

Breakfast With the Mayor

OUR man in Michigan for news and action is Benjamin F. Smith of Grand Rapids, engineer, assessment reform enthusiast and reliable correspondent. In July we learned that a city finance commission spurred by a chairman who must have been listening to Ben Smith, called for a study of tax regulations to find out if some flexibility was possible in taxing land equally with buildings.

At about the same time the Chamber of Commerce announced that it would recommend exploring "every possible avenue for additional revenue" that would not act as a deterrent to future development.

This led straight to a suggestion that the commission should "hear such people as Mayor James Clarkson of Southfield." (Does anyone remember when Clarkson was merely the name of a very likeable faculty member at the Detroit HGS? Whoever thought then that he'd campaign boldly on a tax reform platform and make it stick?)

The city attorney's office didn't think there was "anything special" about assessment procedures in Southfield! Commissioner Anderson said Mayor Clarkson believed he had done something different and he thought they should find out what it was. So Jim was invited to a breakfast meeting of the Grand Rapids City Commission before the opening session of the Michigan Municipal (nonpartisan) League annual conference.

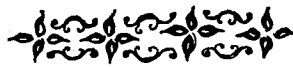
He told them that even though

there had been a complete Southfield reappraisal two years ago, this suburb of Detroit is growing so fast and land use is changing so rapidly that they haven't kept up with the value. Therefore an unprecedented push will be made to reappraise all of Southfield's 26½ square miles by January first, with the help of an augmented staff and a budget increase of \$27,500.

A one per cent depreciation is allowed in his community on buildings each year, and a 3 per cent obsolescence depreciation on a new building is permitted in the first year. In that way people who improve their properties are not penalized.

The Southfield plan is not a single tax, but a shifting of emphasis from taxes on personal property and buildings. The Mayor has held that a land tax is a city's greatest source of revenue, and has greater stability than either income or sales taxes.

The new land values are expected to increase the total appraised valuation from \$10 to \$30 million, giving the city an increase of some \$100,000 in tax income. Readers who have observed this sequence and who have campaigned literally or figuratively for Clarkson, know this area of acceptance was not achieved without a struggle. But what is the word from his constituents now? There is increasing agreement with his point of view—the main dissatisfaction seems to be that the city assessor is not doing his work fast enough.



The American Institute of Architects, with headquarters in Washington, D.C., acting on a resolution presented at a recent convention, strongly urged "that action be taken to effect meaningful reforms of federal, state and local tax laws to the end that they encourage and reward beauty and quality while discouraging and penalizing shoddy building and general urban deterioration.