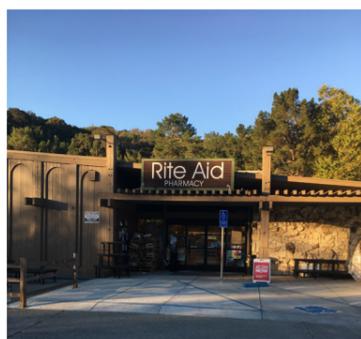




Downtown Properties Sold

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Orinda's Rite Aid drug store and the Orinda post office (two parcels) were sold in November 2017 to a new owner. The properties will remain as is.

held real estate company. For over 30 years, McNellis Partners has redeveloped shopping centers and office buildings throughout the greater Bay Area and Sacramento. McNellis Partners is located at 419 Waverly Street, Palo Alto, California 94301.

Orinda residents can expect Rite Aid and the post office to remain as they are. ■

-- Richard Colman

ANNOUNCEMENT:

The Icon is a periodic publication designed to inform Orinda residents about important issues in their community.

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Trump To Orinda: Drop Dead

By Richard Colman

The tax plan that President Donald Trump signed into law on Dec. 22, 2017, is a dagger pointed at the financial heart of Orinda.

According to real estate brokers and accountants, home values in Orinda will plummet 10 percent to 20 percent.

Effective in January 2018, federal income-tax deductions that benefit Orinda homeowners will be reduced or eliminated.

Orinda-based real estate broker, Alexander Gailas of AG Realty, said the new tax bill will put "a huge dent in real estate." He added that demand for real estate "will diminish." Asked if the federal government is pointing a gun at the head of Orinda homeowners, Gailas said, "Yes."

Orinda is not the only place affected. Similar high-income communities like Lafayette, Moraga, Danville, and Alamo will experience the same consequences.

An accountant who lives in Moraga, said that the Trump tax cut will hurt home values in Orinda and nearby communities.

If an Orinda home now valued at \$2 million loses 20 percent of its value, the loss would be \$400,000.

Currently, the mortgage interest on a home loan of \$1 million (or a lower amount) is deductible from federal income tax if the taxpayer itemizes his tax return. Also, state and local taxes, such as the property tax, can be deducted from taxable income.

Again, this deduction applies to individuals who itemize their federal tax returns.

For a person holding \$1 million mortgage, the annual interest on such a loan for

the first 10 years can be \$40,000. The property tax on a \$2 million home can be \$20,000 (or more) a year.

Currently, an Orinda homeowner with annual income of \$100,000 and a home worth \$2 million can deduct, if he itemizes his federal tax return, \$40,000 a year -- for the first 10 years of the home loan -- for mortgage interest. He can also deduct at least \$20,000 for property taxes. Thus, the \$100,000 of original income goes down to a taxable income of

\$40,000. (\$100,000 minus \$40,000 for mortgage interest and minus another \$20,000 for property taxes, yields a taxable income of \$40,000). These figures assume a 30-year, fixed-rate mortgage at 4 percent. The calculations come from <www.interest.com>.

Under the bill signed by the president, mortgage interest is deductible on a loan of

\$500,000 (or less). The property tax deduction is limited to \$10,000. Thus, the person with annual income of \$100,000 will be able to deduct \$38,000 a year in mortgage interest for the first 10 years of the loan and \$10,000 a year in property taxes. The taxable income will be \$52,000. (\$100,000 minus \$38,000 for mortgage interest minus another \$10,000 in property taxes yields a taxable income of \$52,000.) The tax liability

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The Party's Over

By Dr. Laura Pawlak

Holiday food and spirits may have disappeared, but those extra calories can stubbornly remain as body fat. With each new year, an array of diets emerges, promising to restore your former shape.

My suggestion? This year, follow a new plan called Intermittent Fasting, that has captured the interest of both dieters and researchers. Intermittent Fasting is a structured program without the drudgery of daily calorie deprivation.

Although traditional reduced-calorie diets are certainly science-based, intermittent fasting is a sensible alternative. Studies suggest a modified fast is just as beneficial for weight loss as other diets.

For this program, the term "fasting"



is defined as consuming a total of 500 calories for women and 600 calories for men on fasting days. If calorie counting is not convenient, you can eat about 25 percent of your normal calories on fasting days. More importantly, you abstain from eating all calorie-containing foods and beverages for 14 hours (women) or 16 hours (men) on fasting days.

The popular 5:2 Intermittent Fasting Diet is appealing because the two fasting days each week can be chosen to fit one's schedule best. On the remaining

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Trump to Orinda: Drop Dead

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ity is 30 percent higher. (\$52,000 is 30% higher than \$40,000.)

These calculations are somewhat simplified. They do not include a possible alternative minimum tax or other tax changes associated with the bill President Trump has signed.

