

F. George Farnsworth

1953 Report Fairhope Single Tax Corp.

Fairhope, Alabama

eral deposits under the surface of our land. The provisions of the lease permit the lessee to extend the lease from year to year for ten years without drilling, by payment of the annual rental charge of \$1.00 per acre. Failure to make payment automatically causes forfeiture of the lease unless drilling is in process or production established.

MEMBERSHIP

Since our last meeting death has claimed three of our members. First to go was our board member, M. A. Bowen who served as trustee from November 1931 continuously until his death, July 29, 1953. Second was W. G. McConnel whose death occurred Nov. 21, 1952 at Meriden, Conn., where he and Mrs. McConnel have made their home for some years. Third was V. M. Reynolds who died at his home in Mobile the 5th of this month. We are grateful for the services of all and regret their passing.

We are happy to report that Mrs. Caroline Ann McConnel and Mrs. Lenore M. Wolcott have had transferred to them the certificates of their recently deceased husbands and that a new member, Oliver M. Rockwell has come in to replace one of our losses. The latter is a son of R. L. Rockwell, a long-time member of our executive council. We need more of such young members as an answer to the oft-repeated question: "What will happen to the Colony when you older members are gone?"

COMMENTS

It will be noted that our financial statement for 1953 shows a slight drop in total receipts. Partially responsible for this is the reduction in the amount received from the oil lease, previously explained. While our land rent receipts show an increase of some \$450.00 that falls far short of what it should have been considering the much greater increase in rental charges. It may be that we shall need to exercise some of our powers to enforce rent collections.

There was a considerable increase in the amount received from sales of improvements. Principally responsible for this was the fact that most of the lots newly leased within the year were wooded and

lessees were required to pay for the value of the trees on such lots. Other receipts differed little from the previous year.

On the disbursement side taxes paid for lessees show a reduced amount. This was not because of any reduction in the taxes levied against lessees' properties. Rather it was because fewer lessees qualified to have the Colony pay their taxes for them by payment in full of their 1953 rental charges before the end of the year. These will have to pay their own delinquent taxes. They will, however, apply their tax receipts on the payment of delinquent rent and increase thereby the tax payment item in our 1954 report.

As a result of our increased deductible expenditures in 1952 our 1953 income tax payment was much less than for the previous year. Continued spending of current surpluses for deductible, but generally beneficial purposes, can keep such payments to the minimum and further exemplify the benefits of our policy.

The amount shown to have been expended for Lands, Highways and Property expense will be found to be more than fifty per cent greater than in 1952. The extensive street work in the Magnolia Beach and golf course sections accounts for the major portion of the total. Also included in this item of expense is the cost of the sanitary sewer installations in the Magnolia Beach section. These cost the Colony about \$11,000.00. As previously reported we may recover some of this cost from owners of benefitted land served. We do have a definite promise from the City Water and Sewer Board that they will repay us \$7,141.24 we advanced for the purchase of water pipe and fire hydrants as soon as it can accomplish a refinancing program now in process of negotiation.

The 1952 Colony officers were: M. Dyson, president; J. E. Gaston, vice-president; C. A. Gaston, secretary; Fred Chapin, Jr., treasurer; Azil Johnson, superintendent of lands and highways; R. H. Brown, superintendent of public service; R. L. Rockwell, superintendent of industries; Mrs. M. Dyson, superintendent of public health and Trustees M. A. Bowen, A. H. Mershon and J. O. Stimpson.

**FINANCIAL STATEMENT
1953****RECEIPTS**

Rent	\$66,888.73
Penalty	369.22
Lease Fees	135.00
Sales Improvements, Etc.	2,671.72
Interest on Corporation Investments	125.00
Interest on Library Investments	87.50
Interest on Sales of Improvements	22.03
Membership Fee	100.00
Oil Lease	3,710.00
Refund Lessees' Taxes	120.22
Miscellaneous	765.75
	74,989.16
Cash on Hand	
January 1, 1953	19,522.71
	\$94,511.87

