

Oregon heads for ballot brawl over tax increase

By NICK BUDNICK
Capital Bureau

SALEM — When a proposed statewide \$15-an-hour minimum wage measure gave businesses heartburn, Gov. Kate Brown intervened to float a compromise plan earlier this month.

In contrast, Brown has stayed squarely on the sidelines when it comes to an initiative aimed for the November ballot that is arousing just as much opposition: A \$2.6 billion annual tax increase on many large corporations.

Aside from some Democratic senators, nobody is proposing an alternative — including the business community that would be affected.

That might seem surprising in light of Oregon's long history of compromise and alternative measures to defuse impending ballot warfare.

So why is Oregon headed for a serious political rumble?

Some say there's scant incentive for supporters to consider common ground, thanks in part to an expected federal court ruling that could drastically reduce the clout of public employee unions in future election cycles. The sponsors of the measure say they're done compromising on tax measures as they did under former Gov. John Kitzhaber.

"I think the coalition that's behind the measure is saying we don't want to just have peace, we want to make people's lives better," says Ben Unger, the former lawmaker who leads the group spearheading the initiative, Our Oregon. "I would rather help people than avoid disagreeing."

Huge budget boost

Initiative Petition 28 focuses new taxes on a swath of corporations with \$25 million or more in Oregon sales. The tax is not on profits, but on gross receipts. It would generate \$5.2 billion in Oregon's next two-year budget period. That money, which is supposed to boost education and health spending, will increase the state's \$18 billion general fund by nearly a third.

The money raised would be seven times the amount raised by the corporate tax measures that spawned a bruising labor-business fight in 2010. Observers are predicting the opposition campaign alone will spend \$15 million to \$20 million — a staggering, record-shattering sum.

Supporters already are airing out their arguments that Oregon schools and other services desperately need funding, and that out-of-state companies will bear the brunt of the hike. Opponents, however, say the increase will result in higher prices for consumers and local companies, too.

State Senate President Peter Courtney, D-Salem, has called for a compromise, predicting the initiative will spark a political blood-bath with lasting negative effects on the state. And Sen. Mark Hass, D-Beaverton, has sought to build momentum behind the idea of an alternative measure.

However, so far there's little evidence that other political players have been persuaded. And past compromise revenue efforts have not panned out.

Kitzhaber effort failed

The initiative has its roots in a Kitzhaber-led push to tackle the belief, widespread in Salem, that the money flowing into state government has not kept up with demands for government services. After his return to office in 2011, he sought to forge a compromise between business and labor, involving talks, polling and focus groups in Eugene and Bend. Those efforts were put on hold when all sides concluded the hoped-for

sales tax measure wasn't the answer.

"We really worked hard to find something that everyone could agree to," recalls former Kitzhaber chief of staff Curtis Robinhold. "In the end we didn't find new revenue options that everyone could agree to or that we thought would pass muster with the voters."

Kitzhaber always planned to seek out other alternatives in his final term, participants and former aides agree. That never happened, thanks to escalating controversy over the appearance that his fiancée, Cylvia Hayes, profited personally from her role in his office.

In January 2015, as Kitzhaber struggled to cope with the situation, the union-backed Our Oregon group filed its petition for the tax increase. The measure likely wouldn't have had the governor's support because of his belief in avoiding large-scale ballot warfare, participants in the talks say.

Weeks later, that became less of an issue for the public employee unions backing the measure, when Kitzhaber resigned.

New urgency

Meanwhile, a ruling by the U.S. Supreme Court that is expected this summer could hamper those unions' ability to raise political funds in the future, potentially adding to the urgency behind the measure, several Democrats say privately.

Heather Conroy, executive director of Service Employees International Union Local 503, says the urgency is primarily because years of talks have gone nowhere. "We really just cannot wait any longer to put forward a solution. ... We need to see change."

Brown, who's running for re-election and is expected to receive strong union support, has not taken a position on whether the initiative makes sense.

"It's a complicated issue, and she's consulting with stakeholders, and she has not reached a conclusion about it herself," says spokeswoman Kristen Grainger. "There's definitely still time to consider the measure and what's going to happen."

State House Speaker Tina Kotek, D-Portland, who generally leans in support of the measure, says she hadn't heard of alternatives from the business community, and added that a much smaller measure probably would not be enough to make Initiative Petition 28 go away.

"We have a revenue problem in this state," Kotek says. While the measure is not perfect, she says, "it would solve our revenue problem."

Oregon Business Association head Ryan Deckert says the magnitude of the tax increase has businesses focused on beating the measure, rather than modifying it. "It kind of focuses the mind, job one is to defeat that ... I think there's just a collective 'No way.'"

He, like initiative supporter Unger, expressed confidence over who will win.

"We think that when consumers and citizens in Oregon see how this will affect them, they will react negatively," says Deckert, a former Democratic state senator.



Kyle Spurr/The Daily Astorian

A humpback whale washed ashore in Seaside Sunday.