The owner of a \$2 million home might find that a potential buyer, because of the loss of tax deductions for the buyer, might demand that the seller lower his price.

Some people have speculated that the loss of tax deductions for home ownership is punishment for residents of states which, in 2016, voted for Hillary Clinton for president. States such as California, New York, New Jersey, and Illinois, all of which voted for Mrs. Clinton, are high-tax, high-service, and generally high-income states -- states that have obtained benefits from home-related tax deductions.

The loss of the deduction for state and local taxes may increase the difficulty of asking for state and local tax increases. Homeowners may resist plans for higher taxes because the cost of home ownership is now higher.

For the last 100 years, home ownership has been a main goal of the federal government.

A president of the United States once said: "A nation of homeowners, of people who own a real share in their own land, is unconquerable."

Another president said: "We're creating . . . an ownership society in this country, where more Americans than ever will be able to open up their door where they live and say, welcome to my house, welcome to my piece of property."

Which president is associated with which quotation? Do you give up?

Politically, the two presidents were not at all alike -- except in the area of home ownership. One can call these two presidents "the odd couple."

The first quotation comes from Franklin D. Roosevelt, a Democrat, and president from 1933 to 1945.

The second quotation comes from George W. Bush, a Republican, who served as president from 2001 to 2009.

Americans will have to decide if President Trump has reduced or eliminated the federal government's goal of making home ownership national policy. ■

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The Party's Over

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five days, you eat sensibly. If weight loss is your goal, it is important to avoid over-compensation during non-fasting days.

Alternate-day Fasting is a more aggressive approach to weight loss. You consume only 500-600 calories every other day following the 14- to 16-hour fast. Recently, scientists compared the Alternate-day Fasting program with a standard weight-loss diet for six months followed by a maintenance diet for an additional six months. Persons choosing the fasting program had slightly greater weight loss than individuals following the standard low-calorie diet.

To limit calories during fasting days, consider making a homemade soup, then establish portions and freeze individual servings. A simple vegetable soup with legumes and wild rice or whole wheat quinoa is nutritious, high in fiber, and low in calories. A variety of salad ingredients with fish or turkey and calorie-free dressing is always an excellent choice. An egg-white omelet using fresh or leftover vegetables provides quality protein needed to protect muscle mass.

To dampen appetite during fasting days, choose vegetables high in fiber and protein-rich foods low in fat. Try adding herbs and spices to cooked vegetables. They light up your taste buds with pleasing flavors and aromas.

Dr. Laura Pawlak (Ph.D., R.D. emerita) is a world-renowned biochemist and dietitian emerita. She is the author of many scientific publications and has written such best-selling books as "The Hungry Brain," "Life Without Diets," and "Stop Gaining Weight." On the subjects of nutrition and brain science, she gives talks internationally. ■

New Fee on Orinda Business is Coming

A new mandatory fee -- not called a tax -- will be applied to many Orinda businesses in early 2018.

The fee will be set by the Orinda City Council. The council authorized the fee at a meeting on Nov. 21, 2017. Voting for the fee were council members Amy Worth, Darlene Gee, and Dean Orr. Voting against the fee was council member -- and mayor at the time -- Eve Phillips. Inga Miller, another council member recused herself from the vote and left the meeting room.



In 2018, Orinda businesses will have to pay an annual fee to the City of Orinda.

Asked what the benefits of the fee are, Orinda Planning Director Drummond Buckley said, in an e-mail to The Icon, "There is no benefit to the fee other than covering the cost of administering a business registration program."

James Shafer of Orinda sharply attacked the fee. The fee, Shafer said in a Nov. 20, 2017, letter to the city council, ". . . is an unwarranted burden imposed on small business in Orinda . . ." Shafer added: "The fees and administrative hassle will only grow over time despite the lack of any true benefit and will probably turn into a full blown business tax in due course."

Kathleen Schwallie of Blue Egg Farm in Orinda supported the fee. In a Nov. 21, 2017, letter to Buckley, Schwallie said, ". . . I have been asked for our business license on several occasions and have had to explain that we do not have one . . ."

The fee is expected to be about \$50 a year and will probably be imposed before Mar. 31, 2018.

Asked how long the fee, once imposed, might stay the same, Buckley said, "It is possible that the business registration fee could go up or down . . ." ■

-- Richard Colman

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Taxes & Fees Rose, Often Sharply, in Orinda in 2017; Crime Up on BART

Orinda's residents saw rises -- in some cases sharp rises -- in taxes and fees in 2017. Almost all of the major increases were above the rate of inflation, which in 2017 was about 1.8 percent.

