

PENDLETON: Expanding the Jump Start loan program

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The enhancement project and Union Pacific are splitting the \$70,000 cost of the fencing, which will resemble the railroad fencing near Mac's Bar & Grill at 1400 S.W. Dorion Ave. Murdock told the council that the fencing might improve use of Museum Park near Heritage Station, which is otherwise completely exposed to passing trains.

The second phase repurposes Eighth Street Bridge trusses set to be removed next summer and move them to South Main Street. The enhancement project had proposed several different configurations of four trusses between Southwest Frazer Avenue and Southwest Goodwin Avenue, but Union Pacific nixed them, Wood said.

The group is now focused on installing three trusses at the Eagles parking lot on the corner of Main and Frazer.

The project was supposed to culminate in a plaza at the Webb's property. Renderings showed an area with grass, trees, a repurposed flatbed rail car used as a performance stage, a hard surface designed to resemble a Pendleton Woolen Mill pattern and a splash pad.

Although the plaza would be named after the railroad company, Union Pacific had some objections to the project.

According to Wood, Union Pacific explicitly rejected the idea of a farmers market in the space and was generally concerned with the idea of a large public gathering place so close to the train tracks.

If the enhancement project were to obtain the land, Union Pacific would want a fair market rate of 65 cents per square foot on a year-to-year lease, the company's standard terms for property in the area.

Given the approximately

\$9,400 per year it would take to rent the property — and the estimated \$670,000 it would take to develop it — the group is abandoning the plaza concept.

Wood said CAPECO is also bailing on its plans to build a food hub near the plaza. Wood said CAPECO wouldn't want to invest millions of dollars in a property on a year-to-year lease.

"That's not practical," he said after the meeting.

Wood said CAPECO remains a part of the project and intends to look for other downtown sites for a food hub. CAPECO did not return a request for comment.

The Pendleton Enhancement Project now wants to incorporate some of the ideas it had for the plaza into the Eagles parking lot.

In addition to trusses and landscaping, the group wants to acquire rail cars and place them on the borders of the parking lot. The revamped parking lot would also have removable

shade covers.

Wood said little to no parking would be removed because of the project, although the lot might have to be restriped.

The commission voted unanimously to release the \$20,000 grant to the project. The group has raised more than \$100,000 toward the approximately \$137,000 it needs for the first two phases of the project.

Councilor Scott Fairley advised Wood to solicit the public before proceeding with the later phases of the project.

Other council business included:

- The commission unanimously voted to expand the boundaries of the Jump Start loan program to the entire urban renewal district.

The Jump Start program previously covered just Southeast Sixth Street to Southwest Sixth Street and some parts of Court and Dorion avenues.

- Meeting later at the city

council, members unanimously voted to expand the city's temporary business license program to vendors at Pendleton Whisky Music Fest and Pendleton Bike Week.

Previously, the temporary license rule applied only to Round-Up vendors, who paid the city between \$100 and \$160.

- The council unanimously approved a \$184,348 bid from All-Surface Roofing to re-roof the Pendleton Convention Center.

The bid amount came in higher than the city's estimate, which means the city council will have to approve a supplemental budget that pulls money from the general fund to help cover the difference. That means a city hall window replacement project will have to be postponed.

Contact Antonio Sierra at asierra@eastoregonian.com or 541-966-0836.

TREES: Wildfire burned 20 sudden oak death sites

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industries. The U.S. Department of Agriculture has quarantined part of Oregon's south coast to keep the disease contained.

The Chetco Bar Fire in southwest Oregon was by far the largest wildfire in the state this year. It's burned just over 190,000 acres, but is now mostly contained. At its height, though, it was the nation's number one fire priority, spreading to within five miles of the coastal town of Brookings — and right down into the quarantine area.

Lead fire resource advisor Linn Gassaway says this wildfire posed a huge challenge to keeping sudden oak death from escaping beyond Oregon and other states where it's already become a problem.

"We have firefighters from Iowa and California and Washington, Montana — all over the place. We don't want that to be moved to those locations," she said.

The weed wash is one of the last stops for firefighters before they're sent back home — usually after a 14-day on duty.

"They can't leave the fire and get their paperwork process and ultimately get paid until they check this box," Dubuque said.

But there's another side to this story.

Scientists are looking at the possibility that the wildfire itself could actually help control the disease within Oregon.

