

February 3, 2020

Dear the Senate Committee on Environment and Natural Resources, Chair Michael Dembrow,

I am Mark Bigej, a third-generation owner of Al's Garden Centers and Greenhouses, LLC. My Grandfather started the business in 1948. My father took the business over from him, and my two sisters and I joined my father in the business in the mid 90's. We currently operate 4 retail garden centers and 3 growing facilities in the Portland Metro area with stores in Woodburn, Sherwood, Gresham and Wilsonville, and growing facilities in Hubbard, Gresham and Mt. Angel. We employ 125 Oregonians year around and up to 200 people in our peak season. We are what are referred to in our industry as a true grower retailer – we grow 80% of the plants we sell at our garden centers in our own local growing facilities, including annuals, perennials, trees and shrubs.

I have 5 children and 12 nieces and nephews – I care deeply about the state of our environment and world the next generation is inheriting. I understand global warming is real and a great concern. That being said, I am writing in opposition of SB 1530.

As a grower retailer, we heat several thousands of square feet of greenhouses using natural gas. These greenhouses are necessary to start our crops and get them ready in time for the consumer to plant in their gardens. According to a rough calculation I have run based on information found on a USDA website, the total amount of carbon released by our natural gas consumption in one year is sequestered by the plants we produce in that same year. Many of the plants we grow continue to live for years and sequester more and more carbon as they grow, therefore sequestering much more carbon that it took to start those plants. The plants we grow are a big part of the solution to reducing the total carbon in the atmosphere. However, according to Northwest Natural Gas, they estimate cost for that gas is going to rise drastically if this bill passes in its current state. This sharp increase in a major input cost has the potential to be devastating to our business. The estimated increase of 30% or more to one of our largest input costs is not something we can manage.

I have investigated what it would take to change all of our heat source over to electricity, and not only is that a much less efficient source of heat, the cost to change over to electric heat in our facilities would be so high that it simply is not feasible. Not only would we have to change out all of our furnaces, but all of our services to our greenhouses would have to be upgraded, as well as PGE's service to our facilities. The cost to do this would be astronomical and simply not feasible.

I understand the -27 amendments make it possible for me to apply for a rebate on the cost increases in natural gas, but it would require me to pay for an energy efficiency audit and then make any recommended changes from that audit. That's a lot of extra cost in resources – time and money – to prove to the state that my business is a green business – even though I grow and sell plants. It makes no sense to me to punish an industry or organization with sharp increases in costs when that industry or organization is actually part of the solution.

Over the past few years, the cost for us to do business has increased greatly due to legislation passed including mandatory health care, increasing minimum wage, paid sick leave, and most recently the Corporate Activities Tax. **Over the past 5 years, through hard work our revenues have grown 18%, while our costs not including our Cost of Goods Sold have increased 35%!** We are struggling to keep up with the existing increases. We can not continue experience such increases and stay in business, period.

We are very proud of the business my grandfather started in 1948 and that our local community and our family has grown over the past 3 generations and 71 years. Please give me the opportunity to pass this business onto our next generation. I encourage you not pass SB 1530.

Thank you for your time and attention to this matter.

Regards,

Mark Bigej,

Co-owner, COO - Al's Garden Centers and Greenhouses, LLC