KeizerOpinion

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Let us control our future

our opinion

A modern saying goes: if you're not growing, you're dying. It seems to be a guiding principal favored by business, developers and some municipalities. If you don't have new sources of revenue or new housing tracts, then your organization is on a downward slide.

For a city some think that means it will no longer be a desirable address or that business will no longer come knocking. That could be true if a city did absolutely nothing to grow—no new permits, no new subdivisions, no devlopment. But that never happens.

Expansion of the Urban Growth Boundary (UGB) has been a talking point for years in Keizer and Salem. The cities share one boundary which is key because the 1970s era law that oversees land use in Oregon states that each UGB needs to have a 20 year supply of land for residential and commerical uses.

By most measures Keizer has filled in its part of the shared UGB. Salem has plenty of land inventory in its southern and eastern areas. Unused land inventory in Salem is not the only impediment to expanding Keizer's boundary—other municipalities are able to weigh in on any expansion discussions, namely Marion and Polk counties as well as the city of Salem.

A regional forecast prepared in 2012 by ECONorthwest concluded Keizer would need space for some 2,800 homes by 2030 to meet projected demand, including 1,710 single-family and 1,177 medium and medium-high density housing units.

That kind of expansion and development runs right up against one of the gems of our region—the rich soil that fuels Marion County's agriculture. As one travels north of Keizer on either River or Wheatland roads they are met with acres of land that has been farmed for generations. Thousands of acres of Oregon agricultural land has been rezoned for residential or commercial uses of the past two decades. In our area, Willamette Valley's farms are as productive as any in the world. The reality is that that land is less valuable for its agricultural uses than its developed uses.

How will the city broker any agreement between those who want to retain the area's agricultural heritage and those who want to bring that land into Keizer and develop it? No major project is undertaken in Keizer without public hearings. Residents will get the opportunity to weigh in on any propsosed expansion and development of Keizer's urban growth boundary.

The question that needs to be answered by residents and leaders is what kind of city does Keizer want to be. Should we do all we can to maintain the quaint small town feel many people think our city exudes and plan for our housing and commercial needs within our current border? Should we be a city that moves with the times, expands and develops into the land north of the city? Or, do we do nothing and let market forces determine what Keizer becomes?

It has long been our belief that those who plan for the future also control the future. City planners and leaders need to plan for the future at the same time as considering the concerns of current residents. Traffic in Keizer has been at the top of issues that perplex citizens. While we don't have Seattle or Los Angeles traffic problems, in our neck of the woods traffic is an issue whether one is driving one mile or 20. That concern would surely grow with zig zaggy development.

We are smart enough to realize that more housing brings more people and more people brings more traffic. The city would be transformed for the better if new residents were able to work in Keizer. Working where one lives reduces the need to drive. Planning for future transportation systems will be critical to future development in Keizer. Thankfully Cathy Clark, Keizer's mayor, is knowledgeable of and intimately involved with regional transportation issues—the city has a very big seat at the table.

