements, all approved wineries, breweries, and distilleries are limited to food service that
5 includes food trucks, pre-packaged foods, cheese plates, or other foods that don't require a
6 commercial kitchen or fire suppression. However, several wineries, breweries, and distilleries have
7 added commercial kitchens for food service in order to obtain a liquor license to service hard
8 alcohol. Facilities that want to have full-scale commercial kitchens for restaurant-type food service
9 must be approved under the ATO permit to do so. An ATO provides more opportunities than a basic
10 winery permit.

11 **Solution.**

12 The Planning Department is not recommending adding any new food service *restrictions* to the
13 wineries, breweries, or distilleries regulations. The restrictions are already in place and have been
14 adopted into the County code since 2000.

15 Staff is recommending adding language to the code *allowing* food service that is consistent with the
16 need for the winery, brewery, or distillery permit. This is due to the requirement of the liquor license
17 to provide food service. Restaurants will still need a higher level of review if someone wants to serve
18 more than the food service required by the liquor license on a daily basis. Additionally, staff is
19 proposing full meal service also be allowed in a winery, brewery, or distillery when it is served by a
20 licensed food vendor and only when associated with a special event such as a wedding.

21 On the other hand, the Advisory Group felt that limiting food service in this way was too restrictive,
22 and are recommending no limits on food service or commercial kitchens in wineries, breweries, and
23 distilleries. They would like to see the same language that is in the ATO section regarding
24 foodservice and restaurants to be mirrored in the wineries, breweries, and distilleries section,
25 allowing full-service restaurants.

26 The proposed text reads:

27 19.18.500 (2) (b) Food Service (Offerings). Limited food service is allowed pursuant to this
28 Section, and may include sales of ancillary prepackaged foods or beverages that are not
29 prepared on the premises for on-site consumption. Food may include a combination of small
30 serving food items such as a mix of hors d'oeuvre type foods, cheeses, fruits, vegetables, deli-
31 style meats, chips, pretzels, nuts, popcorn, crackers, or similar items. Full meal food service
32 associated with a special event shall only be served by licensed food vendors and shall be
33 restricted to the events. Food handling is subject to a License from the Yakima Health District,
34 YCC Title 13.

35 **d. Area of Attention: Capacity Levels**

36 In the current code, there is a lack of capacity standards for wineries, breweries, and distilleries.
37 Historically, at the time of permitting, wineries, breweries, and distilleries were assumed to be
38 production facilities with limited public access. However, as events and tasting rooms have increased
39 in popularity, there is a need to account for these highly attended events and facilities. This can be
40 problematic when larger events are held and there is uncertainty as to what should be permissible.

41 **Solution.**

42 Staff suggests the new standards address capacity levels and be limited by building occupancy and
43 parking limitations. This will ensure the building capacity is adhered to and the property will not be

1 overwhelmed with people or vehicles. The Advisory Group felt that this draft text was acceptable
2 and approved of this recommendation.

3 The proposed text reads:

4 19.18.500 (2) (c) Capacity is limited by building occupancy and parking limitations.

5 **e. Area of Attention: Road Access**

6 Wineries, breweries, and distilleries would have previously had low traffic, limited to the employees of
7 the production of the products. However, with the increased public traffic associated with the tasting
8 rooms and events, road standards are lacking and do not currently address the higher-intensity use.
9 When the access is shared with neighbors, this problem is increased, both impacting the traffic counts
10 negatively affecting neighbors, and increased dirt road dust coating the surrounding crops.

11 **Solution.**

12 Staff suggests adding text that requires adequate road access from a county road. Additionally, if
13 the WB&D shares a private road, they must submit a road maintenance agreement with their
14 application to ensure the continuance of an adequate access point and road. The Advisory Group
15 felt that this draft text was acceptable and approved of this recommendation.

16 The proposed text reads:

17 19.18.500 (3) (d) Have adequate access from a county road consistent with the standards
18 under Chapter 19.23. WB&Ds that share a private road must submit a road maintenance
19 agreement at the time of application signed by all legal property owners or their designees.
20 Without the road maintenance agreement, the application will be considered incomplete

21 **2. AGRICULTURAL TOURIST OPERATIONS**

22 This proposal is to eliminate the ATO Resort level and move the kitchen function to the ATO
23 Destination level. The reasoning is that the applicants for ATO Resort have only applied to obtain
24 the kitchen functions, and are not utilizing the overnight allowance.

25 • **ATO Retail** is the lowest impact of the ATOs. It allows tastings and events on-premises.
26 • **ATO Destination**, allows tastings, events, overnight stays.
27 • **ATO Resort** allows for everything mentioned, but allows a commercial kitchen.