In March 2017, garbage-collection fees went up 4.5 percent. The average garbage bill is now \$114.00. In 2016, the average bill was \$109. Ten years ago, in 2007, the average bill was \$66. In 10 years, garbage rates have gone up 73 percent.

In July 2017, Orinda's water company, the East Bay Municipal Water District (EBMUD), raised rates 19% from July 2017 to July 2019.

Property taxes went up in 2017. Measure RR, which Bay Area voters passed in November 2016, will, from property taxes, provide \$3.5 billion to BART (Bay Area Rapid Transit.) The new property tax for BART will continue for almost 50 years.

In April, June, October, and November 2017, BART was plagued with crime. In the April incident 40 to 60 marauding youths attacked and robbed BART passengers at the Oakland Coliseum station. Additional crime occurred in June. In October, two people were stabbed at the Lafayette station. More BART crime took place in November.

Residents of Orinda and elsewhere in Contra Costa County were spared a sales-tax increase. In November 2016, Measure X appeared on the ballots of voters in Contra Costa County. The measure, which failed, would have raised the county sales tax by one-half percentage point. Orinda City Council Member Amy Worth actively supported Measure X. In a November 2016 robotic telephone call (robocall) to Orinda's voters, Worth said Measure X ". . . would provide over \$24 million for Orinda in [road] improvements . . ."

In November 2017, the gasoline tax went up 12 cents a gallon. The tax on diesel fuel increased by 20 cents a gallon. Vehicle registration fees also went to higher levels.

Garbage-collection fees may rise sharply in Orinda in 2018. ■

-- Richard Colman

ICON

EDITORIAL Thank You, Mayor Phillips, For Your Excellent Work

Eve Phillips was mayor of Orinda from December 2016 to December 2017 and did an excellent job.

In The Icon's opinion, she is the best mayor Orinda has ever had.

Ms. Phillips deserves enormous credit for her letter of August 18, 2017. In that letter, Ms. Phillips wrote members of the California State Legislature, expressing her opposition to Senate Bill 35, which, Ms. Phillips wrote: ". . . would pre-empt local discretionary land use authority . . ."

For too long, Orinda has been a colony of the State of California. For years, the State has been telling Orinda how to behave in matters regarding land use, housing, and transportation. Ms. Phillips showed the leadership and courage to let the state know that Orinda is not an appendage of the state. Orinda is fully capable of deciding on its own how to handle matters of land use, zoning, building heights, and housing density (houses per acre).

Ms. Phillips was able to get her fellow city council members -- Amy Worth, Dean Orr, Darlene Gee, and Inga Miller -- to support her August 2017 letter.

On September 25, 2017, Ms. Phillips participated in a town-hall meeting held in the auditorium Orinda Public Library. Appearing with Ms. Phillips were State Assemblywoman Catharine Baker (R-Dublin) and Contra County Supervisor Candace Andersen. For the last 10 to 15 years, no one from the Orinda City Council ever appeared at a town-hall meeting at which Orinda residents and elected officials could exchange views.

Elected to the Orinda City Council in November 2014, Ms. Phillips came in first among six candidates vying for three open seats on the council. It was Ms. Phillips first run for election to the council.

After her election, Ms. Phillips, in December 2014, introduced a motion to discuss Orinda's Housing Element (version five, officially called Cycle Five) at a city-council meeting. Three city-council members, Steve Glazer, Dean Orr, and

Ms. Phillips herself, supported the motion, which was approved. Voting against the motion were council members Victoria Smith and Amy Worth. The Housing Element is a state-mandated plan to add hundreds of new homes to Orinda, a city which is full.

In January 2015, Ms. Phillips introduced a motion to have Orindans vote on the Housing Element (Cycle Five). Her motion did not receive a second, killing it. Choosing not to second Ms. Phillips motion were Steve Glazer, Victoria Smith, and Dean Orr. Amy Worth was absent.

In her three years on the city council, Ms. Phillips supported fiscal restraint and an ability to work hard to get Miner Road repaired quickly. Miner Road was heavily damaged during a rainstorm in January 2017.

Ms. Phillips leaves a tradition of listening to Orindans. Other members of the city council should do the same. The Icon recommends that all members of the city council, by March 31, 2018, hold a town-hall meeting at which Orinda residents and city-council members can exchange views.

The Icon has always been impressed with Ms. Phillips' openness in government. If she seeks, in 2018, another term on the city council, The Icon would strongly support her re-election. ■

Downtown Properties Sold

Two downtown Orinda properties were recently sold and will not be developed.

On Nov. 16, 2017, the Rite Aid drug store and the Orinda post office (two adjacent parcels) were sold for \$12.9 million. The transaction was an all-cash deal. Both properties are located on Orinda Way.

The properties were owned by the Regents of the University of California. The new owner is McNellis Partners a privately

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