Dead humpback washes ashore in Seaside

By KYLE SPURR
The Daily Astorian

SEASIDE — A dead 24-foot humpback whale washed ashore Sunday in Seaside.

Keith Chandler, the manager of Seaside Aquarium, said a

team of marine experts from Portland State University and the Oregon Marine Mammal Stranding Network moved the whale Monday to another part of the beach just south of 12th Avenue.

The experts will collect

samples from the whale to determine how it died. The animal was maybe a year old, Chandler said, and had been dead for quite a while.

City crews will bury the whale at the beach.

Chandler said it is not unusual

to see a humpback wash ashore. "There were a few humpbacks hanging out in the mouth of the Columbia River last year," he said. "They are usually further offshore. It could have died offshore and with the storm, washed in."

Washington approves monthlong razor clam dig

EO Media Group

OLYMPIA, Wash. — Razor clam diggers can look forward to more than a month of razor clam digging opportunities on the Long Beach Peninsula.

The Washington Department of Fish and Wildlife approved the dig, which runs from Thursday through March 10, at Long Beach after marine toxin tests showed the clams are safe to eat.

All other beaches remain closed to recreational razor clam digging.

The department approved this extended opening due to the abundance of clams available at Long Beach, said Dan Ayres, a state coastal shellfish manager.

"We had a late start to the digging season, so we still have plenty of clams to dig at Long Beach," Ayres said. "We're thrilled to be able to announce this lengthy opening."

Last fall, leading up to what would have been the start of the slamming season in a non-toxin year, the state estimated there were nearly 12 million adult clams more than 3 inches in length in Long Beach Peninsula sands. Adult clams averaged 3.8 inches in surveys done last summer.

"This is the largest population of razor clams we've recorded at Long Beach since beginning annual stock assessments using the pumped area method in 1997," according to the agency's preseason briefing document.

Based on this strong population, the potential recreational harvest was set at nearly 4.8 million clams.

Since levels of the marine toxin domoic acid dropped below 20 parts per million everywhere on the Long Beach Peninsula in early January, there have been just over

28,000 digger trips and just under 400,000 clams harvested, Ayres said. The average catch is right round 14 clams per person, about comparable to the 2014-15 season. Digging has been permitted 15 days so far.

Last year on the Long Beach Peninsula, an estimated 2.42 million razor clams were harvested and there were 163,929 digger trips — the total number of clambers multiplied by the average number of times they participated in the season. The peninsula was open for clamming on 104 days last season before being prematurely closed due to domoic acid.

Season details

The dig at Long Beach is on evening tides. No digging will be allowed before noon any day. Diggers should check tide charts before heading out, since tides of 1 foot or above

aren't conducive to digging, Ayres said.

"For the best digging conditions, we advise people to plan their trips to the beach when the evening low tides are less than one foot," Ayres said.

Ayres noted the best digging usually occurs one to two hours prior to low tide

The first week of the upcoming dig at Long Beach is scheduled on the following dates and low tides:

Thursday, 3:41 p.m.; 0.8 feet, Long Beach,
Friday, 4:28 p.m.; 0.2 feet, Long Beach
Saturday, 5:11 p.m.; -0.3 feet, Long Beach
Sunday, 5:52 p.m.; -0.7 feet, Long Beach
Feb. 8, 6:32 p.m.; -1.0 feet, Long Beach
Feb. 9, 7:12 p.m.; -0.9 feet, Long Beach
Feb. 10, 7:52 p.m.; -0.7 feet, Long Beach

Knappa superintendent resigns, cites health and commute

By EDWARD STRATTON
The Daily Astorian

Terrence Smyth, hired in June as superintendent of Knappa School District and principal of Knappa High School, has resigned.



Terrence Smyth

Business Manager N i k k i F o w l e r said Smyth announced his resignation Wednesday, and Knappa School Board Chairman Craig Weaver signed off Thursday.

The district announced the resignation Monday morning in a release. In the release, Smyth, 51, cites his health and a long commute from Jewell as his reasons for resigning. He was not immediately available for comment.

"Mr. Smyth offered his thanks for the opportunity to work with students and faculty in Knappa and wishes them all the very best in the future," the release said.

Fowler said the district can cover major functions using Hilda Lahti Elementary School Principal Leila Collier and Laurel Smalley, a science teacher on special assignment to handle student discipline at the high school.

She said the district is reaching out to support organizations like the Northwest Regional Education Service District and Oregon School Boards Association for help finding an interim.

"We don't expect the interim search to take very long," she said. "I would expect us to place a person within a couple of weeks."

Smyth replaced Jeff Leo, who was with Knappa since 2011 as a principal and later superintendent. Leo was recently named superintendent of Banks School District.

Upon his hiring, Smyth, who was previously prin-

icipal of Springwater Trail High School for eight years, said he planned to end his administrative career in

Knappa, staying about six years before moving out of school districts but into a related field.



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