28 **a. Area of Attention: Review Level**

29 Current standards require a type 2, 3, or 4 use review as noted in the Allowable Land Use Table. A
30 Type 2 use is allowed with an administrative review by the Administrative Official. A Type 3 is
31 generally not appropriate; however, they may be authorized with a conditional use permit and a
32 Hearings Examiner review. Type 4 applications are typically quasi-judicial, such as rezones and
33 subdivisions, and require both the Hearing Examiner and Board of County Commissioners to review.

Table 19.14-1 Allowable Land Uses

	AG	FW	MIN	R/ELD	P-10/5	RT	RS	HTC	SR	R-1	R-2	R-3	B-1	B-2	SCC	LCC	GC	M-1	M-2
(1) Retail ATO*	2			2	2														
(2) Destination ATO*	3			3	3														
(3) Resort ATO*	4	4		4	4														

1 **Solution.**

2 Staff feels the approved levels of review are appropriate for these types of uses and is not proposing
3 any changes to the review level standards. During the meetings with the Advisory Group, there
4 were discussions on the appropriate level of review for ATOs. It was recommended that all future
5 applicants for ATOs, have a maximum of a type 2 review, but only be charged a Type 1 fee.
6 Additionally, for current operators, they recommended that there be no fee or application if they
7 wish to apply and come into compliance. In this scenario, currently operating businesses would be
8 rolled into the new definition of an ATO without going through the application process. Staff feels
9 the approved levels of review are appropriate for these types of uses and is not proposing any
10 changes to the review level standards.

11 **b. Area of Attention: Events**

12 Agricultural Tourist Operations tend to have a high volume of visitors to their properties as a normal
13 business practice. In addition to the tasting rooms they offer, restaurants, activities, and overnight
14 accommodations and can increase traffic. Occasionally, a larger event is planned that draws a large
15 group of guests. This has caused problems with surrounding neighbors who have not anticipated
16 living so close to an event center. Currently, the code states the Reviewing Official shall place a limit
17 on the number of occupants or size of indoor and outdoor events. This language is a little unclear
18 and can be left up to interpretation and does not give the applicants or the public a consistent
19 program to anticipate or plan for.

20 **Solution.**

21 The Advisory Group reported that visitor counts for their businesses can reach over 100 in a single
22 day, and higher on larger planned events. To accommodate the typical business traffic, staff is
23 recommending allowing up to 500 guests as a typical day in the ATO business practices. When the
24 attendees reach over 500 at any point in time, then an Outdoor Festival permit is required. The
25 Advisory Group felt that this draft text was acceptable and approved of this recommendation.

26 The proposed text reads:

27 19.18.060 (2) (c) Events (Ancillary entertainment/special events), including but not limited to
28 weddings/receptions, catered functions and small music festivals weddings, receptions,
29 meetings, and retreats shall be sized and conditioned consistent with the character of permitted
30 activities and uses. The Reviewing Official shall place a limit on the number of occupants or size
31 of indoor and outdoor events allowed. Capacity is limited by building occupancy and parking
32 limitations.

33 19.18.060 (4) (a) Agricultural Tourist Operation – Retail. Events (Ancillary
34 Entertainment/Special Events). Indoor event facilities shall be no larger than 1,500 square feet.
35 Events are an expected component of an ATO and shall be permissible under these regulations
36 without applying for additional Special Occasion Permits. Events where the predicted total
37 number of persons on the site is five hundred persons or more at any point in time, an Outdoor
38 Festival Permit shall be obtained under YCC Title 8.10.

39 19.18.060 (5) (a) Agricultural Tourist Operation – Destination. Events (Ancillary
40 Entertainment/Special Events). Indoor event facilities shall be no larger than 7,500 square feet.
41 Events are an expected component of an ATO and shall be permissible under these regulations
42 without applying for additional Special Occasion Permits. For events where the predicted total
43 number of persons on the site is five hundred persons or more at any point in time, an Outdoor
44 Festival Permit shall be obtained under YCC Title 8.10.

1 c. Area of Attention: Food Service

2 Currently, Yakima County does not allow restaurants in the Agricultural zone unless it is part of a
3 Resort ATO. Conceptually, the reason why we allow food service at all in an ATO is because the
4 restaurant can be considered an accessory to the approved ATO.

5 The three graduating levels of ATOs allow for increased food service options. If a smaller operation
6 does not wish to offer a full-service restaurant or obtain a commercial kitchen, then the ATO-Retail
7 is a good option for them. However, if they wish to offer food as a service to their guests in their
8 overnight accommodations, the ATO – Destination would be appropriate. Only at the ATO – Resort
9 level can an operator offer a full-service commercial kitchen, open to the public.