DISBURSEMENTS

Taxes Paid for Lessees:	
State, County and City	\$29,334.65
Car and Truck Taxes	2,740.50
Poll Taxes	106.92
Taxes on Corporation	
Land & Property	6,098.16
Social Security Tax	113.52
Federal Income Tax	807.89
Salaries	8,523.00
Corporation Office and Business Expense	1,438.39
Lands, Highways and Property Expense	34,408.23
Civic Contributions	2,540.00
Library Maintenance	1,800.00
Interest Transferred to Library	87.50
Cemetery Maintenance	400.00
Improvement Purchase	
Refund	75.00
Rent Refunds	932.34
Miscellaneous	307.71
	88,613.81
Cash on Hand	
December 31, 1953	5,898.06
	\$94,511.87

Secretary's Report

Mr. President and fellow members: We believe the reports we

are privileged to present to you will assure you that progress is being made in the right direction. Again the financial statements of our treasurer, Fred Chapin, Jr., and auditor, Marian Bluthardt reveal the financial soundness of your corporation. We hope that our reports covering other departments will furnish further evidence of the fundamental soundness of our single tax policy.

RENTS

In 1953 the rent charges on our leased land amounted to \$68,863.84, an increase of about \$4,500.00 over 1952. Much of the increase was due to 1953 increases in the frontage rates on urban land abutting on streets that were substantially improved in 1952. However new rent charges as a result of applications approved during the year accounted for \$1,350.00 of the increase.

In establishing the schedule for rental charges in 1954 the Executive Council took into consideration the fact that there had been no overall rent change since 1947. Considering that since then there had been a considerable growth in population and a corresponding increase in demand for land it was decided that a general increase of ten per cent was justified.

In addition to the general ten per cent increase, some urban land rates were raised producing a further increase in the annual charge. The highest rate increases were on streets in the Magnolia Beach area where water, gas, electric and sewer services were installed during the past year. On country lands the ten percent increase applied only to the acre rate charges. The two cent per front foot charged on country lands abutting paved roads was not affected.

LANDS AND HIGHWAYS

So we might do what we could to meet the increased demand for building lots in Fairhope the Colony carried forward its plans for

making available its unleased lands in the Magnolia Beach section. This necessitated the clearing, subgrading and drainage of unopened sections of Pecan, Orange, Fig and Pomelo Sts. In addition to these a new street, Pinecrest Lane, was provided midway between Pecan and Orange Sts.

Pinecrest Lane extends west from Church St. to Pomelo St. The name was suggested by Mr. and Mrs. Dan Meador, owners of the east 413 feet of the land west of Church St. Their cooperation made it possible for the Colony, owner of the balance of the land, to get frontage for twenty-four additional lots.

The City of Fairhope cooperated by sending in its grader to grade the newly opened streets. It also extended water, gas and electric lines to give service to all lots in the area. The City sanitary sewer lines were also extended but the cost had to be borne by the land owners, mostly the Colony, since participation could not be secured from all private owners on Pecan, Fig and Pomelo Sts. Some of the Colony's cost of extensions on such streets may be recovered when owners on such land apply for service.

Also a start was made toward opening for development the recently reacquired lands formerly used for a municipal golf course. Johnson St. was extended on across such land and from its terminus a new street was provided running south to Morphy Ave. The extension of Johnson St., required a fill across one gully and the obliteration by filling of about one thousand feet of branch gullies. No land in the tract can be leased until these streets are completed and utility services provided.

Started in 1952 but completed in 1953 were concrete sidewalks on both sides of De LaMare St., and on the east side of Church St., running north to Fairhope Ave. Five foot plant mix asphalt sidewalks were constructed on both sides of Magnolia Ave., from Section St., west to Bay View St., and on the north side on to Fairhope Ave., at the top of the bay hill. Such sidewalk was also extended on the east side of Church St., from Magnolia Ave., south to the alley go-

ing in to the back of the post office. At no cost to the Colony other than the supplying of additional right of way, Greeno Road was paved, benefitting abutting Colony lands in Sections 16 and 17.

The gully that has, for several years, been rapidly eating into blocks 7 and 8 on the south side of Oak St., in division 3 was stopped. This was accomplished by sloping the sides and building a masonry catch basin at the end.

In the current year it is contemplated that further work will go forward in both the golf course and the Magnolia Beach sections. In both the expense will be greater than was anticipated due to the considerable damage resulting from the ten inch rain storm in December.