That's because the only real tool they've had to slow the spread of sudden oak death in the past is fire.

"If you have tanoak affected in an infected area, you try to remove the tanoak by cutting and piling and burning," said Steve Boyer, with the U.S. Forest Service in Gold Beach, Oregon.

Burning knocks back the spores and gets rid of host material.

Boyer said there were slash piles of infected tanoak still waiting to be burned up in the forest, right in the path of the Chetco Bar Fire.

Based on fire maps, more than 20 sudden oak death sites burned in the wildfire — most along the Chetco River. That's less than one-fifth of the known disease locations, but it's still something, said U.S. Forest Service plant pathologist Ellen Michaels Goheen.

"I think it could be a reprieve from rapid spread. But we'll just have to see just how much of the tan oak there still is. How hot it burned through," she said.

This is especially promising because conditions this year were perfect for the moisture-loving disease.

WTECHLINK: Raising monthly rates \$2 starting November 1

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for \$483,500 in 60 monthly installments of \$9,573.88 beginning Nov. 1, 2015.

The deal also called for McDonald to step down as corporate officer and director but stay on as an employee and vice president with the exclusive role of managing Wtechlink's day-to-day operations, including finances and employees.

The details of the settlement came in McDonald's second lawsuit, which he filed in May 2016 in Multnomah County Circuit Court after Wysocki made good on only the first payment. And even then, according to the complaint, Wysocki used Wtechlink funds to cover the check.

McDonald also accused Wysocki of continuing to use company money as he pleased. He moved \$30,000 from Wtechlink's general account into a personal savings account, he paid \$617.05 for a "real estate education expense," and he used company funds to buy a pair of Antelope Slingback sandals for \$188 for

a female office employee, among other complaints.

Wysocki defended those actions and more in his responses to the court. The company owns property, he explained, so knowing about real estate was a business expense. And the sandals are less expensive than the footwear the company provides to employees in the field.

McDonald won an injunction in June 2016 that blocked Wysocki from using Wtechlink money, hiring and firing employees and raising his own salary, which stood at about \$10,000 a month. Still, McDonald asserted, Wysocki ignored the court order, removing more than \$300,000 from Wtechlink in the first seven months of 2017 beyond his salary.

The case wound its way through court until this past June, when McDonald prevailed with a judgment against Wysocki for \$471,000. To cover the debt, the Multnomah County Sheriff's Office was to hold an auction to sell McDonald's share of the stock.

Wysocki filed for

Chapter 11 bankruptcy protection on July 28, four days before the auction. The petition for bankruptcy put an automatic stay on the stock sale.

Wysocki claimed his debt exceeded \$1 million, according to the bankruptcy paperwork, which includes almost \$244,000 in federal back taxes stemming from the Wtechlink money he used but never declared as income, another \$76,000 in state taxes, and more than \$500,000 to the Bank of Eastern Oregon. He also pegged Wtechlink's value at about \$3.1 million.

During the Sept. 19 hearing in U.S. Bankruptcy Court, Portland, Wysocki's bankruptcy attorney, Joseph A. Field of Portland, said Carol Wysocki was providing her son \$350,000, plus Byron Wysocki had more than \$100,000 in another account, and his income would cover the rest of the debt to McDonald.

Wysocki on Wednesday described his mother's funds as an investment in Wtechlink.

McDonald dropped out of the bankruptcy case on

Oct. 5. He said staying in would cost him a lot in lawyer fees and cut into how much he should receive for his share of the company.

Wysocki also faced seven misdemeanor charges of telephonic harassment for text messages he sent to McDonald, including threats against McDonald and his wife McKennon McDonald, a schoolteacher and Pendleton city councilor.

"You had better hire a body guard [sic]," according to the transcript of texts. "Coming for your family dude [sic]."

Wysocki and McDonald settled that matter in the bankruptcy case, according to the "acknowledgment of satisfaction" statement McDonald provided to Umatilla County Circuit Court on Sept. 25.

"I do not desire to prosecute Byron Wysocki for any criminal charges or civil damage relating to the incident dates of July 31, through August 1 of 2017 and agree that any criminal charges related to me should be dismissed."

According to bankruptcy

court records, Wysocki has until Nov. 1 to provide a draft of how he will handle his debt.

