

Grocer Albertsons eyes Rite Aid deal in health care push

By **TOM MURPHY**
Associated Press

The owner of Safeway and other grocery brands is buying the drugstore chain Rite Aid as retailers continue to plunge deeper into health care and adjust to swiftly changing shopping habits.

Albertsons Companies executives said today that their purchase of Rite Aid's more than 2,500 remaining stores will help the combined company become a "leader in food, health and wellness."

The combination will have 4,892 stores and more than 4,300 pharmacies with a stronger presence on both coasts of the U.S. market. Leaders of both companies said the deal will help attract pharmacy customers who tend to spend more at Albertsons grocery stores.

That comes as the grocer starts to strengthen same-day deliveries, a meal-kit business and other products that cater to customers who want fast service.

Retailers have been pushing home deliveries and other customer-friendly services in the wake of expanded competition from Amazon. The online giant bought the grocer Whole Foods last year and plans to roll out a two-hour delivery service this year to customers who pay for its \$99-a-year Prime membership.

Amazon's competitors also are bulking up health care services, which cannot be purchased online. Late last year, Rite Aid rival CVS Health Corp. said it would buy the health insurer Aetna for \$69 billion. That deal could turn many of the chain's 9,800 stores into one-stop-shop locations for an array of health care needs like blood work and eye or hearing care in addition to their traditional role of filling prescriptions.

In Rite Aid, Albertsons Companies is buying a chain that has already remodeled more than half of its stores into a format that includes expanded pharmacy services and more health products. Like its drugstore chain competition, Rite Aid also operates walk-in clinics that can deal with cases of the flu, sinus infections and other relatively minor complaints.

It also has a pharmacy benefit management business that runs prescription drug coverage.

Albertsons said it will continue to run Rite Aid stand-alone stores, and most of the grocery operator's

pharmacies will be rebranded as Rite Aid. Albertsons also runs Jewel-Osco, Shaw's, Vons and Acme stores.

The deal will create a company with "a large scale and diversified revenue base necessary to compete in today's highly competitive food and drug retail environment," Moody's Vice President Mickey Chadha said in a statement.

Rite Aid has struggled with high debt levels and tough competition from larger rivals, as narrowing drugstore networks have pushed customers away from its stores.

The nation's largest drugstore chain, Walgreens, tried unsuccessfully to buy all of Rite Aid last year but scuttled that deal after encountering regulatory resistance. Last September, Walgreens Boots Alliance Inc. announced a slimmer agreement to buy nearly 2,000 Rite Aid locations and some distribution centers for about \$4.38 billion.

For the remaining Rite Aid stores, Albertsons Companies is offering either a share of its stock and \$1.83 in cash or slightly more than a share for every 10 shares of Rite Aid. The grocer did not disclose a deal value. But it said the combined company would bring in about \$83 billion in annual revenue.

That would rank it just below the Blue Cross-Blue Shield insurer Anthem Inc., which is 29th on the latest Fortune 500 list of largest companies.

The companies expect their combined entity to trade on the New York Stock Exchange. Shareholders of Boise, Idaho-based Albertsons, which is currently private held, will own more than 70 percent of the combined company.

The companies say the deal should close in the second half of this year, but regulators and Rite Aid shareholders still have to approve it.

Rite Aid Chairman and CEO John Standley will lead the combined company as CEO, while Albertsons leader Bob Miller will serve as chairman. The companies say they will keep headquarters in both Boise and Camp Hill, Pennsylvania, which is where Rite Aid is based.

Shares of Rite Aid Corp., which have shed more than half their value over the past year, climbed more than 4 percent in midday trading Tuesday. Broader indexes were mixed.



AP Photo/Mark Wallheiser

State Sen. Bobby Powell talks with survivors from Marjory Stoneman Douglas High School and other students from Broward County, Fla., high schools in his office at the Florida Capitol in Tallahassee.