10 • ATO-Retail: Allows prepackaged foods, no kitchen, licensed food vendors during events.
11 • ATO-Destination: Allowed for overnight guests only, or an event.
12 • ATO-Resort: Allows full commercial kitchen open to the public.

13 Most operators have opted for the ATO-Resort level in order to obtain the commercial kitchen
14 option. Additionally, limited food service is available at the ATO-Retail and ATO-Destination levels.
15 At these two lower levels, food offerings must be limited to prepackaged foods or beverages that
16 are not prepared on the premises for on-site consumption or is served by a licensed food vendor for
17 special occasion events. After a review of the demand and needs of the County, staff has
18 determined a middle level, may not be necessary.

19 **Solution.**

20 Staff is recommending removing the ATO-Resort level and transferring the commercial kitchen
21 option to the ATO Destination level. The Advisory Group felt that this suggestion was not inclusive
22 enough, and recommended all levels of ATO be allowed to operate a commercial kitchen open to
23 the public.

24 The proposed text as staff recommends reads:

25 19.18.060 (4) (b) **ATO-Retail** Food Service. The sale of food that is incidental or accessory to a
26 permitted use or value-added food items produced from agricultural products grown on the
27 applicant's farm may be provided. Foodservice may include sales of ancillary prepackaged foods
28 or beverages that are not prepared on the premises for on-site consumption. Foodservice in the
29 Retail ATO is subject to Yakima Health District licensing requirements and no permanent
30 commercial kitchen is permitted. Food service shall only be served by licensed food vendors and
31 shall be restricted to the events.

32 19.18.060 (5) (b) **ATO-Destination** ~~Food Service. Food may also be served to registered guests~~
33 ~~staying at overnight lodging facilities or boarding houses approved under subsection (7) below,~~
34 ~~or as provided as part of a specific event or class (e.g. wedding or seminar) subject to Yakima~~
35 ~~Health District licensing requirements, including a commercial kitchen meeting YCC Title 13~~
36 ~~standards if required. Food Service. A restaurant developed as an accessory use to the~~
37 ~~Destination ATO may serve meals to the general public, subject to Yakima Health District~~
38 ~~licensing requirements, including a commercial kitchen meeting the Building and Fire, Life and~~
39 ~~Safety requirements of YCC Title 13.~~

40 The proposed text as the Advisory Group recommends reads:

41 19.18.060 (4) (b) **ATO-Retail** ~~Food Service. The sale of food that is incidental or accessory to a~~
42 ~~permitted use or value-added food items produced from agricultural products grown on the~~

1 applicant's farm may be provided. Food service may include sales of ancillary prepackaged foods
2 or beverages that are not prepared on the premises for on site consumption. Food service in
3 the Retail ATO is subject to Yakima Health District licensing requirements and no permanent
4 commercial kitchen is permitted. Food service shall only be served by licensed food vendors and
5 shall be restricted to the events. Food Service. A restaurant developed as an accessory use to
6 the Retail ATO may serve meals to the general public, subject to Yakima Health District licensing
7 requirements, including a commercial kitchen meeting the Building and Fire, Life and Safety
8 requirements of YCC Title 13.

9 19.18.060 (5) (b) **ATO-Destination** Food Service. Food may also be served to registered guests
10 staying at overnight lodging facilities or boarding houses approved under subsection (7) below,
11 or as provided as part of a specific event or class (e.g. wedding or seminar) subject to Yakima
12 Health District licensing requirements, including a commercial kitchen meeting YCC Title 13
13 standards if required. Food Service. A restaurant developed as an accessory use to the
14 Destination ATO may serve meals to the general public, subject to Yakima Health District
15 licensing requirements, including a commercial kitchen meeting the Building and Fire, Life and
16 Safety requirements of YCC Title 13.

17 **d. Area of Attention: Parcel size**

18 An ATO is currently required to be a minimum of 5 acres that are producing the crops in their
19 products. These limits may be excessive, eliminating many viable opportunities for smaller farms to
20 grow, produce, and sell their products on-site.

21 **Solution.**

22 In order to accommodate smaller operations yet still account for all the necessary land needed for
23 an ATO (including the crop fields, processing rooms, event facilities, on-site parking, and
24 administrative offices), staff is recommending lowering the minimum size to 3 acres. When
25 discussed with the Advisory Group, they felt that this was still too large of a requirement, and
26 recommend reducing it even further to a minimum parcel size to 1 acre, to accommodate currently
27 operating WB&Ds to transfer to an ATO.