McDonald said he works in Boardman for another fiber optic company, Windwave Communications, and has some plans but didn't want to talk about them now. He also said when he left Wtechlink in August the company was bankable.

Wysocki also said the company continues to do well, growing each month since its inception. He also said the 100-200 bitcoins — digital currency — be bought in 2013 with Wtechlink funds has proved a worthy investment. The coins were about \$20-\$30 each then, he said, and are worth \$5,000 a piece now. The bitcoins also were a source of contention in the first lawsuit.

Wtechlink also is raising its monthly rates \$2 on all accounts starting Nov. 1. Wysocki said that was due to the uptick in Oregon's minimum wage.

Contact Phil Wright at pwright@eastoregonian.com or 541-966-0833.

TAXES: The tax framework leaves a pack of details to be determined by Congress

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and running in 2018 having voted against" the GOP tax legislation.

The plan is still evolving with lawmakers filling in the blanks, but the proposed repeal of the state and local deduction has divided Republicans.

Ending the deduction would affect individuals and companies unevenly.

If Amazon, now being frantically courted by dozens of cities, decided to locate its new second headquarters in Westchester County north of New York City, an affluent suburban area in one of the highest-tax states, the tech commerce behemoth still would be able to claim state and local taxes as a regular business expense, on par with items like buying machine parts.

But the company's employees living in the area wouldn't be so lucky: They'd take a financial hit from losing the ability to deduct their state and local taxes from their federal income calculations.

Trump and his Republican partners in the nearly \$6 trillion tax overhaul plan push back against the idea that it would benefit mainly wealthy people and corporations. And they say the rest of the country shouldn't have to subsidize wealthier states like California and New York whose residents use the state and local tax deduction in large numbers. Defenders of the state-local deduction, including several GOP House members, say repealing it would hurt low- to mid-income taxpayers, subject them to being taxed twice and enable a federal revenue grab on the backs of homeowners who pay property taxes.

The bare-bones tax framework leaves a pack of



AP Photo/Susan Walsh
President Donald Trump, sitting with from left, White House chief economic director Gary Cohn, Sen. Claire McCaskill, D-Mo., and Senate Finance Committee Chairman Sen. Orrin Hatch, R-Utah, listens to a reporter's question during a meeting with members of the Senate Finance Committee and members of the President's economic team in the Cabinet Room of the White House in Washington, Wednesday.

details to be determined by Congress. Yet the blueprint as written indicates that the deduction of expenses deemed an "ordinary and necessary" cost of doing business would mostly remain, and would continue to include state and local tax payments.

The only business deduction specifically set for elimination is one that allows U.S. manufacturers to deduct costs related to production such as building plants.

Several experts confirmed that reading of the tax framework, including Steven Rosenthal, a senior fellow at the Urban-Brookings Tax Policy Center. Rosenthal, who previously worked as legislative counsel to Congress' Joint Committee on Taxation, said he expects lawmakers to continue to allow the business expense deduction.

As with many aspects of the Republican tax plan, "the money basically goes to corporations and big business. It's unfair," said Rep. Bill Pascrell, D-N.J., a member of the tax-writing

House Ways and Means Committee.

To be sure, small businesses too can deduct state and local taxes as business expenses. But many more billions of dollars are at stake for large corporations, especially those with plants and operations in high-tax states.

Trump and the tax plan's Republican architects eye the roughly \$1.3 trillion in lost revenue over 10 years that the state and local tax deduction costs the government. They want to recoup it to help pay for the deep tax cuts, especially for business, proposed in the far-reaching plan.

At its core, the overall plan would double the standard deduction, to \$12,000 for individuals and \$24,000 for families; dramatically cut taxes for corporations and potentially for individuals; shrink the number of personal income brackets; and simplify the tax system.

Trump and the Republican leaders promise that the plan would benefit middle-class families by lowering tax rates, creating new jobs and sparking economic growth.

But there are too many gaps in the proposal to know how it actually would affect individual taxpayers and families, how it would be paid for and how much it might add to the soaring \$20 trillion national debt.

The chief architects of the tax plan in Congress say nothing is written in stone.

Spokeswomen for the leaders, Rep. Kevin Brady, R-Texas, chair of the House Ways and Means Committee, and Sen. Orrin Hatch, R-Utah, who heads the Senate Finance Committee, declined to comment specifically on the divergent treatment for companies on state and local taxes.



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