

# COLAB

The Coalition of Labor, Agriculture & Business

8-15-2024

Dear APCD Board of Directors,

In this packet are two subject matters having to do with the closure of Santa Barbara County's largest wine production facility and some of the permit requirements having to do with commercial space ventures at VSFB.

Our question to your board has to do with the ability of companies to expand operations in our county.

Regarding Miller Family wines, the following excerpt from the attached Noozhawk article is relevant:

"Santa Barbara County does have the most adverse wine ordinance of anywhere in the state and, I believe, in the country. There are a lot of restrictions against the wine industry," he said.

For instance, he said, regulators took an aggressive approach regarding air quality rules, leading the firm to invent new technology to preserve the existing winery operations.

They also were told they could not expand beyond the current level amid plans to add more tanks and more capacity.

Rising costs mean they couldn't stay stagnant, Miller added.

Supporting their decision to relocate, Miller said, is the fact that no other winery has expressed an interest in filling the Aviation Way site.

"This is the largest winery in Santa Barbara County. It's the most efficient from any measure you want to put on it," Miller said, adding that it provided efficient production space for processing, storing and bottling, creating a small carbon emissions footprint.

Regarding SpaceX and United Launch Alliance we have questions concerning the requirements pertaining to marine vessels. We have attached the cover page from Annual Report from SpaceX for 2023 and the pertinent section to demonstrate our concerns. Following is a summary from

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the report having to do with Authority to Construct Permits (ACT) and Permits to Operate (PTO) the marine vessel operations:

The district has claimed it doesn't regulate marine vessels except those used for "ongoing operations" rather than those used for "construction".

Nonetheless, the annual report references both permits to construct and permits to operate boat trips.

Specifically, the Authority to *Construct* Permit (ATC) 16000 increased the annual boat trips from 12 to 36 per year. The daily hours of operation for the primary tugboat that accompanies the ship was permitted under Permit to *Operate* 15704. So, here we have permits for marine vessels under both construction and operational permits, even though the district says it does not permit vessels used for construction.

Moreover, the Authority to *Construct* Permit 16000 requires an annual written report documenting terms and conditions of the permit verifying compliance with the emission limits and other requirements of the permit to construct! The district requires the report to include the daily and annual volume of fuel used by the tugboat, the daily and annual hours of operation for the tugboat's engines, and the billing vouchers or other data certifying the right type of fuel is being used for combustion. And finally, the report requires that a Global Positioning System report the location and time data for the ship's location in intervals of no greater than every 15 minutes whether the ship is off the Santa Barbara, Ventura, or Los Angeles coastline or in federal waters.

COLAB is raising both issues to bring to the attention of your board potential opportunities to streamline the permitting process for all businesses in this county including those that would like to grow their operations.

