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Tax board lowers fees on wineries

BRENTWOOD: Move aimed at enticing vintners to set up shop in Contra Costa

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ANTIOCH -- A transportation taxing board has decided to decrease fees on East County wineries and olive oil producers -- a move that could encourage growers to move their businesses to Contra Costa.

The East Contra Costa Regional Fee and Financing Authority (ECCRFFA) voted three to two last week in favor of the policy, with Antioch Mayor Donald Freitas and Oakley Mayor Brad Nix voting against. The board agreed to a five-year sunset at which time they will revisit the policy.

The change means wineries and olive oil manufacturers will have to pay only an impact fee -- based on the square footage of their commercial operations (i.e. tasting rooms) -- and won't have to pay a fee for their industrial square footage, press rooms and storage buildings.

Under the old policy, both types of buildings were charged fees, which went to pay for transportation projects, including the Highway 4 bypass. The fees are \$1.39 per square foot for commercial and \$1.22 per square foot for industrial, said Bypass Project Manager Dale Dennis.

Proponents of the new policy, including Contra Costa County Supervisor Mary Piepho, pointed to Alameda County's success in fostering a strong wine industry in the Livermore Valley with a similar fee structure. Piepho argued that wine manufacturing, which lasts two months a year, causes minimal traffic increases and should not be taxed as though it impacts roads year-round.

Opponents predicted that the change could prove a slippery slope, in which other business types start also seeking exemptions.

"This is a terrible precedent-setting situation," Freitas said.

He said the authority is in dire need of revenue to complete crucial road projects, and reducing the fee would only hurt those goals.

Pittsburg Mayor Ben Johnson, who supported the new policy, said the authority wouldn't see any revenue at all if the old policy stayed in place.

"The key thing is something's better than nothing," Johnson said. "It's \$1 or \$10,000 -- that's better than zero."

The Contra Costa County Board of Supervisors made similar fee reductions in October to the way it taxes wineries and olive mills.

Despite its impact on tax revenue, county supervisors supported the move because it supports the county's agricultural heritage, according to a press release issued by Piepho

In a letter dated Oct. 30, the county's Public Works Department encouraged ECCRFFA to adopt the decreased fees.

The Contra Costa Wine Grape and Olive Growers

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Association had lobbied the county to adopt the decreased fee, and was anticipating ECCRFFA doing the same, said Martinez grower Tom Powers, the association's chairman.

"We were able to argue with the county that production facilities should be exempt like other agriculture buildings, like barns and corn processing facilities, because they really serve the property itself and don't have a lot of traffic going in and out," Powers said.

Prior to Thursday night's vote, Brentwood grower Ron Enos, who operates a winery in Livermore to take advantage of lower fees there, said the county's vote had gotten him thinking about relocating to Brentwood, and ECCRFFA's decision could clinch it.

"I'm looking at maybe coming back into Contra Costa County," said Enos, whose family has farmed in Brentwood since 1938.

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