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One dollar

## Proposed \$6B tax brings political battle

IP28 would place 2.5 percent tax on corporations with \$25M in sales

By **JADE MCDOWELL**  
East Oregonian

Opponents and supporters of a proposed \$6 billion tax on Oregon sales are preparing for a knockdown, drag-out fight before the measure comes to voters in November.

"This is probably the biggest political fight we'll see in decades," Oregon Chamber of Commerce Executive Director Alison Hart said.

The proposal, known as IP28, will place a 2.5 percent tax on Class C corporation sales over \$25 million in Oregon. An analysis

by the nonpartisan Legislative Revenue Office estimates the tax will raise approximately \$6 billion for state services each biennium but also increase the cost of living for Oregonians.

Hart visited with a handful of Hermiston Chamber of Commerce members on Wednesday, asking them to spread the word of the potential harm if IP28 is approved by voters.

"It will hurt our entire economy," she said. "Oregon is too small of

a state to absorb a \$6 billion tax increase."

Supporters of the measure — backed by public employee unions — disagree. They point out that only an estimated 1,051 companies in Oregon will see their taxes raised.

A Better Oregon, which collected enough signatures to place the measure on the November ballot, says it will force large national corporations that do business in Oregon to pay their "fair share" to help struggling local

schools and seniors.

According to their website, less than one percent of Oregon businesses will see their taxes raised, and more than 85 percent of the tax will be paid by corporations with more than \$100 million in Oregon sales.

"Companies like Bank of America, Comcast, Wal-Mart and Monsanto make hundreds of millions of dollars from the business

See TAX/8A

## Sherwood Heights and Washington schools come down



Staff photo by Kathy Aney

An excavator operator from 3 Kings Environmental chewed away the old Sherwood Heights Elementary School on Wednesday morning. Across town, it was the same scene at Washington Elementary School. The demolition will last 2-3 weeks. On the ground are rooftop ventilation units put aside for salvage.

## Demolition & nostalgia

By **KATHY ANEY**  
East Oregonian

Chris Demianew watched the demolition of Sherwood Heights Elementary School on Wednesday morning with a distant look in his eyes.

Two excavators chomped into the old school with clamshell buckets that grabbed and smashed whatever came into their grasp. The excavators attacked the gym, but eventually will chew their way around the building in a circular fashion. The demolition will last for about two months at Sherwood and also across town at the old Washington Elementary School.

The loud demolition noises didn't seem to phase Demianew, who stood on the sidewalk, remembering his years at the school.

"My entire family went here," he said. "My five brothers and sisters. My two children."

Demianew, 40, can still recall learning square dancing in the cafeteria and playing four-square on the cement play area out back. He remembers Principal Joseph Daley, who contributed to Demianew's own desire to become a teacher.

"My connection to teaching started in this very building," he said. "Mr. Daley was a kind man who expected kids to do their best."

Daley became the first principal at Sherwood in 1954 and remained there until he retired in 1986.

As Demianew mused, Project Manager Greg Ponder of Kirby Nagelhout Construction greeted him and chatted

See SCHOOLS/8A



Staff photo by Kathy Aney

Inside Sherwood Heights Elementary School are hundreds of notes left by students, teachers and others who wanted to say goodbye.

## State finalizes new minimum wage rules

By **PARIS ACHEN**  
Capital Bureau

Oregon's Bureau of Labor and Industries finalized new minimum wage rules Wednesday, requiring employers to pay a regional rate based on where the employee works more than 50 percent of the time.

The rules are a compromise between a proposal favored by labor groups and requests by business groups to base the rate on where the employer is located.

"I appreciate that both industry associations and minimum wage advocates stepped up to advise our agency's rulemaking process," said Labor Commissioner Brad Avakian in a statement. "As Oregon raises its minimum wage for more than a hundred thousand workers next month, we hope that the rules will provide fairness to workers and employers alike."

See WAGE/8A

## PENDLETON

## Council hazy on marijuana ballot questions

By **ANTONIO SIERRA**  
East Oregonian

It has been six months since the Pendleton City Council agreed to refer marijuana sales to the ballot, but exactly what voters will decide is still up in the air.

The members of the council met for a workshop Tuesday to discuss how to write the ballot measure for November, but could not reach a consensus.

While the council previously discussed asking voters three questions — whether to legalize recreational marijuana, whether to legalize medical marijuana and whether to assess a 3 percent tax on the revenue — City Attorney Nancy Kerns advised against this approach.

"My logic is that statute says that if you have any kind of ban, you can't have a tax,"

See MARIJUANA/8A

## Hydropower proposed at McKay Dam

Project calls for 1.9-MW generator and powerhouse

By **GEORGE PLAVERN**  
East Oregonian

A fifth-generation Pendletonian is considering seasonal hydroelectricity at McKay Dam.

Bill Hampton, a registered professional engineer, has proposed installing a relatively small 1.9-megawatt generator and powerhouse at the dam, located about six miles south of Pendleton. Hampton's company, Houtama Hydropower LLC, filed preliminary permitting documents on June 9 with the Federal Energy Regulatory Commission and studies are now underway to determine if the project would be environmentally and

economically feasible.

It is at least the third time someone has looked into producing hydro power at McKay Dam, which has historically provided irrigation water for downstream farms and ranches along the Umatilla River. The Bureau of Reclamation owns and operates the dam five miles up McKay Creek, part of a 1,837-acre wildlife refuge.

Hampton said McKay is one of a number of irrigation dams across the country that are not being used to their full potential.

"The water is going through the dam anyway," he said. "Instead of having the water run through a valve, you have it run through a turbine. ... It has minimal impacts on the environment."

See DAM/8A



EO file photo

A Pendleton engineering company has proposed generating 1.9 megawatts of hydroelectricity at McKay Dam.