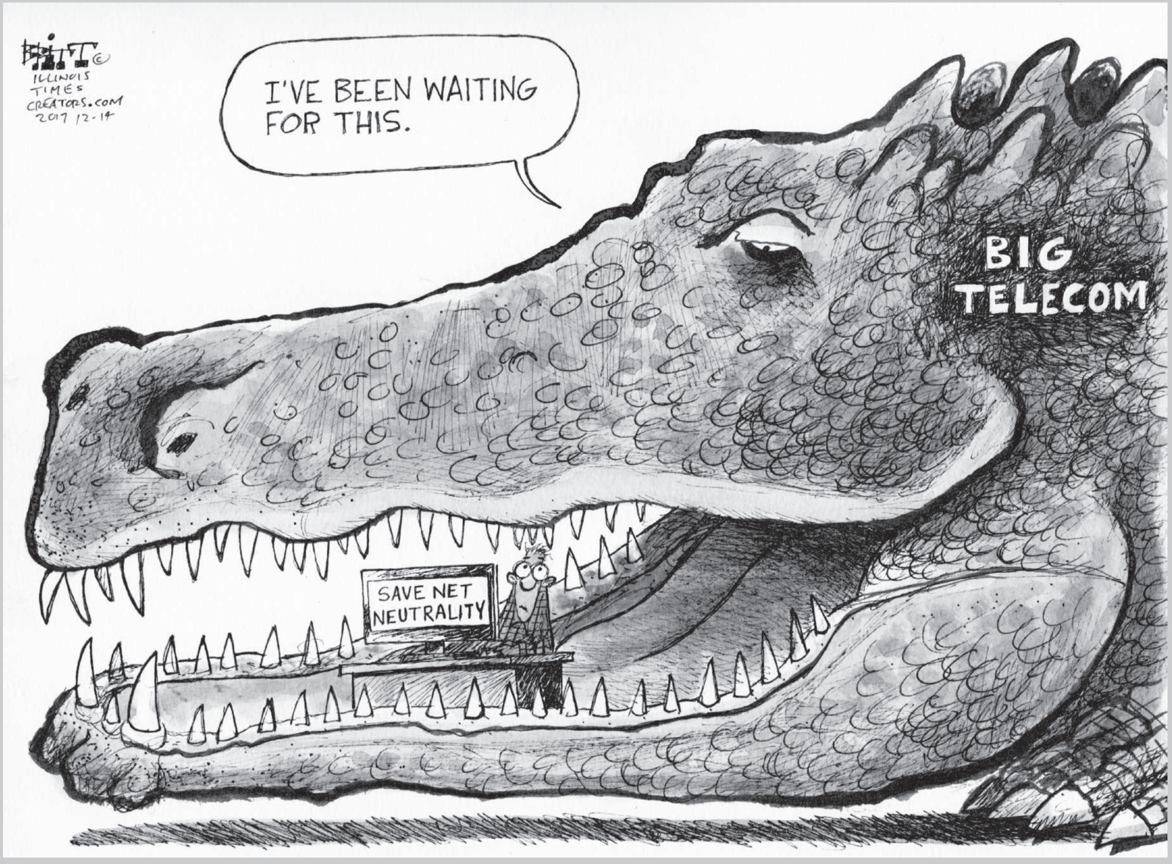
All of Keizer's municipal issues have been solved somewhere in the world—we need only look past our exceptionalism and accept that someone else may have solved a housing, workforce or transportation problem. As they say, imitation is the sincerest form of flattery. Maintaining Keizer's special aura is important to those who call this city home.

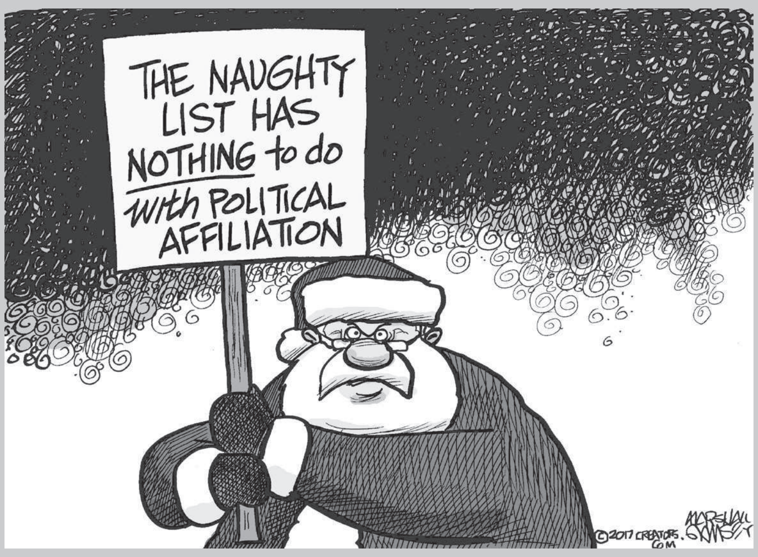
Will Keizer die if it doesn't grow? Not immediately, but just like a plant, if it has stopped growing it will age, become brittle and eventually collapse and rot away.