Sincerely,

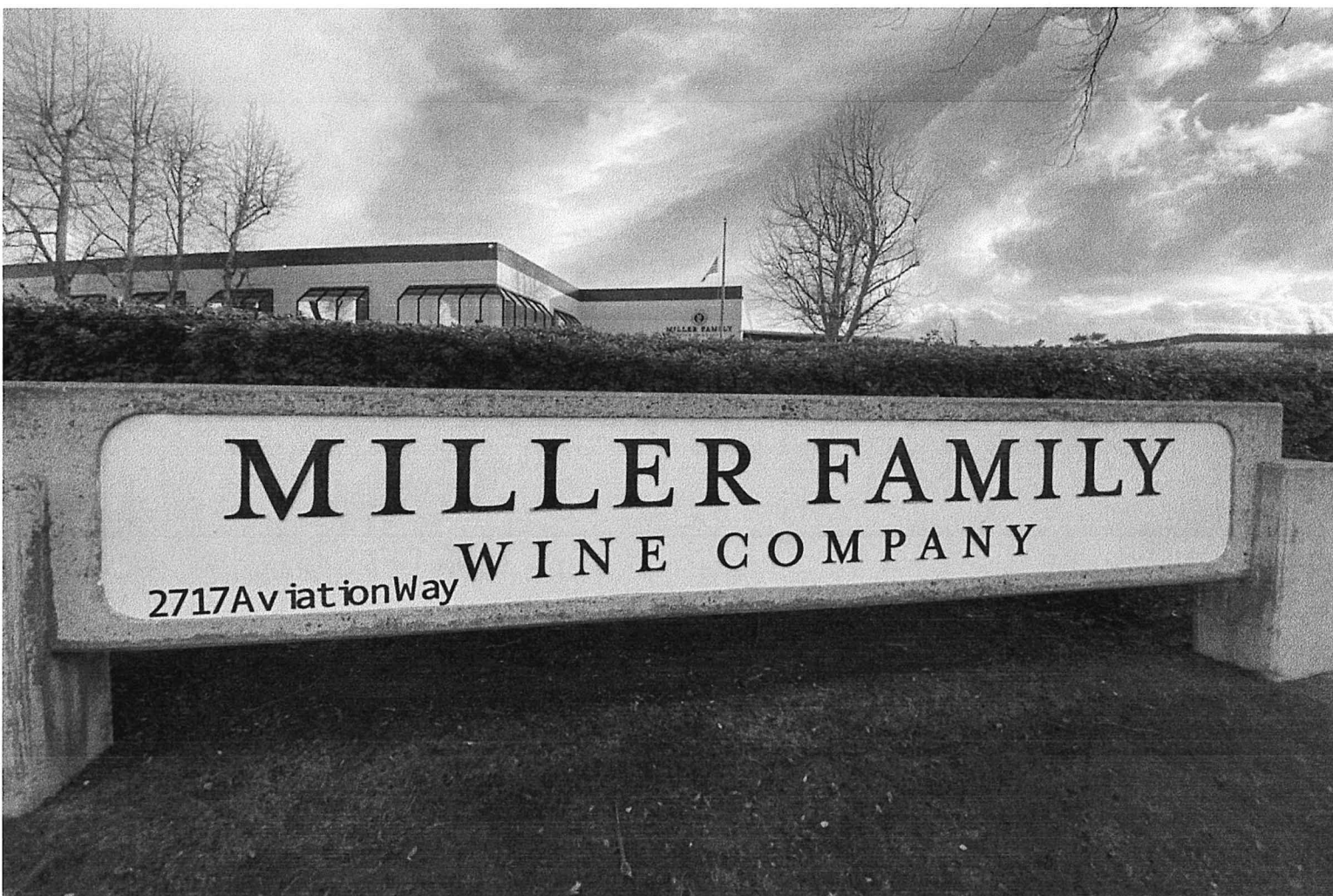
Andy Caldwell  
Executive Director  
COLAB

# Fed Up with Regulations, Miller Family Wine Co. Moving Operations Out of Santa Barbara County



by Janene Scully | Noozhawk North County Editor

February 8, 2024 | 7:33 pm



The Miller Family Wine Co. facility on Aviation Way in Santa Maria is for sale after the owners decided to relocate wine production activities outside of Santa Barbara County. ( Janene Scully / Noozhawk photo )

A large wine-production facility in Santa Maria will close after its multi-generational agriculture family owners decided to relocate operations out of Santa Barbara County because they're fed up with regulatory



agencies.

The Miller Family Wine Co., which had operated at 2717 Aviation Way in Santa Maria, saw its final production after the fall 2023 harvest.

Production activities will move to Northern California.

“We as a business made the decision that we could no longer scale and grow within that facility,” said Nicholas Miller, vice president of sales and marketing officer for Miller Family Wine Co. “That we were too constrained by the geography, costs and legislation from Santa Barbara County to grow anymore.

“So, we are moving to larger facilities in other parts of California in order to continue to grow and expand our business. We feel it’s very unfortunate. It’s certainly not what we had wanted to do.”

Five generations of his family have been involved in various aspects of agriculture, entering the wine industry in the 1970s. The Millers had conducted assorted operations at the Aviation Way site since the 1990s.