Shooting survivors prepare to leave for Florida Capitol

By **TERRY SPENCER, CURT ANDERSON and BRENDAN FARRINGTON**
Associated Press

PARKLAND, Fla. — A group of students who survived the shooting at Stoneman Douglas High School planned to travel 400 miles to Florida's capital today to urge lawmakers to act to prevent a repeat of the massacre that killed 17 students and faculty last week.

The students plan to hold a rally Wednesday in hopes that it will put pressure on the state's Republican-controlled Legislature to consider a sweeping package of gun-control laws, something some GOP lawmakers said Monday they would consider.

"I really think they are going to hear us out," said Chris Grady, a 19-year-old senior who is going on the trip. He said he hopes the trip will lead to some "commonsense laws like rigorous background checks."

The Feb. 14 attack seemed to overcome the resistance of some in the state's leadership, which has rebuffed gun restrictions since Republicans took control of both the governor's office and the Legislature in 1999. However, there is still strong resistance by many in the party to any gun-control measures, leaving the fate of new restrictions unclear.

Students also have vowed to exert pressure on Congress as the aftermath of the rampage resonates beyond Florida. Hundreds of chanting



AP Photo/Gerald Herbert

Mourners hug Monday as they leave the funeral of Alaina Petty in Coral Springs, Fla.

protesters converged Monday on a downtown Los Angeles park, demanding tougher background checks and other gun-safety measures after the shooting. Some signs held up by the California demonstrators read, "Your Children Are Counting On You."

Sen. Bill Galvano, a Republican and the incoming Florida Senate president, said the state Senate was preparing a package that would include raising the age to purchase any firearm to 21, creating a waiting period for purchasing any type of firearm, banning bump stocks that can allow semi-automatic guns to spray bullets quickly and creating gun-violence restraining orders.

The Parkland students planned to meet Wednesday with top legislative leaders, including Senate President Joe Negron and House Speaker Richard Corcoran.

But their push to restrict guns might be a difficult task.

Florida has a reputation for expanding — and not restricting — gun rights. Negron sponsored a 2011 bill that Republican Gov. Rick Scott signed into law that banned cities and counties from regulating gun and ammunition sales.

Authorities said suspect Nikolas Cruz, 19, had a string of run-ins with school authorities that ended with his expulsion. Police also were repeatedly called to his house throughout his childhood. Cruz's lawyers said there were many warning signs that he was mentally unstable and potentially violent. Yet he legally purchased a semi-automatic rifle.

"We need to make sure everything is working and to learn from the experience," Galvano said.

The Senate is also considering boosting spending on mental health programs for schools and giving law-enforcement greater power to involuntarily

hold someone considered a danger to themselves. The body will also look at a proposal to deputize a teacher or someone else at school so they are authorized to have a gun.

Galvano said senators want to examine ways to protect schools that do not have resource officers — often armed law enforcement officers — on site.

State House leaders and Gov. Rick Scott also are considering possible changes to firearms rules but have not given any details. Scott planned meetings Tuesday on school safety, and said he would announce proposals on mental health issues later in the week.

Still, some Republicans questioned whether additional gun restrictions are the answer.

"I really don't want to see this politicized into a gun debate," Republican Sen. Dennis Baxley.

Referring to gun-control advocates, he said: "Sometimes I wish they were right, that this would fix it, but it won't ... We have a terrible problem with obesity, but we're not banning forks and spoons."

Democrats believe raising the age limit and creating a waiting period to buy rifles is not enough.

"That's unacceptable. That's a joke," said Democratic Sen. Gary Farmer of Broward County. "I don't see that as a restriction. It never should have been that an 18-year-old could buy an assault weapon. No Floridians should be able to buy an assault weapon."

Rebrand: New beers will debut at reopening

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"We're trying to retire one piece at a time," Stephen Allen said.

In 1995, Seaside residents Joe Gwerder and Harry Henke started Wet Dog Cafe at the Astoria Riverwalk and 11th Street.