28 The proposed text as staff recommends reads:

29 19.18.060 (3) (e) Be located on at least a 3 (three) acre farm consisting of one or more
30 contiguous) parcels ~~with at least 5 (five)~~ producing ~~acres in~~ the crops or products sold used in
31 the ~~retail product~~ approved ATO;

32 The proposed text as the Advisory Group recommends reads:

33 19.18.060 (3) (e) Be located on at least a 1 (one) acre farm consisting of one or more contiguous)
34 parcels ~~with at least 5 (five)~~ producing ~~acres in~~ the crops or products sold used in the ~~retail~~
35 ~~product~~ approved ATO;

36 **e. Area of Attention: Crops uses/sold**

37 The adopted text regarding the agricultural crops in the ATOs requires that crops are grown on the
38 property be used in the products associated with the ATO. During the many discussions with the
39 Advisory Group, there was concern that crops may not necessarily be a component of the products
40 used in their manufacturing process. An example would be an ATO that produces wine on-site from
41 grapes grown offsite; however, the property does have fields of lavender. Lavender is an agricultural
42 commodity, but may not be an element of the products an ATO may wish to produce on that
43 property.

1 **Solution.**

2 Staff recommended changing this requirement to allow for products to be sold, not necessarily used
3 in the products. The Advisory Group felt that this draft text was acceptable and approved of this
4 recommendation.

5 The proposed text reads:

6 19.18.060 (3) (e) Be located on at least 3 (three) acre farm consisting of one or more contiguous)
7 parcels ~~with at least 5 (five)~~ producing ~~acres in~~ the crops or products sold ~~used~~ in the ~~retail~~
8 ~~product~~ approved ATO;

9 **f. Area of Attention: Parking**

10 ATOs currently require permanent parking to be installed in a way that they will not interfere with
11 agricultural operations on-site and shall not otherwise convert more than one acre of agricultural
12 land to nonagricultural uses. Under normal operating conditions, this minimum is adequate.
13 However, when larger events are held parking can become an obstacle with visitors parking along
14 county highways and neighboring agricultural lands.

15 **Solution.**

16 In order to accommodate the larger number of visitors on the days when events are being held,
17 additional parking must be made available on site. During the discussions with the Advisory Group,
18 it was determined that additional parking may be made available during these events, but
19 temporarily, in a way that the land used can be easily converted back to agricultural lands after the
20 event. Overflow parking for larger events shall be provided in a way that does not interfere with
21 and supports the continuation of the overall agricultural use of the property. The Advisory Group
22 felt that this draft text was acceptable and approved of this recommendation.

23 The proposed text reads:

24 19.18.060 (3) (f) Locate and design the ATO accessory facilities and permanent parking so they
25 will not interfere with agricultural operations on the site of the proposed use or on nearby
26 properties. Overflow parking for larger events shall be provided for in a way that does not
27 interfere with, and supports the continuation of, the overall agricultural use of the property;

28 **g. Area of Attention: Indoor Facility Size**

29 Smaller ATOs that fall in the definition of ATO-Retail, are permitted to have indoor event facilities
30 up to 1,500 square feet. A larger ATO Destination can have a much larger indoor event facility. That
31 maximum is 7,500 square feet. There is no size limit on indoor event facilities for ATO Resorts. It
32 must be noted that the indoor event facility can be in the same building as any of the processing
33 rooms, such as the barrel rooms or tasting rooms. These processing areas are not counted towards
34 the square footage of what is considered the indoor event facility. Historically, the event facility size
35 has not been an issue and past applicants and operators have not expressed any concerns with these
36 limitations.

37 **Solution.**

38 Staff recommends keeping the indoor event facility sizes as they are. There are no current problems
39 or issues. However, the Advisory Group feels these established indoor facilities sizes are too small
40 at the ATO Retail level and recommends increasing it between 3,000-3,700 square feet.

41 The proposed text as staff recommends reads:

1 19.18.060 (4) (a) Agricultural Tourist Operation – Retail. Events (Ancillary
2 Entertainment/Special Events). Indoor event facilities shall be no larger than 1,500 square feet.
3 Events are an expected component of an ATO and shall be permissible under these regulations
4 without applying for additional Special Occasion Permits. Events where the predicted total
5 number of persons on the site is five hundred persons or more at any point in time, an Outdoor
6 Festival Permit shall be obtained under YCC Title 8.10.

7 19.18.060 (5) (a) Agricultural Tourist Operation – Destination. A Destination ATO is one that
8 consists of an assortment of uses over and above any uses associated with Retail ATO, but may
9 include:

10 (a) Events (Ancillary Entertainment/Special Events). Indoor event facilities shall be no larger
11 than 7,500 square feet. Events are an expected component of an ATO and shall be permissible
12 under these regulations without applying for additional Special Occasion Permits. For events
13 where the predicted total number of persons on the site is five hundred persons or more at any
14 point in time, an Outdoor Festival Permit shall be obtained under YCC Title 8.10.

