

The NEW LEAF

"EQUAL OPPORTUNITY FOR ALL SPECIAL PRIVILEGE FOR NONE"

Vol. 2, No. 1

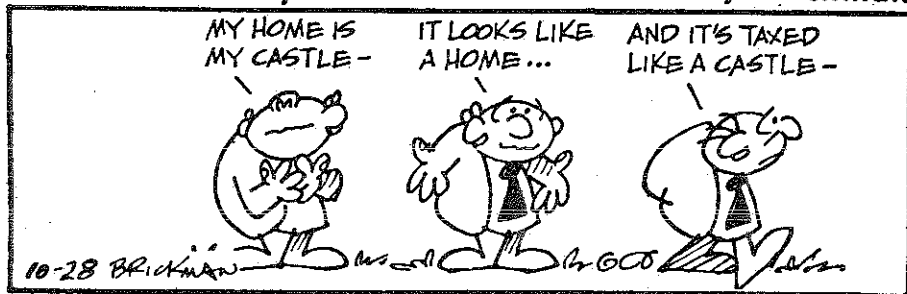
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January, 1976

Board Confers With State Officials

the small society

by Brickman



Long Island Press - 10-28-75

Parley in Sacramento Jan. 9

On January 9 members of LEAF's Board of Directors are conferring on tax reform matters with influential members of Governor Brown's staff, the State Senate, and the Assembly. The conference is taking place in the Governor's office in Sacramento, in the form of a round-table meeting, to discuss the merits of site value tax funding. The meeting was arranged by LEAF Board Chairman, San Diego City Councilman Floyd Morrow, and his administrative assistant, LEAFer Phil Shafer.

The meeting was scheduled because LEAF's quarterly Board of Directors meeting is being held in Sacramento on January 9 and 10, at the Hotel Senator, with details of this arranged by Sacramento LEAFer Evelyn Friend.

Another important conference is taking place at the same time in Sacramento. It is the California Conference on Alternative State and Local Public Policy. This conference is sponsored jointly by the Institute for Policy Studies of Washington, D.C., the California Public Policy Center of Los Angeles, the National Conference on Alternative State and Local Public Policy, and the Center for New Corporate Priorities, Los Angeles. The conference is being held at the Sacramento Convention Center, with Floyd Morrow participating in the session on the morning of January 10 on the subject, "State and Local Tax Policy: Is Real Reform Possible?"

On the evening of January 10, a reception is being held at the Hotel Senator by LEAF's Board members for Sacramento LEAFers, as well as conferees from the convention on Alternative State and Local Public Policy.

Effects of Projected Graded Tax in Washington, D.C. Assessed

From the first issue of *Land Marks*, (12/75) published by friends of LEAF, the League for Urban Land Conservation, we glean some interesting projected effects if the District of Columbia City Council takes advantage of Public Law 93-407, enacted by Congress in 1974, giving the D.C. Council permission to "establish different tax rates for land and for improvements thereon."

Said Tedson J. Meyers, former Council member who helped initiate the incentive features of the law:

"We watched tremendous commercial and apartment construction in Crystal City in Arlington across the river from us and wondered why we didn't have this in the District. We became curious about the economics of development. Studies and testimony by expert witnesses suggest that site value taxation is one of the ways to spur downtown development and make residential development more attractive."

We quote the results of a study reported in *Land Marks*:

"John B. Rackham, Senior Realty

Tax Specialist of the U.S. Postal Service and former District of Columbia Assessment Standards Specialist, described the benefits that would occur if all homes and other buildings were exempted from the property tax, leaving a tax on site values only. . . Rackham listed these advantages:

"Virtually all residential property would enjoy reduced tax liability. Lower-cost housing would receive especially large tax reductions. The apartment industry would be revitalized. The District would have a marked competitive advantage over surrounding suburbs for attracting office buildings. Redevelopment would be spurred in near-in 'hardship areas' and the riot corridor. Unhealthy land speculation would be penalized. Surface parking, as commercial ventures, would be discouraged, reducing vehicular traffic into the city.

"These claims are supported by a computer simulation study of site value taxation in D.C. The assump-

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Editorial

What You Can Do

LEAF is a membership organization. Its members are literally *the* organization. They can make out of it whatever they will.