Stephen Allen, a local accountant, joined as a silent partner and bought Gwerder and Henke out in 1997, soon after adding a separate operation, Pacific Rim Brewery, in the same location. In 2005, the brewery portion of the business was renamed Astoria Brewing Co., in commemoration of Astoria Brewery, the city's first, started in 1872. Astoria Brewing Co., including Pacific Rim, is the city's oldest active brewery. The Wet Dog Cafe & Brewery name remained for the main pub.

The Allens have continually expanded their local restaurant and real estate holdings over the years, beginning with the Desdemona Club in Uppertown in 2005.

In 2012, Astoria Brewing Co. expanded on the same city block as Wet Dog with the purchase of the former Andrew & Steve's Restaurant and The Chart Room Bar on the corner of Marine Drive and 12th



Colin Murphey/The Daily Astorian

Shaun Barrick is head brewer at the Astoria Brewing Co.

Street. The family reopened Chart Room and punched a hole in the floor of Andrew & Steve's, installing a new commercial brewery in the basement, surrounded by the mezzanine of their new taproom.

The family briefly owned the former Hazel's Tavern on Marine Drive and in 2014 acquired and renovated the Pier 11 Mall and Josephson Fish Station next to Astoria Brewing Co.

The Wet Dog was the first location to host poetry readings with the FisherPoets Gathering 21 years ago. The last event under the Wet Dog

Cafe name will be FisherPoets readings Friday and Saturday night. The pub will then close for renovations before a "brand" opening in early March.

The reopening will include the release of three new beers. One event will introduce the public to Shaun Barrick, head brewer for the past year.

Part of a Coast Guard family, Barrick spent four years in Astoria before his father was stationed in Alaska, where he attended college and eventually started working at Alaska Brewing Co. He has been brewing for five years, includ-

ing with Alaskan and Ninkasi Brewing Co. in Eugene. After learning of an opening through a friend, he joined Astoria Brewing Co., where he and two assistant brewers have been turning out the regulars and expanding the brewery's palate with nearly 30 new beers in the last year.

"We're on track to do 36 new beers this year," Barrick said, adding he focuses on easier-drinking varieties.

Despite some changes, Kera Huber said, Astoria Brewing Co. is holding on to the same identity of a family and pet-friendly brewpub held by Wet Dog, while focusing on growing the brewery side of the business.

The family's sprawling businesses require a collection of talent to run, Karen Allen said. She has handled operations, while Stephen Allen has done the accounting. All seven of the couple's children have worked at the business at some point. Kera and Mike are experienced at operations, while Andy built the brewery and handles much of the company's maintenance and build-outs, she said.

"The tables will turn, where we will then be supporting them," she said. "That's over the next five years."

Seafood: Public hearing in Astoria on draft is March 19

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are located, processors may struggle to find room for secondary treatment.

"I don't think there's anybody in the industry who thinks that the implementation of this permit is not going to cost something," said Lori Steel with the West Coast Seafood Processors Association, which represents 16 of the 24 plants in Oregon that are subject to a renewal of the permit.

The association maintains that some of the state's proposals to ensure water quality are not feasible for seafood processing facilities, which often handle very different species depending on the season.

"What's going through the wastewater changes," Steel said. "It's not consistent year-round. ... (DEQ) is drawing analogies to other industries and trying to implement the same requirements that a lot of municipal industries have."

To her, it is like trying to fit

square pegs into round holes.

Lacy Ogan, with Pacific Seafood, said the company is working with industry partners to help the state develop "an appropriate permit."

Steel said the industry isn't "looking for the status quo, or no regulation, or to go back. We're just looking to work with the state to create something that will address the needs of the water and the needs of the processors."

Pacific Seafood retained its permit coverage even after a fire burned down the company's Warrenton facility in 2013. The processor will have to update its application materials in response to the new permit, Gleim said.

The Department of Environmental Quality is accepting public comments on a draft of the proposed permit through March 29 and is holding three public hearings along the coast, including one in Astoria on March 19. That hearing is scheduled for 5:30 p.m. at Clatsop Community College's Columbia Hall, Room 219.