Also contemplated for this year is the completion of street improvements begun in 1952 on De LaMare St., and Magnolia Ave. Already accomplished is a single surface slag and asphalt paving of a widened trafficway and the construction of concrete curb and gutter. Now they are to be finished with a plant mix asphalt seal.

Under consideration are proposals³ by the City to increase the width of Magnolia Ave., east of Section St. to Bancroft St., and of the latter thence south to Morphy Ave. Also proposed is some curb and gutter and sidewalks on these and on Johnson St. between Section and Bancroft Sts.

APPLICATIONS AND TRANSFERS

Twenty-six applications for land were approved during the year. Nearly all were in the Magnolia Beach section where streets were recently opened and utility service provided. Before the year had ended several of the new lessees had built and were occupying homes on their newly acquired leaseholds. Others were well along with their buildings and before this year is ended there promises to be a well developed residence neighborhood on what was wholly undeveloped land a few months ago.

All the lots made available by this development were applied for and leased before the end of the year. Many leased several lots and it is anticipated that some may

surrender such lots as they find to be in excess of their immediate needs. A factor that will have considerable influence in inducing such surrender is the previously reported sharp increase in the rental charges for 1954. The Colony will welcome such surrenders since they will serve its purpose to make land available to meet the demand of those who need it.

During the year 1953 sixty-nine transfers of leaseholds were approved. These involved fifty-two that were improved with a reported value of \$248,457.00. While it is difficult to compare these figures with the greater number and greater value reported last year it is probably not unreasonable to suspect that the much heralded buyers' market is having its influence here. Indications are that fairly new well constructed houses are holding their value quite well. It is apparent though, that asking prices are having to be lowered to move older houses built in an earlier era and not fully modernized. Some of these older places, here as elsewhere, will eventually have to be replaced with new modern homes.

ASSESSED VALUE COMPARISONS

The achievement of our Single Tax Colony here in Baldwin County can possibly be best illustrated by local comparisons. In 1953 the assessed values in all of Baldwin County, exclusive of the public service utilities, amounted to \$28,650,730.00. Of this amount our Colony corporation, its lessees and others (lessees' tenants), accounted for \$1,454,780.00, a little more than six per cent of the total.

Within the borders of Baldwin County there are 4,040,000 acres. In 1894 when the small group of singletaxers who were to bring Fairhope and its Single Tax Colony into existence arrived in Baldwin County, Daphne was the county seat and the largest town in the county. Montrose, Battles, Point Clear and Zundels were old established communities. All had their commercial centers and access facilities to accommodate the steamboat transportation facilities to Mobile, at that time the only access the Eastern Shore had to the outside.

The site now occupied by Fairhope was the least populated of this whole shore section. The reason was that Fairhope's relatively high bluffs and its far greater distance from the shore to deep water presented obstacles that were not present elsewhere. Because of this, land here was cheap enough for Fairhope's founders to buy. Their initial purchase of about 135 acres with almost half a mile of bay frontage cost less than six dollars an acre.

Today the Single Tax Colony holds title to some 4,000 acres, only one-two hundred sixtieth of Baldwin County's total, yet it accounts for a little more than one-sixteenth of the assessed value of all land and non-utility owned property in the entire county. As has been shown this most favorable comparison cannot be attributed to superiority of location. Certainly all who can remember, know that Fairhope's early settlers brought little with them in the form of capital goods or investment capital, and many who followed could more appropriately be classed with the "haves-nots" than with the "haves."

It would appear then that we have good cause to credit our success to the sound principles of Henry George, which Fairhope's founders so wisely selected as the core of our colony policy. Further evidence of this can be found in a purely local comparison. In the City of Fairhope the Colony occupies about one-fifth of the area. In 1952 the assessed values in the City were \$2,119,700.00, with the Colony accounting for \$1,288,360.00 on its one-fifth of the land while the owners of the remaining four-fifths of the land accounted for only \$831,340.00

OIL LEASE

The Plymouth Oil Co., extended for one year, its lease to the mineral rights in the Colony's country lands. The rental paid was \$3,710.00 which is at the rate of \$1.00 per acre. Twice that amount was paid last year, an additional \$1.00 per acre having been paid as a premium for the granting of the lease. No attempt has been made so far to see whether or not there is any oil or other valuable min-