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February 5, 2016

Department of Community Services
Land Use Planning Division
Multnomah County
Via email: boardclerk@multco.us

Honorable Commissioners:

My name is Jeffrey Froug, I live at 400 NE Lucas Rd, Troutdale, OR 97060 in the Springdale area, east of the Sandy River in unincorporated Multnomah County outside of the National Scenic Area. My family and I own 35 acres zoned as EFU. There are multiple residences (2) and multiple agricultural buildings on our property and many acres of flat, southern facing, cleared farmland. Agricultural water rights are being applied for presently. The property is owned by my LLC, Family West Holding Company, of which I am a Managing Member. We purchased this property in October of last year and have been living here as our primary residence since that time. My extended family has all joined me in moving from Florida to Oregon to start a new life, experience the Oregon lifestyle and to build profitable businesses and employ many people in the County and State.

I retired as a Senior Executive from IBM on January 1 of this year. I have personally been in the corporate world for many years and am looking forward to settling down in the West Gorge with my family, to farm, and to invest in real estate and other businesses. My wife and I have cashed in our retirement savings to buy the farm and to startup various businesses including cannabis production and other related businesses.

My wife has a very rare genetic disease, called Ehlers Danlow Syndrome (EDS) that is very debilitating and painful. The disease attacks her connective tissues and results in severe disability as patients age. In addition, my wife suffers from Multiple Sclerosis. My oldest son has also moved out here with us – he is recovering from Acute Myolitic Leukemia (AML) - and had a bone marrow transplant 2 years ago. Both my wife and son have been using medical cannabis for a few years and nothing in the pharmaceutical world kills their pain and eliminates nausea as well as cannabis. I can honestly say that cannabis has been the difference between life and death for both my wife and my son. It is because of the effect that cannabis has had on my family that we are here now starting up these businesses. We want other people to have the benefits of this amazing plant.

We applaud the work done in the Staff Report. It shows a commitment to doing the right thing and makes most of the rules fair and reasonable. However, there are a few areas that in our opinion will

have the opposite effect of what this body is trying to accomplish. My family and I would strongly recommend you consider revising these issues prior to finalization.

It would be helpful for the commissioners to understand what we are trying to accomplish on our property and through our business efforts to fully understand why these issues are so important to us and to other growers in the area.

Our vision is to have a grower-friendly property with multiple independent tenants cultivating a variety of cannabis products. We have been waiting for the rules and regulations to be finalized but up until the release of the Staff Report, we were confident we would be able to achieve our vision. However, some of the proposed rules would prevent this vision from being realized. Here are the key tenants of our vision:

1. A collective or co-op of independent growers on the same 35-acre property, sharing ideas, collaborating with one another, making each other better cultivators.
2. Every grower is required to grow organically. This will be strictly enforced.
3. Outdoor Growing! Not exclusively outdoor, as we have some indoor space that will be utilized, but the vast majority of cultivation activities will be done in Greenhouses and Hoophouses using only the natural sunlight. Over time we want this farm to be Carbon Neutral and have plans to use wind, solar and geothermal. In fact, the primary residence (our home) is heated and cooled now using geothermal energy and we are in the process of converting all the farm buildings to geothermal as well including the indoor grow spaces. Assuming proper spacing and setbacks (which aren't required for EFU, but our intent is to do them anyway to set a good example), we can easily fit two dozen 10,000 square foot outdoor greenhouses on our property, each housing an independent grower.
4. All tenants must also grow food! Each cultivation tenant will be given 10,000 square feet of outdoor land to cultivate fruits, vegetables and other consumer agricultural products. Each tenant will be required to give at least half of their food crop to local charities, food banks, shelters, etc. This requirement is being written into all our leases.
5. All tenants must contribute 10% of their net taxable income from cannabis cultivation to a local charity east of the Sandy River. We are encouraging our tenants to give to local organizations that have a direct benefit to the local communities. This requirement is also being written into all our leases.
6. We will pay a fair living wage to all staff and provide comprehensive benefits including health, dental, vision, life insurances, and retirement savings.