It is the duty of leaders in both the public and private sectors to assure the viability of the city for current and future residents. That should include A.) expanding the Urban Growth Boundary in a swath 1000 feet wide along Interstate 5 between Keizer Station and Quinaby Road and zone it exclusively for light industrial and office—that will mean jobs for Keizerites; B.) zone the River Road corridor for mixed used development—retail below, housing above; and, C.) promote improvement and use of public transportation.

It is always a heavy lift for a city to change development and zoning codes, but if Keizer is to control its own future, it must not be afraid to plan for tomorrow and 20 years from now.

—LAZ





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Christmas in the land of Muhammad

other voices

By GENE H. McINTYRE

Christmases from my childhood were quintessential American events. Each year could have served as scenes for Norman Rockwell and were wonderfully memorable. Of course, there was a fresh-cut noble fir, the plethora of ornaments, silvery icicles, and plenty of lights inside and out with cutouts in the front yard, including a manger scene and Santa-on-sleigh with Rudolph and eight other reindeer.

Nevertheless, there came a year when it was rather difficult to return home for Christmas. That occurred because the Arabian American Oil Company (ARAMCO) hired me to a job requiring relocation to Dhahran, Saudi Arabia. My job entailed joining a group of other Americans with the objective to convert the workforce from mainly expatriates (foreigners) to Saudis (nationals), a challenge that proved ambitious by work ethic incompatibles but was granted anyway, the "old college" try.

As readers may imagine, it was a monumental undertaking just to get ready to depart for a long stay in the Middle East. The details could literally fill a book, including inventorying everything we owned and organizing the items into two piles: one pile to Los Angeles for "permanent storage;" the other, a smaller pile, for use in Saudi Arabia. Incidentally, one of the toughest events occurred at the send-off in PDX terminal, a gathering of family and friends during which time my mother was inconsolable with parting tears that caused a welling-up even on my pretentiously macho façade.

We could take the most needed of things, mainly clothes and personal effects, with us. Those items filled suitcases and five foot lockers and accompanied us to eight days of ARAMCO orientation in Houston. They then boarded with us on an ARAMCO jet along with other hires on a flight that stopped in Paris and then Dhahran. My first impression of the place was a glance out the plane's window as it banked in final approach, and, looking down at a barren desert, I thought I'd probably make a terrible mistake.

We arrived in early March with the weather already sizzlingly hot and assigned temporary housing at North Camp, metal units located outside Dhahran in the open desert alongside a population of scorpions. While the ARAMCO orientation had been enlightening, it did not even come close to preparing my wife and I for a place as shockingly different as Saudi Arabia. Not to labor the challenges and difficulties of such a foreign destination as different from Oregon as anywhere in the world, the short of the story is that we survived multiple trials and tribulations exampled by daily first-of-five-calls-to-prayer in summer at 4 a.m. that used bullhorns from atop towers, 12-year-old Saudi boys who could barely see over steering wheels driving full-sized Buicks and Mercedes sedans, and the stick switching on legs by mullahs, Islamic protectors of the faith, reminding women not dressed to Islamic standards to over up any exposed skin.

Then there was Christmas. We were discouraged from taking anything the Saudis believed made by Jewish-owned businesses but we were not advised regarding our fake tree, collection of lights and ornaments my wife and I had collected during the decade we'd been together before leaving. It took about two months for our items by ship to get there. Well, low and behold, when our stuff arrived, not one Christmas-related item was among our things. They had all been confiscated by the Saudi government. My wife also lost her sewing machine which was made by Sears; the wooden desk into which it had been built arrived empty.

