

Fairhope Single Tax Corp. Makes Annual Report

FINANCIAL STATEMENT

1963

RECEIPTS

Rent	\$ 96,212.41
Penalty	299.30
Lease Fees	478.00
Assent Fees	122.00
Mail Interviews	20.00
Interest, Corporation Investment	360.00
Interest, Library Investment	139.50
Interest, So. Bell Tel. & Tel. Co., Inc.	31.70
Refunds	941.98
Sale, Office Furniture ..	25.00
Bonus Payments	895.00
Landscape & Incidental Value Payments	1,985.00
	<u>\$101,509.89</u>
Cash on hand, January 1, 1963	9,511.27
	<u>\$111,021.16</u>

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	\$ 50,326.54
Car & Truck	6,706.15
Poll Taxes	35.25
Corporation Land & Property Taxes	12,949.28
City Business License ..	150.00
Income Taxes	472.63
Social Security Taxes ..	320.84
Salaries	11,664.20
Office and Business Expense	2,627.16
Library Maintenance	2,044.73
Library Interest	209.25
Cemetery	400.00
Organic School	3,295.46
Civic Contributions	150.00
Education Committee	750.98
Lands & Highways	908.55
Refunds	57.64
Office Furniture	380.85
Land Fund	2,880.00
	<u>\$ 96,329.51</u>
Cash on hand, December 31, 1963	14,691.65
	<u>\$111,021.16</u>

SECRETARY'S REPORT

Mr. President and Fellow Members: While the financial statement for 1963 shows a slight increase in total receipts, comparison with the

of 1962 to the \$96,212.41 reported for 1963. While the number of lessees with delinquent accounts increased only from 28 to 32 the amount owing at the end of the year with accrued interest increased from \$2,406.78 to \$3,422.44. Our 860 lessees held 1,039 leaseholds and the rent on all but 34 was paid in full at the end of the year. 1962 rent receipts exceeded the \$96,304.08 of rent charges for that year while 1963 rent receipts were a little less than the 1963 rent charges.

RENTS

Total rent charges for 1963 were \$96,744.08, only \$410.00 more than in 1962. Ten lots that became available for lease and leased to members accounted for \$254.80 of the increase. As reported last year the only rate increases in 1963 rent charges were in the few areas where streets had been paved or opened to traffic in 1962. Rent charges were distributed as follows: City lands, \$86,194.02 and country lands, \$10,580.06.

We were unable to secure the detailed study of land values it had been hoped to accomplish in 1963. However such research as it was possible to make of current prices paid for land in this area indicated that our charges were considerably less than the economic rent of the land leased. The rental value of land increases as demand for land increases and increases in population create an increase in demand for land for use. With a current continuing increase in population there is a continuing increase in the rental value of the land.

Except in particular cases where other than population increase has affected local values it has been the practice of the Colony to make a general review and revision of rental charges at intervals of several years. At such times the tendency has been to under assess actual rental values and to depend upon the arbitrary provisions of the lease contract to control a tendency of lessees to make transfers at prices that actually reflect land value which under the terms of

the improvements on the land, the sole property of the lessee.

As a result of such study as it was possible to make and basing the decision on a quite conservative value of the land it was decided to make a general increase of sixteen percent in the rental charges on all Colony land, subject to some minor adjustments and equalizations. So far the increase has been accepted without comment or protest by a majority of those already paying the first half of this year's rent. Several who have complained had property taxes that absorb all the rent paid to the Colony on their leaseholds.

It is hoped in the future to develop more scientific and positive means of determining actual values in the various areas in order to achieve the most equitable distribution of rent charges. Such studies must be continuous and to get the best results it will be necessary to develop varied sources and skills.

LAND TRANSACTIONS

In 1963 it became possible to make a few lots available for lease in the Golf Course Subdivision so it is possible to again include "applications" in the land transactions category.

APPLICATIONS

On June 6, Engineer Arnold reported on eleven lots in the Golf Course Subdivision, as being available for development, with suggested minimum charges for trees, clearing, service, etc. The report was adopted by the Council with the provision that, initially, applications be limited to members as provided in Article XV of the Colony constitution. On June 7 the secretary reported that three members had made application for each of the four most desirable lots and by one member only for two of the remaining lots. As a result of the contest for the three lots and the resulting auction \$895.00 in bonuses was paid into the Colony treasury and transferred to the land fund. On July 5 another member made uncontested application for four of the remaining lots, leaving only one that is presently unleased. Its location offers physical obstacles to the most practical means of use.

LESSEES' TRANSFERS

There were 82 transfers of leaseholds in 1963, an appreciable reduction from the 118 reported in 1962. All but 14 involved city

as a result of fire, three of structural depreciation and because the buildings were removed to make room for more valuable structures will appear on the 1964 assessment roll. In 1963 there was a major building improvement Delchamps stores to swell the increase in assessed values improvements but such did a net increase of \$32,320. The increase in the assessed value of lessees' personal property amounting to \$35,620 was wholly offset by a \$39,860 reduction in the assessed value of corporate stock shares as fixed by the State Tax Commission. The assessed value of the property of lessees' tenants also showed a decrease of \$10,120, also due to a reduction in the assessed value of corporation stock shares. Decreases were more than offset by an increase of \$106,520 in the assessed value of Colony land as a result of a reappraisal initiated by the Colony. The net increase in assessed values reported by the Colony, its lessees and their tenants was \$93,120 as compared with a \$135,920 increase in 1962.

LANDS AND HIGHWAYS

Except for the paving of city roads by the County, as anticipated in last year's report, no planned street improvements were accomplished. Under contract have been substantial improvements on Magnolia Ave. from Section 1, Bancroft St., on Johnson St. to Section 2, Bancroft St. at Bancroft St. from Magnolia to Morphy Ave. These improvements consist of the installation of more adequate drainage facilities, pavement widening and curbs and sidewalks. These are part of a much larger street improvement contract let by the last year on which work was delayed but had to be discontinued during the cold weather months anticipated the contractor would resume work in early spring.

Increased revenue anticipated as a result of the increase in rental charges this year should make possible some street and utility improvements. If such are accomplished it will be possible to plot some additional residence lots in the

RESERVES

The only increase in the Colony's reserves was the addition of the land fund resulting from the transfer to it of bonus and