15 The proposed text as the Advisory Group recommends reads:

16 19.18.060 (4) (a) Agricultural Tourist Operation – Retail. Events (Ancillary
17 Entertainment/Special Events). Indoor event facilities shall be no larger than 3,000/3,700 square
18 feet. Events are an expected component of an ATO and shall be permissible under these
19 regulations without applying for additional Special Occasion Permits. Events where the
20 predicted total number of persons on the site is five hundred persons or more at any point in
21 time, an Outdoor Festival Permit shall be obtained under YCC Title 8.10.

22 **h. Area of Attention: Overnight Lodging**

23 The ATO-Destination allows for up to 12 Units of overnight lodging. Staff felt this was a high number
24 of units allowed on site where the focus is to promote agricultural activities. Individual dwelling
25 units can be a high-intensity use. Additionally, the allowable facilities were limited to boarding
26 houses and lodging houses. These terms and kinds of overnight accommodations are an outdated
27 style of facility and limit the variety of accommodations that many agricultural tourist operations in
28 surrounding jurisdictions are currently offered.

29 **Solution.**

30 Staff recommends reducing the total available units to be offered as overnight accommodations
31 from 12 units to 6. Additionally, the terms boarding and lodging houses were eliminated and
32 replaced with modern accommodations offering to include a variety of units such as recreational
33 vehicles, teepees, yurts, and tents. The Advisory Group felt that this draft text was acceptable and
34 approved of this recommendation.

35 The proposed text reads:

36 19.18.060 (5) (d) Overnight Lodging Facilities and Short-term Rentals. ~~Boarding or Lodging~~
37 ~~Houses~~. Overnight lodging facilities and Short-term Rentals ~~boarding or lodging houses~~ shall be
38 limited to ~~12~~ 6 (six) overnight accommodations, as provided in subsection (7 6) below.

39 19.18.060 (6) Accessory Overnight Lodging Facilities and ~~Boarding or Lodging Houses~~ Short-
40 term Rentals. Overnight lodging facilities, to include stick-built units, recreational vehicles, and
41 membrane structures (teepees, yurts, or tents) ~~and boarding or lodging houses~~ are subject to
42 additional requirements when proposed within an Agricultural Tourist Operation:

1 (a) Overnight Lodging Facilities and Short-term Rentals. ~~Boarding or Lodging House~~
2 Overnight lodging facilities and Short-term Rentals ~~boarding or lodging house~~ as
3 defined in Section 19.01.070 shall be subject to the following conditions:

4 (i) Facilities proposed within the Agriculture (AG) zone shall only be considered
5 when being proposed as an accessory use to a Destination ~~or Resort~~ Agricultural
6 Tourist Operation.
7 (ii) In all allowed zones, such facilities being proposed as an accessory use to a
8 Destination Agricultural Tourist Operation shall be limited to ~~12~~ 6 (six) overnight
9 accommodations.
10 (iii) The facilities and permanent parking shall be located and designed so they will
11 not interfere with agricultural operations on the site of the proposed use or on
12 nearby properties.
13 (iv) The facilities and permanent parking shall be located within the general area
14 already developed for buildings and residential uses and shall not convert more than
15 one acre of agricultural land to nonagricultural uses.

16 (b) Membrane Structures. The use of a membrane structure, such as a tepee or yurt
17 that meets the following criteria may be allowed in conjunction with approval of an
18 overnight lodging facility or boarding or lodging house. The membrane structure:

19 (i) Shall be placed on a permanent foundation or pad;
20 (ii) Is not a camping unit or recreational vehicle as defined in Section 19.01.070;
21 (iii) If the facility is a membrane structure, it shall ~~Meet~~ meet the current building
22 code and Yakima Health Department requirements for transient
23 accommodations; and
24 (iii) If the facility is a membrane structure, it ~~Does~~ does not contain indoor cooking
25 facilities.

26 **3. OUTDOOR FESTIVALS**

27 **a. Area of Attention: Access and Parking**

29 With a large increase in vehicle traffic associated with an Outdoor Festival, access and parking can
30 become a problem. The current code does not address this issue.

31 **Solution.**

32 Staff recommends adding language that requires adequate access to the festival. Also, the applicant
33 must submit a traffic and parking management plan at the time of application. The Advisory Group
34 felt that this draft text was acceptable and approved of this recommendation.

35 The proposed text reads:

36 8.10.090 (1) Access and parking (1) Provide adequate access from a county road and have a
37 traffic and parking management plan.