“It’s a very emotional decision for our family. It was not the decision that we wanted to make. It was the decision we kind of felt like our hand was forced in order to be an ongoing, viable business,” Miller said. “It was a very difficult decision for us.”

He declined to say where they plan to move beyond describing it as Northern California, adding that the deal for two facilities remains to be finalized.

“Santa Barbara County does have the most adverse wine ordinance of anywhere in the state and, I believe, in the country. There are a lot of restrictions against the wine industry,” he said.

For instance, he said, regulators took an aggressive approach regarding air quality rules, leading the firm to invent new technology to preserve the existing winery operations.

They also were told they could not expand beyond the current level amid plans to add more tanks and more capacity.

Rising costs mean they couldn’t stay stagnant, Miller added.

Supporting their decision to relocate, Miller said, is the fact that no other winery has expressed an interest in filling the Aviation Way site.

“This is the largest winery in Santa Barbara County. It’s the most efficient from any measure you want to put on it,” Miller said, adding that it provided efficient production space for processing, storing and bottling, creating a small carbon emissions footprint.

“It just seemed like we were always in the crosshairs, never being supported in this county,” he said, adding they were always told what they were doing wrong.

Layoffs have already occurred, with another round expected once they wrap up activities at the site. Miller could not say how many people were affected, explaining that other firms also operated in the facility.

“It was a whole ecosystem of folks making wine there,” Miller said.

The Miller family utilized its Santa Maria facility to produce all of its multiple brands but for the Bien Nacido, Solomon Hills and optik labels.

“The vast majority of wines that we make were made at the facility,” he said.

He estimated that small boutique wineries using the space likely numbered in the low teens.

The Miller Family Wine Co. facility is one of several falling under The Thornhill Companies, which includes Bien Nacido Estates, Thornhill Ranches and Bagshaw Investments.

They sold the Paso Robles Wine Services center about two years ago to another winery.

The former Central Coast Wine Services site in Santa Maria has provided a multi-winery processing and warehouse facility, including a custom crush facility as well as bottling line and winemaking equipment rental.

The state-of-the-art crush facilities are capable of processing “a staggering 6,800 tons of fruit with 1.6 million gallons liquid storage capacity,” according to The Thornhill Companies, which also said the site has been a national leader in capturing emissions during the fermentation process.

Sitting on 12 acres, the 230,000-square-foot facility off Industrial Parkway near the Santa Maria Public Airport has been listed for sale for \$28,750,000, or \$125 per square foot, according to **Pacifica Commercial Realty**.

“Located in the heart of the Central Coast Wine Region, the former Central Coast Wine Services facility offers a multitude of possibilities to a prospective buyer,” the real estate listing states.

Amenities include high ceilings, temperature-controlled areas, floor drains, heavy power, covered storage/production areas, fire sprinklers, and multiple loading options, including nearby rail access plus easy access to highways 101 and 135.

Listing agents are Jerry Schmidt, Pat Palangi and Mike Kelly with Pacifica.

The gap between the volume of grapes grown in Santa Barbara County versus the capacity of winemaking in the county has widened, according to comments made during a panel discussion at the Growing Opportunities ag forum hosted by **The Economic Alliance Foundation, or EconAlliance**, in Santa Maria on Wednesday.

“Sixty percent of the grapes grown in the county are trucking out the county to be made into wine. In comparison in Napa County, the ratio’s 115%. They have more winemaking capacity in the county than they grow grapes in the county,” said Marshall Miller, chief operating officer for Thornhill. “What’s concerning here is that the percentage is changing. We were already a low percentage relative to other growing counties, and that percentage number is going down in Santa Barbara County.”

Rec'd 02/27/2024

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## Annual Report to Santa Barbara County Air Pollution Control District

# Space Exploration Technologies SLC-4, VSFB

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**FEBRUARY 2024**

*Prepared for:*

**SPACE EXPLORATION TECHNOLOGIES**

SLC-4, VSFB

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- iv. If the permittee is not operating under a District-approved Solvent Recovery Plan, the following shall be recorded:
1. Gross monthly volume (gallons) usage and ROC content (lbs per gallon, ROC) for each material. The monthly emissions shall be calculated by multiplying the gross monthly volume usage by the ROC content.
  2. Gross annual volume (gallons) usage and ROC content (lbs per gallon, ROC) for each material. The annual emissions shall be calculated by multiplying the gross annual volume usage by the ROC content.