We believe that in the pages of this issue of the *New Leaf*, and in the pages of former and future issues, you will see a dynamic, purposeful force moving in this country. And we believe you will see a measure of progress already.

You can be--many of you already are--a vital part of the success that is LEAF today. And greater achievements will result as more and more persons dedicate themselves to the principles upon which LEAF is founded. We invite your support, by becoming a member if you are not already, and by giving free-will contributions and pledges, to insure and underwrite future achievements.

But more than this, we invite you to become involved, or more deeply involved. If there is not a branch of LEAF in your community, help to start one. Write national headquarters for ideas and literature. If there is already a branch in your community, join it in the peculiarly local focus that is vital to your community.

Plan NOW to attend the second annual conference, this bicentennial year in the San Francisco Bay area on July 3, 4, and 5. Details are currently being arranged.

Interest your friends in LEAF. Write for literature to give them. Invite them to a local branch meeting. Send us their names, so we can send them the *New Leaf* and other literature. Ask them to become "Friends of LEAF," or paid up members if they will.

LEAF is going places, and we invite all men and women of good will to join with us.

Past Prices of San Diego Land

Would you like to buy an acre of land in or near downtown San Diego for 25 cents? You could have done so a little over 100 years ago. This same kind of story, of course, is not unique to San Diego, but we have some eye-opening data from the *San Diego Union* of January 4. It seems that one Alonzo E. Horton, in 1867 bought 960 acres, from the harbor through part of modern downtown for 27 cents an acre. In 1871 Horton subdivided, and began selling 50-foot lots for \$10 apiece.

In 1936, the same 960 acres for which Horton paid \$259 was appraised, exclusive of any buildings, for \$20,224,260.

In 1846, Pedro C. Carrillo sold the entire Coronado peninsula (which includes as an exceedingly small part of the area the site of the fabulous Hotel Del Coronado) to Don B. Simmons, a ship captain, for \$1,000. "The price," the deed said, "is what he (the seller) values it and nobody has offered him, nor has he found anyone who would give him more." Capt. Simmons, however, turned around and sold the peninsula four years later for \$10,000.

In 1885, three partners bought the

peninsula for \$110,000, and six months later sold it to their newly organized Coronado Beach Co. for \$150,000. The first sale of lots in Coronado in 1886 exceeded \$2 million at average prices of \$700 per pair of 25-foot lots.

The history of San Diego's land values, however, is not one of steady upward growth. There were some downswings. But when the Santa Fe Railroad was built in 1885, prices took off for the stratosphere. So much excitement was generated over land sales then that long lines of prospective buyers stood *all night* in front of real estate offices, to get a hoped-for good selection. But some of the lots were sold merely from maps, and it developed later that the buyers discovered their lots were under water in San Diego Bay, or on the slopes of mountains.

In the downtown area in the 1880's, the price of land skyrocketed. A 50-foot lot at the corner of Fifth and F sold for \$75,000. Other lots nearby sold for from \$1,000 to \$1,200 a front foot.

After a period of "correction," the Panama California Exposition

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Wanted: Professional Writers in Land Economies

by William W. Newcomb

The syndicated columnist has the most rewarding job in the world: His pay can run as high as \$5,000 a week. His "job" is continuous as long as people seek his daily or weekly column. He often travels to the far corners of the earth for interviews with prominent people. He is sought out for TV panels. And sometimes he can change the course of history by an expose or by tenaciously pursuing skulduggery in business, labor or government.

And sometimes he is brought into a high post in government because of the wisdom he has imparted in his years as an investigative columnist.

With all the men and women who have taught fundamental economics in the Henry George Schools; with all the college professors who can distinguish between monetary economics and land economics; with all the editors of Georgist trade journals--one would think that a man or woman would have gotten into newspaper syndication for the pure joy of challenging the monetary economists, and for the good income.

If Fitzpatrick, Buckley, Bishop, Evans and Novak, Rowan, Bombeck, Sylvia Porter, Drummond, Harvey, Lerner, Van Horne, Marquis Childs, Jack Anderson and dozens of other writers can get published, I say a land economist can popularize the subject, too.

I did my research in syndication because I was training several local comic artists in land value taxation for the development of a comic strip--in this era of comic strip social relevancy.

