

# 'Kicker' will return \$402.4 million to Oregon taxpayers next tax season

By PETER WONG  
Capital Bureau

SALEM — Oregonians can expect an average of \$124 off their 2015 tax returns due in April 2016, according to the state's latest economic and revenue forecast.

State Economist Mark McMullen said Wednesday that the amount of excess income tax collections from the previous two-year budget cycle is \$402.4 million, down from the \$473 million forecast May 14.

He said tax collections dipped more than anticipated in late spring and the result is the smaller amount.

Wednesday's forecast is the first of the new budget cycle, and also is the one immediately after the close of the 2013-15 cycle.

Unlike the practice for the past two decades, the excess — known as the "kicker" — will be returned to individual taxpayers in the form of a credit against the following year's tax bills. Lawmakers in 2011

ended the practice of mailing checks directly to taxpayers that was started in 1995.

The average rebate of \$124 is for Oregon median incomes — half of them above and half below — ranging from \$30,000 to \$35,000. Because the rebate is based on liability, higher-income households will get far more than the average; low-income households will get as little as \$10.

The most recent kicker was in 2007, when \$1.1 billion was rebated a few months before

the official start of the latest economic downturn.

A 1979 law, which voters wrote into the Oregon Constitution in 2000, requires a rebate of excess taxes when actual collections exceed budget projections by 2 percent.

The law also applies to corporate income taxes, but in 2012, voters earmarked any excess collections of corporate taxes for the state school fund. That amount is built into the current state budget cycle that started July 1.



Joshua Bessex/The Daily Astorian

Mark Hollander, a hotelier based in Bellingham, Wash., speaks during a Port of Astoria meeting Tuesday.

## Port: 'We'd like to have literally a 99-year-lease'

Continued from Page 1A

Hollander said his preference is to go into a short-term lease between 90 and 180 days to assess the property and operation. His and the Port's attorney have been working on a short-term agreement since late last month, and Hollander said he would be able to take over the hotel within two days of that agreement being signed.

"I'm prepared to take negative cash flow during this short lease period to do my due diligence, and prepare for a long-term lease," Hollander said.

The Port estimates Brad Smithart, the current operator of the hotel through his company Hospitality Masters, owes the Port and city upward of \$400,000, along with tax liens. When asked about paying them off, Hollander said Smithart's debts can fit into a larger project, adding he wants to put \$1.5 million into the hotel.

Hollander also talked about fixing up the roads, landscaping and Chinook Building around the hotel. Like the Riverwalk Inn, Hollander said it will take time to determine whether the building housing the long-vacant Seafare Restaurant & Lounge is still salvageable, adding he could turn the former restaurant into a meeting space until the market is ready for another restaurant.

"We'd like to have literally a 99-year lease," Hollander said of the long-term.

The Port Commission recently voted unanimously to continue negotiating a short-term agreement with Hollander, but to also develop an open bidding process in which Hollander would have to compete with a growing number of suitors for the Riverwalk Inn.

Hollander said he would not be willing to compete in that process. He, Knight and the commission met in a closed executive session after the meeting to discuss his proposal more in-depth.

### Everybody gets a turn

Preceding Hollander's presentations were pitches by several other suitors for the hotel during public comment.

Ganesh Sonpatki, a Portland operator of nine budget hotels through Param Hotel Group, has been courting



Joshua Bessex/The Daily Astorian  
Brad Smithart speaks during the Port meeting Tuesday.

Smithart since late last year. The Port Commission voted in early June to have staff work on transferring the Riverwalk Inn lease from Smithart to Sonpatki.

But the deal never finalized. The Port terminated Smithart's contract in early July. And it has been trying since to evict him without shutting down the hotel.

Sonpatki's lawyer, Colin Hunter, announced late last month Sonpatki was prepared to sue if the Port didn't honor their agreement. On Tuesday, he showed up with a \$273,000 cashier's check he said was to pay Smithart's debts with the Port as of June.

Hunter also brought transfer consent he said was completed Aug. 4 and signed by all parties but the Port. All that has to be done, he said, is for the Port to cancel Smithart's eviction, sign the transfer, take the check and move on.

But the Port contends there is no lease to transfer to Sonpatki.

Former Hotel Elliott developer Chester Trabucco recently came forward as a contender for the hotel in partnership with native Astorian William Orr in a company called Astoria Hospitality Ventures. Orr is a lawyer who also leads a seafood processing company in Seattle.

Trabucco said it was he who called Commissioner Stephen Fulton and asked him if Sonpatki's proposal to operate a budget hotel in the Riverwalk Inn was the best use of the building. "I started that mess, but I think you have more interest in the hotel now," he said.

At Tuesday's meeting, Trabucco presented a 90-day contract to operate the hotel

in the short-term, adding he and Orr have made available \$350,000 to pay off Smithart's debts. Trabucco presented a vision of restoring the Riverwalk Inn and Seafare restaurant back to their original glory.