See Appendix C for solvent and coating logs, and records of solvent recovery and disposal.

## 2.5 Abrasive Blasting

The abrasive blasting unit was decommissioned and the permit was cancelled on May 25, 2023. The abrasive blasting unit was not used in 2023.

### 2.5.1 Recordkeeping Requirements

PTO 14927 requires recordkeeping of the following:

- a. The daily hours of abrasive blasting containment structure operation shall be recorded each day the equipment is operated.
- b. The amount (pounds or tons) and type of abrasive material consumed by the abrasive blaster daily and summarized monthly and annually.
- c. The dates when the ABS Filter System cartridges were replaced.
- d. Operation starting and ending pressure differential readings.

## 2.6 Marine Vessels

SpaceX uses two tugboats and a barge to transport a rocket booster from the Port of Long Beach to VSFB harbor. The tugboat and barge depart from the Port of Long Beach while a support tugboat departs from Port of Hueneme. These operations will allow SpaceX to expand its launch capability at SLC-4 on VSFB. The transport and support operations occur over a five to eight calendar day period.

### 2.6.1 Recordkeeping Requirements

ATC 16000 requires a written trip report to be submitted to the District within 45 days of the completion of each trip. Additionally, a written annual report documenting compliance with the terms and conditions of this permit is required. The reports shall contain information necessary to verify compliance with the emission limits and other requirements of this permit. The reports shall be in a format approved by the District. All logs and other basic source data not included in the reports shall be made available to the District upon request. The reports shall include the following recordkeeping information:



- a. Engine Fuel Use. The daily and annual volume of fuel (in units of gallons) combusted individual in each of the primary tugboat's propulsion and auxiliary engines (Device ID: 397971, 397972, 395399, 395400, 395401, and 395407) as well as the support tugboat's propulsion and auxiliary engines (Device ID: 395573, 395574 and 395575) while operating in District Waters. This log shall note the starting and ending fuel meter readings for each engine when entering and exiting District Waters and if the engine was used for transit or offloading operations.
- b. Engine Hours of Operation. The daily and annual hours of operation for each of the primary tugboat's propulsion and auxiliary engines (Device ID: 397971, 397972, 395399, 395400, 395401, and 395407) as well as the support tugboat's propulsion and auxiliary engines (Device ID: 395573, 395574 and 395575) while operating in District Waters. This log shall note start time and end time of the hour meter for each engine when entering and exiting District Waters and if the engine was used for transit or offloading operations.
- c. Global Positioning System. The GPS location and time data, recorded in intervals of no greater than 15-minutes, for each tugboat's operation to and from VSFB harbor, including all operations outside of District Waters. This log shall include a map charting the primary tugboat's and support tugboat's position for the operation, the date and time the primary tugboat and support tugboat crossed jurisdictional boundaries (i.e., federal waters, South Coast AQMD waters, Ventura County APCD waters, and District waters) and electronic copies of the GPS system data as required by the Marine Vessel Monitoring and Reporting Plan (approved February 24, 2023).
- d. Primary Tug Boat Operational Scenario. For each trip, report whether the primary tug boat was operated under operational scenario 1 or operational scenario 2 as defined in Condition 2.g.
- e. Fuel Properties. Billing vouchers or other data certifying the sulfur content and the higher heating value (HHV) of the fuel combusted in the tugboat engines. The documentation shall clearly denote the ASTM methods used for analysis and be clear that the fuel purchased matches the fuel noted in the billing voucher.
- f. District-Approved Plan. All reports required by the District-approved Marine Vessel Monitoring and Reporting Plan (approved February 24, 2023).

All 2023 trip reports were submitted to the District within the 45-day time frame as required by ATC 16000.