38 **b. Area of Attention: Temporary Structures**

39 Some events may want to have large built structures such as a stage, or a viewing platform for
40 exhibits at an Outdoor Festival. As the public will have access to or be near these built structures,
41 safety is a concern. Currently, there are no standards or requirements that these structures must
42 adhere to, potentially putting the public at risk.

1 **Solution.**

2 Staff recommends that all built structures must be completed no more than five (5) days before the
3 event. This will allow County staff adequate time to inspect the quality of the structure and
4 necessary repairs or reinforcements if needed. The Advisory Group felt that this draft text was
5 acceptable and approved of this recommendation.

6 The proposed text reads:

7 8.10.095 (1) Temporary structures. All temporary facilities or structures shall be completed no
8 more than five (5) days before the event. The Administrative Official shall inspect the structures
9 for safety standards prior to the first day of the event. Should the temporary facility fail to meet
10 the standards approved in the proposed plans, the event permit approval may be withdrawn.

11 **c. Area of Attention: Application Due**

12 When this project began, an appeal period was a concern. With the application deadline set at 45
13 days prior to the event, there was no time for the applicant to appeal a denial if they chose to do so.
14 The Advisory Group was presented with this edit and approved of it. However, further discussions
15 with corporate counsel have alleviated any concerns for an appeal process to be accounted for in
16 the application deadline and has been removed from Staff's recommendation.

17 The proposed text reads:

18 8.10.040 (1) Except as provided herein, a complete application shall be ~~filed submitted in writing~~
19 ~~to the Yakima County Public Services Planning Division at least forty five (45) not less than forty~~
20 ~~five and not more than three hundred and sixty five calendar~~ days prior to the proposed first
21 scheduled day of the festival and shall be accompanied with a permit fee in the amount ~~of one~~
22 ~~thousand dollars identified in the fee schedule listed in YCC Title 20~~. Application for an outdoor
23 festival permit shall include:

24 **d. Area of Attention: Approval Authority and Appeal Process**

25 All Outdoor Festivals must currently be presented to the Board of County Commissioners for a final
26 decision. Nothing in these applications or uses necessitates this level of approval.

27 **Solution.**

28 Staff is recommending moving the approval authority from the Board of County Commissioners to
29 the Public Services Administrative Official. This would expedite the process and allow the
30 applications to be reviewed in a timely manner, and if required, still be able to hold the event on
31 time if approved. The Advisory Group felt that this draft text was acceptable and approved of this
32 recommendation.

33 The proposed text reads:

34 8.10.050 ~~Approval or Denial of Permit — Corrections — Judicial Review.~~ Administrative
35 Administrative Official, Decision.

36 (1) Within fifteen days after the filing of the complete application for an outdoor festival
37 permit, the ~~board~~ Administrative Official shall ~~in writing, schedule a time at the next regular~~
38 ~~meeting of the board when the board shall~~ approve, deny, or approve with conditions the
39 applicant's permit. Any denial decision shall set forth in detail the specific grounds ~~for denial~~
40 ~~therefor.~~ The applicant shall have fifteen days after the receipt of such denial, or such additional
41 time as the ~~board of county commissioners~~ Administrative Official shall grant, to correct the

1 deficiencies set forth in the denial. The ~~board of county commissioners~~ Administrative Official
2 shall either approve or deny the permit within fifteen days of receipt of the submitted
3 corrections to the application. Any denial shall set forth in detail the specific grounds therefore.

4 ~~(2) After the board of county commissioners has issued a final decision to approve or deny the~~
5 ~~permit, the decision may be appealed as provided in RCW 36.70C.~~

7 **E. PLAN OR DEVELOPMENT REGULATION TEXT AMENDMENT APPROVAL CRITERIA**

8 The approval criteria set forth in YCC 16B.10.095(5) and (6) shall be considered in any review and
9 approval of text amendments to Yakima County Comprehensive Plan and any Development
10 Regulation.

11 • Consistency with 16B.10.095(5)(6) Approval Criteria:

12 (5) Plan policy and other text amendments must be consistent with the GMA, SMA, CWPP,
13 other comprehensive plan goals and policies, and, where applicable, city comprehensive plans
14 and adopted inter-local agreements.

15 ○ GMA Consistency - This proposed text amendment is consistent with and supports 4 of
16 the thirteen GMA Planning goals, the remaining were not applicable. RCW 36.70A.020,
17 without any order of priority.

18 RCW 36.70A.020(1) Urban growth. Encourage development in urban areas where
19 adequate public facilities and services exist or can be provided in an efficient manner.

20 *Staff Findings: Not applicable*

21 RCW 36.70A.020(2) Reduce sprawl. Reduce the inappropriate conversion of undeveloped
22 land into sprawling, low-density development.

