



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

COUNTY OF SAN DIEGO
2021 MAR -8 AM 11:48
CLERK OF THE BOARD
OF SUPERVISORS

DATE: March 16, 2021

22

TO: Board of Supervisors

SUBJECT

**CRAFTING A FAIR POLICY FOR SAN DIEGO BEER MANUFACTURERS
(DISTRICTS: ALL)**

OVERVIEW

San Diego is home to over 150 independent craft breweries and serves as the birthplace for a number of the industry's most respected brands. As non-craft beer sales declined during the past several years, craft beer sales continued to increase, adding to the region's economic output and supporting nearly 6,500 local jobs. Prior to the COVID-19 pandemic and resulting restrictions to business operations, San Diego County enjoyed economic output from the craft beer industry totaling over \$1.2 billion annually. This industry continues to give back to the community, contributing nearly \$5 million in annual philanthropic donations and will be recognized with the siting of a Museum of Beer in San Diego's East Village.

Last May, the California Department of Public Health established criteria and practices requiring all beer manufacturers to offer sit-down dining to patrons as a condition of serving customers beverages produced on-site. Although the California Department of Public Health later exempted similar alcohol manufacturing businesses from the requirement to serve meals, they did not provide this same relief to beer manufacturers. As a result, other alcohol manufacturing businesses that similarly offer beverage tastings on-site are not required to serve meals to their customers as a condition of operating.

This arbitrary and discriminatory treatment of beer manufacturers continues to negatively impact many establishments that are not equipped to offer meals and cannot undertake new investment to provide this service – particularly as they are struggling to stay afloat throughout the pandemic.

Approval of this item would provide direction to the Chief Administrative Officer to request that the California Department of Public Health level the playing field for the craft beverage manufacturing industry.

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MANUFACTURERS (DISTRICTS: ALL)**

RECOMMENDATION(S)

SUPERVISOR JOEL ANDERSON AND SUPERVISOR NORA VARGAS

1. Direct the Chief Administrative Officer to draft and send a letter to the California Department of Public Health, adding beer manufacturers to the current state guidance governing tasting rooms to allow them to open without the requirement to serve food while maintaining public health measures.

FISCAL IMPACT

N/A

BUSINESS IMPACT STATEMENT

Approval of this item could improve the regional economy by eliminating unnecessary state requirements negatively impacting the local small business community.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

San Diego is home to over 150 independent craft breweries and serves as the birthplace for a number of the industry's most respected brands. As non-craft beer sales have declined during the past several years, craft beer sales continued to increase, adding to the region's economic output and supporting nearly 6,500 local jobs. Prior to the COVID-19 pandemic and resulting restrictions to business operations, San Diego County enjoyed economic output from the craft beer industry totaling over \$1.2 billion annually. Our region experienced a growth level of 34% in economic output from craft beer in just three years. This industry continues to give back to the community, contributing nearly \$5 million in annual philanthropic donations and will be recognized with the siting of a Museum of Beer in San Diego's East Village.

The industry has also forged partnerships with local institutions of higher education, offering students instruction that can be used to launch their careers by learning how to brew craft beer, and create and manage their own breweries.

However, as is the case for many industries, the continuing COVID-19 pandemic has taken its toll on the region's craft brewery owners, suppliers and employees. Brewery tasting rooms and pubs have been significantly impacted by the restrictions and closing of their businesses since the beginning of the pandemic. They have also been impacted by the closure of the many restaurants and bars that previously bought their product.

Adding to their burden, breweries face an uneven playing field. Since last May, the California Department of Public Health has required all beer manufacturers to offer sit-down dining to patrons as a condition of serving customers beverages produced on-site. Although the California Department of Public Health later exempted similar alcohol manufacturing businesses from the requirement to serve meals, they did not provide this same relief to beer manufacturers. As a result, other alcohol manufacturing businesses that similarly offer beverage tastings on-site are not required to serve meals to their customers as a condition of operating. This arbitrary and discriminatory treatment of breweries continues to negatively impact many establishments that are

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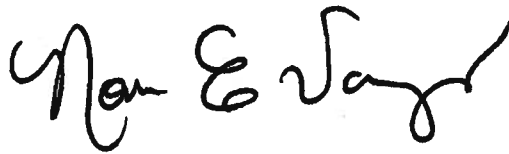
LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

These actions support the County of San Diego’s 2021-2026 Strategic Plan Sustainable Environments/Thriving Initiative by supporting actions to strengthen the local economy through efforts to assist the local small business community.

Respectfully submitted,



JOEL ANDERSON
Supervisor, Second District



NORA VARGAS
Supervisor, First District

ATTACHMENT(S)

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Board of Supervisors, District 2 and District 1

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

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