To any Georgist writer who believes he can write an ANALYSIS of our economic problems in a popular newspaper style, I'll send him some suggestions that I have compiled on two pages. Please enclose a stamped #10 envelope.

532 Wickham Road
Melbourne, Florida 32901

Steven Cord in Action

Dr. Steven Cord is a professor at Indiana University of Pennsylvania, Vice-President of LEAF, and editor of the LEAF-sponsored publication, *Incentive Taxation*. In addition he gets around and sees municipal leaders.

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1976 Conference Set

LEAF'S friend Dr. Duval Jaros is heading a San Francisco Bay area committee "on the ground," working on arrangements for the second annual LEAF Conference, July 3, 4, and 5. His assistant is LEAF President Dr. William Filante, aided by Board member Robert Tideman; and by LEAFers Cathy Covell, executive secretary of the Northern California Henry George School; Lou Helmly; and Mary Frances Smith.

Their first task is to find a suitable location. If any reader of the *New Leaf* has a suggestion, please send it in, and it will be promptly sent to the committee.

To help on a part-time staff basis, Morgan Harris, who helped design the outstandingly successful Conference last year, has been appointed. Plans are being made to invite extensive participation by other groups who share similar goals with LEAF.

Morgan points out that this will be a double celebration: "Leaf will mark the completion of its first two successful years on July 4th, while the nation is marking the completion of its first two hundred successful years.

"Those who do not yet know about LEAF's program to help establish economic justice may have some misgivings about the future of the nation at this time of its bicentennial. But because of the existence of LEAF and its practical program for achieving its goals, the occasion merits optimism. The fireworks will be appropriate."

Any suggestions readers may have for making this an outstanding convention will be welcome.

CORD IN ACTION *Continued from pg. 2*

He reports, regarding the interest aroused in the graded tax plan in Pennsylvania, where local government agencies have the legal power to exempt improvements partly or completely from taxation, raising public revenue from levies on land values only:

"The Mayor of McKeesport, Pa. [a suburb of Pittsburgh, which already has a graded tax system in operation, with land taxes at twice the rate of buildings] is arousing my hopes, and the Harrisburg School District wants me to do a land value tax impact study in mid-January."

The City of Harrisburg, incidentally, recently adopted its own graded tax plan.

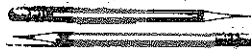
Washington, D.C.

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tion is that the same revenue would be raised from land values alone as is now raised from taxing land and buildings both. Study findings show how different classes of property would be affected. The following examples give the *average* increases or decreases:

- 30,000 single-family homes, taxes down 18%
- 42,000 row dwellings, taxes down 14%
- 24,000 semi-detached dwellings, taxes down 21%
- 572 elevator apartments, taxes down 23%
- 8,000 flats, taxes down 31%
- 4,000 walk-up apartments, taxes down 39%
- 364 large office buildings, taxes down 13%
- Hotels, taxes up 8%
- One-story stores, taxes up 50%
- Filling stations, taxes up 90%
- Commercial garages, taxes up 58%
- Warehouses, taxes up 19%
- Small office buildings, taxes up 41%
- Vacant sites, taxes up 134%

Rackham stressed that these were only first-year effects. Because buildings would no longer be taxed, these property holders with initial tax increases could also benefit by improving their properties."



North City West Gearing for Land Value Levy

Readers will remember (*New Leaf*, March, 1975) that the San Diego City Council, through the maneuvering of Leaf's Board Chairman, Councilman Floyd Morrow, voted that the projected 4,300 acre subdivision of North City West, near Del Mar, is to have all capital improvements paid for by a levy on land values only. The landowners, in order to break a Council deadlock, even petitioned the Council for this levy, acting through Morrow.

North City West exists yet only in the City's master plan. However, a policy implementation is imminent. The lease on a nearby fire station expires in 1977. City engineers are proposing now the purchase of a North City West site, on which to relocate the station. The city manager proposed, in addition, the expenditure of \$163,000 to build the new station. But the council was told that this would not conform with their action, placing all the new costs on the landowners. Meanwhile, a consultant has been hired by the City to help find a way to pass the costs of providing the public facilities on to landowners, as called for in the North City West master plan (*San Diego Union*, Jan. 4).

How to Join

It's simple, just check the membership level you desire and fill in the form below. Send it to LEAF's national headquarters or turn it in to your local branch.