23 *Staff Findings: Not applicable*

24 RCW 36.70A.020(3) Transportation. Encourage efficient multimodal transportation
25 systems that are based on regional priorities and coordinated with county and city
26 comprehensive plans. The Planning Commission

27 *Staff Findings: Not applicable.*

28 RCW 36.70A.020(4) Housing. Encourage the availability of affordable housing to all
29 economic segments of the population of this state, promote a variety of residential
30 densities and housing types, and encourage preservation of existing housing stock.

31 *Staff Findings: Not applicable.*

32 RCW 36.70A.020(5) Economic development. Encourage economic development
33 throughout the state that is consistent with adopted comprehensive plans, promote
34 economic opportunity for all citizens of this state, especially for unemployed and for
35 disadvantaged persons, promote the retention and expansion of existing businesses and
36 recruitment of new businesses, recognize regional differences impacting economic
37 development opportunities, and encourage growth in areas experiencing insufficient
38 economic growth, all within the capacities of the state's natural resources, public services,
39 and public facilities.

1 *Staff Findings: The GMA approval criteria, promoting new businesses, is enforced*
2 *by this proposal because permitting agritourism-related activities in producing*
3 *agricultural lands will encourage growth and promote existing businesses in the*
4 *agricultural resource areas.*

5 RCW 36.70A.020(6) Property rights. Private property shall not be taken for public use
6 without just compensation having been made. The property rights of landowners shall be
7 protected from arbitrary and discriminatory actions.

8 *Staff Findings:* The proposal will only affect private properties, and will not
9 prevent property owners from developing their land; nor will it affect any public uses.

10 RCW 36.70A.020(7) Permits. Applications for both state and local government permits
11 should be processed in a timely and fair manner to ensure predictability.

12 *Staff Findings:* If the proposed text is approved, the permit standards and criteria
13 will be available to the public, and be clear and predictable.

14 RCW 36.70A.020(8) Natural resource industries. Maintain and enhance natural resource-
15 based industries, including productive timber, agricultural, and fisheries industries.
16 Encourage the conservation of productive forestlands and productive agricultural lands,
17 and discourage incompatible uses.

18 *Staff Findings:* This proposal encourages compatible and supportive accessory
19 uses to agricultural lands by setting the standards consistent with the GMA and
20 comprehensive plans, encouraging the promotion of agricultural products
21 produced in the agricultural lands.

22 RCW 36.70A.020(9) Open space and recreation. Retain open space, enhance recreational
23 opportunities, conserve fish and wildlife habitat, increase access to natural resource lands
24 and water, and develop parks and recreation facilities.

25 *Staff Findings:* Not applicable.

26 RCW 36.70A.020(10) Environment. Protect the environment and enhance the state's high
27 quality of life, including air and water quality, and the availability of water.

28 *Staff Findings:* Not applicable.

29 RCW 36.70A.020(11) Citizen participation and coordination. Encourage the involvement
30 of citizens in the planning process and ensure coordination between communities and
31 jurisdictions to reconcile conflicts.

32 *Staff Findings:* This proposal will follow the typical approval process of the
33 Planning Commission public hearing, as well as the Board of County
34 Commissioners Public hearing to allow comments regarding the proposal, before
35 adoption. In Addition, an Agritourism Advisory Group, composed of industry
36 leaders was assembled to assist planning staff in the development of regulations
37 to ensure both preservations of the natural resource while supporting the tourism
38 efforts.

39 RCW 36.70A.020(12) Public facilities and services. Ensure that those public facilities and
40 services necessary to support development shall be adequate to serve the development
41 at the time the development is available for occupancy and use without decreasing
42 current service levels below locally established minimum standards.

1 *Staff Findings: Not applicable.*

2 RCW 36.70A.020(13) Historic preservation. Identify and encourage the preservation of
3 lands, sites, and structures, that have historical or archaeological significance.

4 *Staff Findings: Not applicable.*

5 ○ SMA Consistency - This proposed text amendment is consistent with the Shoreline
6 Management Act, RCW 90.58.

7 *Staff Findings: Not applicable.*

8 ○ County-wide Planning Policies Consistency - This proposed text amendment is consistent
9 with the 2015 County-wide Planning Policies.

10 *Staff Findings: The proposal does not conflict with any County-wide planning
11 policies*

12 ○ **Horizon 2040** Consistency - This proposed text amendment is consistent with five of the
13 Yakima County Comprehensive Plan – **Horizon 2040** goals or policies, without any order
14 of priority.

15 Economic Development ED 1 Promote economic growth while maintaining
16 environmental quality.

17 Economic Development ED 3.13 Continue to allow agriculturally-related industries, such
18 as cold storage plants, controlled atmosphere, produce packing facilities, processing
19 facilities, and wineries and their accessory uses such as tasting and sales rooms, to locate
20 in appropriate rural or agricultural resource areas, with appropriate siting and
21 environmental considerations.