Given the rules as proposed in the Staff Report, the above will not be possible.

This week, the special legislative session passed an Omnibus bill which, among other things, did away with the restrictions on the number of independent production licenses on a given property – both indoor and outdoor. We strongly encourage the Commissioners to follow suit as it relates to EFU properties East of the Sandy River Rural Plain Area (Chapter 35). The justification for such a change is as follows:

- A. The restrictions as proposed (one production license on any given EFU property, no matter what the size of that property) is inherently unfair to those of us that have larger properties. Someone who has 5 acres can have the same number of licenses that a 100-acre property can have. Having a single 1-acre production facility (ie 40,000 square feet) has a completely different impact on a 5-acre property than it does on a 35-acre property.
- B. The restrictions as proposed would force outdoor growers into indoor cultivation operations. A single 5,000 square foot indoor marijuana cultivation operation uses the same electricity as 300 single family homes. It also creates a giant heat plume that can be seen with infra-red cameras from space, damaging our environment. We, as ecologically responsible Oregonians should endeavor to reduce our carbon footprints wherever possible. Eastern Multnomah County has some of the best outdoor cannabis growing conditions in the world. Why would we want to limit the number of outdoor cultivation operations that are ecologically friendly and produce a better, greener, more stable product? By limiting one outdoor cultivation to any property, the effect is to limit a resource that is already in short supply. Most farm owners will not allow Cannabis to be cultivated on their land, so those of us that do, should be encouraged to have as many outdoor cultivation tenants as possible. Lastly the number of commercial indoor spaces are in short supply and most of those are in the city of Portland in heavy industrialized areas. It is to the County's advantage to limit the number of businesses growing in these industrial buildings and encourage cannabis farmers to move to real farmland and grow outdoors!
- C. The ability of multiple production operations to collaborate, improve their methods, produce better products and learn from one another will naturally happen within the Heavily Industrialized areas because the various growers will be close in proximity to one another. However, once you get out east of the Sandy River, the properties are large and spaced far apart. Thus the ability to collaborate and improve the methods and product will be severely limited given the proposed rules, as most Cannabis Farmers will be too far apart to learn from one another.

This week, the special legislative session passed an Omnibus bill which, among other things, did away with the phrase "rigid structure" when defining an indoor production facility. Although the definition as proposed would use the presence or absence of supplemental lighting as the primary determining factor, the use of the phrase "rigid structure" could potentially eliminate Greenhouses and Hoophouses in certain circumstances. We strongly encourage the Commissioners to follow suit and drop the words "rigid structure" as it relates to EFU properties East of the Sandy River Rural Plain Area (Chapter 35).

In shopping for Greenhouses to put on our property for outdoor cultivation – using only the light of the sun – we were informed that Multnomah County would require us to build these Greenhouses to withstand 130MPH winds and a 35lb PSI Snow-Load. Thus the Greenhouse manufacturer had to re-design their standard structures to have four foot on center reinforced steel cemented into the ground to meet these loads. By any definition, these structures will be "rigid". Although these structures will have no supplemental lighting and will use only natural sunlight, because they are "rigid structures", they could be deemed "Indoor" and thus we would be restricted to growing 10,000 square feet of canopy. In speaking directly to a member of the OLCC, we were told point blank that this language was removed at the State Level for this exact reason – in fact he said the words were "confusing".

Under Chapter 35, in the EFU Zone, only Production and Processing licenses would be allowed. No wholesale licenses will be granted. We believe this would severely impinge EFU growers from having access to wholesaling activities and force them to move their product – a very risky proposition – to populous areas to be sold. This gives Production businesses inside a heavy Industrial area an unfair advantage in selling their product quickly. Those of us in the more distant rural areas will be unable to realize the benefits of wholesale activities in quickly moving our products at the highest possible prices. We strongly encourage the Commissions to allow Wholesale Licenses under Chapter 35 in the EFU Zones.

Thank you very much for allowing me to submit this testimony. We applaud your willingness to take such input from the public and sincerely hope that our submission was of value to you.

Kind Regards,

Jeffrey Froug
Managing Member, Family West Holding Company, LLC