Membership Form

You can count on me as a LEAF member at the level checked below:

- | | |
|--|--|
| <input type="checkbox"/> Regular . . . \$15 Yearly | <input type="checkbox"/> Friend of LEAF |
| <input type="checkbox"/> Sustaining (\$5. monthly) | <input type="checkbox"/> Contribution \$ _____ |
| <input type="checkbox"/> \$60. Yearly | <input type="checkbox"/> Check Enclosed <input type="checkbox"/> Bill Me |
| <input type="checkbox"/> Contributing (\$10 monthly) | |
| <input type="checkbox"/> \$120. Yearly | |

Name: _____ Branch: _____

Address: _____

City: _____ State: _____ Zip: _____

San Diego Land Prices

Continued from page 2

in 1915 stimulated development, which sent land values 200 per cent above the peak of 1887, with average sale prices more than doubling. In the 1920's high pressure sales methods were used, with the result that in 1926 and early 1927 land values often increased 100 per cent over what they were two or three years earlier.

Land speculation had gone too far, with land priced completely out of reach, as far as any kind of use was concerned. The bust in San Diego came two years before the 1929 stock market crash.

If we go still farther back in time, when San Diego was a Spanish pueblo, a large part of the modern city was then municipally owned. The City has been selling off hunks of land into private ownership ever since, but still has some (even though a relatively small amount) of municipally owned land left. LEAF Board Chairman Floyd Morrow, who has been a San Diego City Councilman for a number of years, has tried--and often quite successfully--to get the City to lease, not sell the remaining City-owned land. If, for example, all the original municipally owned land had been retained and leased, San Diego today would be a tax-free city, with revenue to spare. Of course, collecting publicly-created land values by taxation, with the remission of all other taxes, would accomplish the same thing.

Story of A Piece of Philadelphia Land

LEAFer Floyd Morrow was on a trip recently, and met a man who related the following story:

"I leased 100 square feet at 702 Market Street, Philadelphia, Pennsylvania, in June, 1934, for \$100 per month and put up a portable garage type building for the sale of hot dogs and soft drinks. I expected to stay only three months and go back to teaching.

"I did very well and in October I leased an additional 100 square feet and put up a new building 10 ft. by 20 ft. and got married. The following year I leased a total of 600 square feet at \$200 per month on a 90-day lease. I paid gradually increasing rents to the Curtis Estate, and they always treated me fairly. In 1945 I was paying \$400 per month.

"At this time the property was sold to the Stern Department Store for \$240,000. My new landlord gave me a three-year lease at an increasing rental of \$900 a month, plus the water and sewer tax payments, plus the responsibility for increased taxes in the event they were raised, and there was always a clause to vacate in 90 days in case of sale. This remained the pattern for the balance of the time I stayed. Every three years I had to fight for a new lease, which always provided for an increase each year, usually \$900. The owners increased the rent for the stated purpose of increasing the value of the land.

"The government bought the ground in 1972 [in connection with the bi-centennial celebration], for \$1,250,000, all of which went to the owners. I got only \$10,000, the maxi-

mum allowed to pay the cost of moving. No reimbursement for building, equipment, or goodwill. At the time I finally closed my business, I was paying \$1,333.33 per month, plus water and sewer tax, plus increased portion of real estate tax. My business was terminated September 30, 1972." --Sam Besses

Progress at Tucson

by Joseph Zashin

Today, at a Tucson [Arizona] City Council meeting, I won a point after a long struggle. I have been urging them not to give zoning changes without commensurate consideration, since these usually are substantial gifts in the increase in value of the parcels. No success.

Finally, I decided to try for less as a first step--that the hearing record contain the assessed valuation of the parcels, which has not been the case. I argued that most of these were considerably under-assessed. Again, no success.

But I followed two valuable parcels that came up in successive weeks, opposite each other, and brought in the figures from our Assessor's records, which showed them to be at 1/6th to 1/12th of full cash value. One of the applicants was the County Attorney himself. That startled them, and perhaps because it was the day before our City election, they finally consented to my request. Hereafter, the hearing record will give the assessed valuation --and the Mayor even instructed the City Manager to advise the Assessor of all future zoning changes. Perhaps it may seem a small item, but it was encouraging and gratifying.

THE NEW LEAF

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