Moreover, Trabucco said, he, Orr and Sonpatki are in daily contact and willing to work together on operation of the hotel. It was unclear how linked the proposals from the Param Group and Hospitality Ventures are.

Ann Samuelson, a real estate broker from Seaside and former Clatsop County commissioner, came to represent her client, James Mulloy, owner of the Comfort Suites through Malbco Holdings LLC. He owns 10 hotels, she said, and is interested in investing in Astoria, the hotel and the restaurant.

Samuelson said the Port should look at selling the hotel to get some money for other industrial projects creating more living-wage jobs.

### Dissatisfied customer

"Many people have failed in business, and I'm one of them," said Smithart, who approached during public comment to share his disgust over what he said has been disrespectful treatment by Knight and the Port.

"Being a tenant and being slandered by the Port for failing at business is offending," Smithart said, adding the way he has been spoken to by Knight is disgusting, and the last time he tried to talk with Knight about his lease, he was thrown out of the Port's offices.

Smithart said he wants to get out of the hotel and focus on the arcade he opened in downtown Astoria. He also maintains that he has offered a solution to his debt the Port hasn't taken, referring to Sonpatki.

Smithart said he has spent hundreds of thousands of dollars fixing up a run-down hotel and pays about \$700,000 in payroll.

## Local football teams ready to jam(boree)

The Daily Astorian

The Astoria Fishermen will be hosting a big football jamboree summit Friday at Columbia Memorial Field.

Six freshman/sophomore teams will be participating, along with nine varsity teams.

The freshman/sophomore jamboree begins at 2 p.m., followed by the varsity jamboree at 6 p.m.

Gates open at 12:30 p.m. Admission is \$5 for adults and \$3 for students, between 12:30 to 5 p.m. Admission increases to \$6 for adults and \$4 for students after 5 p.m., for the varsity jamboree.

Only OSAA coaches cards can be used for free admission. No other passes will be accepted.

Due to the number of teams and spectators expected, overflow parking will be provided at the Astoria High School main parking lot. Shuttle service will be provided by the Astoria School District. Shuttles will run every 15 minutes beginning at 5 p.m., and will continue until 7:30 p.m. Shuttle service will then resume at the conclusion of the jamboree.

Parking issues at CMH have been addressed, said Astoria head coach and Athletic Director Howard Rub. "We think parking for

a big game will be tight," he said. "But there are 500 spaces here, which is more than we ever had at John Warren. We never really had any parking downtown.

"We'll make it work. For the jamboree, we are going to run shuttles from the high school, because we have nine teams coming here. We're expecting a packed facility. We can seat 1,200 in the grandstand, and we figure to be close to that. We are going to rotate a shuttle from the high school parking lot."

The school will "probably not" run a shuttle for other home games this year.

Although, "If things go well in our nonleague season like we hope, the opening game with Scappoose might need some parking help with the shuttle," Rub said.

The varsity jamboree will be divided into three Pools: A-Seaside, Warrenton, Ilwaco; B-Clatskanie, Tillamook, Yamhill-Carlton; C-Astoria, Estacada, Stayton.

Teams from each pool will play on half of the field. Teams from Pools A and B will begin at 6 p.m., teams from Pool C will begin at approximately 6:30. Each team will run 36 offensive plays.

Knappa will be participating in a four-team jamboree Friday at Nestucca.

## SCOREBOARD

### PREP SCHEDULE

#### THURSDAY

Volleyball — Astoria at Santiam Christian, 1 p.m.; Knappa at Warrenton, 6:30 p.m.

Cross Country — Seaside at Willsonville Night Meet, 7 p.m.

#### FRIDAY

Football — Astoria Jamboree, at

CMH Field, 5 p.m. (with Clatskanie, Estacada, Ilwaco, Seaside, Stayton, Warrenton, Yamhill-Carlton); Neah-Kah-Nie Jamboree, 7 p.m.

Volleyball — Knappa at Neah-Kah-Nie, 6 p.m.

#### SATURDAY

Volleyball — Warrenton Tournament, 8:30 a.m.; Knappa at Columbia Christian Tournament, TBA

# September 12, 2015

## LOWER COLUMBIA HOSPICE RACE TO THE BAR



BEACH, BONFIRE, & SUNSET

5K/10K  
FORT STEVENS STATE PARK

## www.racetothethebar.com

**Who:** You (walker or runner)

**What:** 5K walk/run or 10K run, followed by a bonfire on the beach

**When:** 5:30 p.m., Sept. 12, 2015

**Where:** Peter Iredale Shipwreck at Fort Stevens State Park, Warrenton, Oregon

**How:** Register online at [www.RaceToTheBar.com](http://www.RaceToTheBar.com).

**Cost:** \$40 before Aug. 30, includes a shirt. \$45 on Aug. 30 or later, shirt not guaranteed.

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