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CITY OF
MILTON-FREEWATER

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May 7, 2021

To Whom It May Concern;

This letter is being written in support of the Capital Funding Request (SB 5534) for the Milton-Freewater Shared Wine Production and Tasting Room Facility. Not only do we as a City support the proposal, but there is unanimous and enthusiastic support within the broad surrounding community. Additionally Business Oregon has supported the project through a \$230,000 Strategic Reserve Fund grant.

The Rocks District of Milton-Freewater American Viticultural Area (AVA) is nearly 4,000 acres located just north of Milton-Freewater city limits. The Rocks District is gaining global recognition as one of the most distinctive wine regions in the world. A large percentage of the grapes grown in Oregon are transported across the border to Walla Walla Washington, at the closest production facility. U.S. regulations require wines to be fully finished in the state in which the AVA lies. The regional benefits of the AVA are stymied by the lack of a facility to produce the wine. Because the wine is bottled in Washington, Oregon loses its identity from a marketing/labeling standpoint, and revenue. With the addition of a shared wine production facility in or adjacent to Milton-Freewater, the grapes can be grown, harvested, processed and bottled/labeled in Oregon.

This facility would be a marvelous addition to not only the local economy, but to the region and the state of Oregon. Wine tourism has been increasing faster in Oregon than other region in the U.S., growing between 9-15% annually. Wine sales revenues have been growing 8% annually. Case sales to consumers account for 22% of all wines sold. This facility will provide a location for wine to be made locally, instead of being made across the state line. What this means to Milton-Freewater as identified in a recent Market Assessment:

- Employment of 53 people with wages totaling over \$1.7 million in the first year
- Annual gross revenues of over \$5 million
- Construction costs of approximately \$8 million

The Milton-Freewater Shared Wine Production Facility will add jobs to an area with a high unemployment rate. It will bring synergy to the wine and tourism industry to this region of the State and I encourage you to support this Capital Funding Request for the economic health of Oregon.

Sincerely,

A blue ink signature of the name Linda Hall.

Linda Hall, City Manager