Two matters of good news: we had made a list of everything we sent so the full costs were reimbursed by ARAMCO. Humorously and hypocritically, Saudi businesses in nearby Saudi cities sold the confiscated yuletide items back to ARAMCO employees (we never found our own stuff but that of other Americans). It was our first time away from a Christmas celebration that we missed most but made the best of it by socializing with other American families who joined us in song and celebration. There was a small, unmarked, barren building known secretly as a "church" inside Dhahran where, without fanciness or fanfare, a Christmas service could be enjoyed. The Saudis ignored us as long as we were discreet and honored their rules, true even for swimming attire as we had our own American pools.

To its credit, ARAMCO provided good salaries, health care, housing and schools; Saudi Arabia provided extreme heat and, with few exceptions, a fairly hostile society that makes every Christmas in Keizer formerly taken for granted but a whole lot more appreciated nowadays.

(Gene H. McIntyre lives in Keizer.)

Tax plan takes swipe at little guys

guest column

By LAWRENCE KUDLOW & STEPHEN MOORE

Republicans are supposed to be the party that cuts the job-killing capital gains tax, not raises it. But because of a quirk in the Senate-passed tax bill, the tax on capital gains may go up -- and for some types of long-held assets, fairly substantially.

Most members of Congress don't even know of this stealth capital gains hike. Here's the story: At the start of the year, Republicans promised to reverse the near-60 percent rise in the capital gains tax under former President Barack Obama -- a hike that helped bring investment rates to historic lows. The GOP plan was to eliminate the Obamacare 3.8 percent investment-tax surcharge on capital gains and dividends?. That repeal never happened. But now, the Senate tax-reform bill proposes to raise several billion over the next decade by changing the rules on how stocks are taxed.

It would require shareholders to sell their oldest shares in a company before their newest purchased ones. The older the share, the larger the taxable capital gain. This is called the first-in, first-out accounting system.

Consider this example: Let's say you bought 100 shares of Apple stock in 1998 at $100 a share?, and then you bought another 100 shares in 2008 at $300 each. If you were to sell 100 shares at $500 a share, you would have to "sell" the oldest stock and pay a $400 per share capital gains tax, versus $200 a share under the current law.

Now, this accounting change may actually make sense, except that the gains on long-term stocks are not adjusted for inflation. So on many sales of long-held stock, as much as half of the reported and taxable "gain" is due to the compounding effect of inflation. The actual capital gains tax paid could more than double for many stock and asset sales.

Therefore, the Senate rules would require millions of Americans to pay taxes on phantom or illusory gains. That is patently unfair and would discourage the very long-term investment that economists and politicians agree that we need.

If you were to give us $1,000 today, we would be glad to give you $1,500 25 years from now, because inflation is likely to run ahead of that pace. Believe us —you haven't made a $500 profit on this transaction. But the government thinks you have.

There are other huge inequities in this new policy. Under the Senate bill, there's an exception for mutual funds, exchange-traded funds and other institutional funds. They would continue to apply the tax treatment under current law.

So get this: The little guy who wants to buy and sell stock on his own has to pay the higher capital gains tax, but the big investment funds have a more generous set of rules with lower taxes. Huh?

The mutual-fund industry convinced the Senate that conforming to the new rule would be too complicated. That's good news for Fidelity Investments and Vanguard. But what about Joe Lunchbucket? This new rule is complicated for him, too. This law is going to nearly force small investors to purchase stock through the big fund managers—and, of course, pay their fees.

Most important, this is bad for the economy. The higher tax penalty on investment would discourage people from buying stock or investing in small startup companies in the first place.

This would also exacerbate the lock-in effect of the capital gains tax. History shows that when the tax on gains is higher, Americans are much more reluctant to sell their shares and pay the higher tax. This benefits old, established companies like Boeing and Microsoft but dries up capital for smaller, fast-growing firms that could be the next-generation Apple, Google or Uber.

In other words, this stealth capital gains tax contradicts the entire purpose of an otherwise prosperity-generating tax bill. We want lower business tax rates and investment tax rates to get more growth, more jobs and higher wages. A backdoor capital gains tax would accomplish the opposite.

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