22 Economic Development ED 4.2 Encourage farm practices which contribute to more
23 efficient agricultural production, and do not impose restrictions on agriculturally-related
24 activities unless they clearly relate to the public health, safety and welfare.

25 Economic Development ED 4.5 Support the development of a strong value-added
26 product industry which supports the resource base.

27 Economic Development ED 5.1 Expand the County's tourism- and recreation-related
28 economy. Support the development of programs, activities and facilities which increase
29 tourism and recreation opportunities in Yakima County.

30 Land Use LU-ER-AR 1.5 Allow for accessory uses, including non-agricultural accessory uses
31 that support, promote, or sustain agricultural operations and production. Such accessory
32 uses may include bed & breakfasts, boarding houses, restaurants, event facilities and
33 other amenities that are determined to support agriculturally related entrepreneurial
34 efforts.

35 *Staff Findings: The proposal does not conflict with any Comprehensive Plan goals
36 or policies and supports several policies, specifically in the Economic Development
37 and Land Use chapters as outlined above.*

1 ○ Sub-Area Plan Consistency – There is no applicable sub-area plan that affects this
2 proposal.

3 ○ City Comp Plan Consistency – There is no applicable city comp plan that affects this
4 proposal.

5 ○ Interlocal Agreement Consistency – There is no applicable interlocal agreement that
6 affects this proposal.

7 (6) Prior to forwarding a proposed development regulation text amendment to the Planning
8 Commission for its docketing consideration, the Administrative Official must determine that
9 the proposed amendment is consistent with the GMA, CWPP, other comprehensive plan goals
10 and policies, and, where applicable, city comprehensive plans and adopted inter-local
11 agreements.

12 *Staff Conclusion: The proposed text amendment in question meets the approval criteria outlined in
13 Y.C.C 16B.10.095(5)(6) and should be approved.*

16 **F. Discussion of Environmental Analysis (SEPA)**

17 Staff is assessing the potential environmental impacts associated with the proposed plan and
18 zoning amendment and proposes mitigation, where appropriate. This assessment is being done
19 concurrently and will be made available when completed.

21 **G. CONCLUSIONS**

22 When wineries, breweries, and distilleries first appeared in Yakima County, activities were
23 typically limited to the growing of crops and the production of these craft beverages. Since then,
24 the industry has grown and expanded to include many other activities in support of the original
25 agricultural production. The Growth Management Act as well as Yakima county, acknowledge
26 that these accessory activities are important not only to other operators but the region as a whole
27 as they add to the tourism and economic development positively. To adapt to the new business
28 models, the Yakima County Development Code regulations must also grow and acknowledge and
29 accommodate these accessory uses.

30 Through the work with the Agritourism Adcoeory Group, the Planning staff has developed a set
31 of draft text changes that both protects the limited agricultural resources while at the same time
32 supports the growing industry. Areas of focus have been on:

33 **Wineries, Breweries, and Distilleries**

- 34 a. Review level
- 35 b. Events
- 36 c. Foodservice
- 37 d. Capacity levels
- 38 e. Road access

39 **Agricultural Tourism Operations**

- 40 a. Review levels
- 41 b. Events
- 42 c. Foodservice

- 1 d. Parcel size
- 2 e. Crops uses in the production
- 3 f. Parking
- 4 g. Indoor facility size
- 5 h. Overnight lodging

6 **Outdoor Festivals**

- 7 a. Access and parking
- 8 b. Temporary structures
- 9 c. Application deadlines
- 10 d. Approval authority

11 Attached in Appendix A to the staff report are the draft text changes, recommended by staff.
12 Appendix B details the draft text changes recommended by the Agritourism Advisory Group. For
13 the most part, these recommendations are similar, however, there are a few items that differ,
14 thus resulting in two recommendations. The areas of disagreement are:

15 **Wineries, Breweries, and Distilleries**

- 16 a. Review level
- 17 c. Foodservice

18 **Agricultural Tourism Operations**

- 19 a. Review levels
- 20 c. Foodservice
- 21 d. Parcel size
- 22 g. Indoor facility size

23 **J. YAKIMA COUNTY PLANNING STAFF RECOMMENDATIONS**

24
25 The Yakima County Planning Division recommends **APPROVAL** of the ***Development Regulation*** text
26 amendment, subject to consideration of testimony from neighbors and interested parties.

27 ###

28
29
30 **APPENDIX A**
31 **Proposed Text Amendment**

32
33 Outlined below is the full-text amendment (blue underlined – added text, red strikethrough – deleted
34 text, green underlined – moved text).