



**MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND**

February 20, 2018

The Honorable Dereck E. Davis, Chair
Economic Matters Committee
House Office Building, Room 231
Annapolis, Maryland 21401

Dear Chair Davis,

I am writing as Council President to express the unanimous support of the Montgomery County Council for HB 518, "Reform on Tap."

In recent years Montgomery County has been fortunate to benefit from the success of a number of new breweries, including Denizens, Seven Locks, Waredaca, Brookeville Beer Farm, and Saints Row. At least four more breweries will open their doors in 2018 (Silver Branch, Astro Lab, True Respite, and Brawling Bear). Nevertheless, we are presumably at the earliest stages of growth in our industry. Loudon County, by way of comparison, with just one third our population, has more than 30 breweries, cideries, and distilleries.

While our breweries may be small relative to the global corporate giants of the beer industry, they have a big impact on our local economic development. They have helped revitalize urban districts such as Silver Spring, bring life to industrial districts in Rockville, and create destination tourism in our farmland reserve communities such as Laytonsville and Brookeville. Breweries are a key part of our creative economy landscape. They naturally produce placemaking and night-time economy benefits that help us attract and retain talent by providing the quality of life that many employees and employers are looking for.

Our local breweries have also created their own good middle-income jobs in manufacturing, management, marketing, and sales. Statewide studies have shown that Maryland brewers alone will generate nearly a billion dollars in economic impact by 2019, contribute over eleven million dollars in state tax revenue, and capture between 7.6% - 11.5% of all beer sales. Those figures are sure to rise, and it should be our policy goal to see them rise.

That is why we have worked hard to support a brewery industry here, and look forward to its robust long-term growth. Working in partnership with our Maryland Delegation, the County has taken many steps to support breweries include:

- Exempting breweries from water and sewer connection fees
- Expanding a County economic development incentive program (a grant to defray the cost of new leases) to include breweries
- Allowing breweries as a primary use in commercial and industrial zones

- Allowing craft breweries to self-distribute
- Reducing and/or eliminating food-to-alcohol ratios

These reforms, when taken as a whole, have made Montgomery County and the State much friendlier to local production. Many entrepreneurs in the sector call Montgomery County “the best place in the region” to open a business. But there is much more to be done to make our State truly supportive to the industry. Our goal should be for Maryland beer to gain a much larger share of the market, both in Maryland and across the Country. The Reform on Tap proposals would accomplish that objective.

Accordingly, the Montgomery County Council urges the General Assembly to adopt the business-friendly reforms in HB 518. Thank you for your careful consideration of our views.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hans Riemer', with a long horizontal stroke extending to the right.

Hans Riemer
President
Montgomery County Council