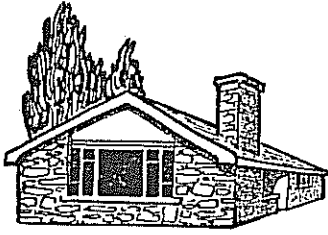


The Southfield Saga

Following the report in our last issue comes further news of the situation in Southfield, Michigan U.S. A reversion to the policy of under-assessing land at the expense of buildings and improvements followed a change of Mayor and assessor and caused much disquiet. The following is an editorial from

Southfield News by John Povlitz.



IT IS not true that Fred C. Colborne of Canada is hiding out this week in Southfield because the natives are as restless in Alberta as they are in Quebec.

It's also not entirely the truth that Colborne, who is Minister of Municipal Affairs for the Canadian Province of Alberta, is here to study Southfield's governmental computer system.

Before he arrived here, our Albertan visitor knew full well the background of the city he was to tour.

He knew, in particular, about the debate that rolls along here in regard to how Southfield reached its present progressive stage of growth and development. Most restless natives in Southfield know about the debate, too.

There is, on the one hand, District Judge James Clarkson, who, when he became mayor the better part of a decade ago, instituted a system of land-value taxation and attributes the city's subsequent shining development to that system.

Land-value taxation does what it says it does: it places the heaviest tax burden on the value of land, rather than on the value of improvements to the land, thereby encouraging improvements. If land lies idle and heavy taxes are not compensated by a profit on development, there is only one way to go—develop.

And so, says Clarkson, did Southfield develop.

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On the other hand, there is Clarkson's successor, Mayor Norman Feder, who discounts the land value taxation era as a development prod, pointing instead to such factors as the population shift to the suburbs, stepped up construction of freeways and the Northland area as a lure for other commerce.

It's Mayor Feder who has been

on the hot seat this year, after the city assessor he appointed removed the valuation from vacant land, thereby reducing the total value of the city. That move resulted in a 27 per cent across-the-board property tax increase (equalisation factor), the county's method of restoring the total value.

Unfortunately, the method lets the large land speculator off the former hook and socks it to the small residential property owner.

It's also Mayor Feder who announced Colborne's visit and his purpose of computer study. If you think Mr. Colborne is in Southfield these days to study computerisation and not to study the results of land value taxation, that official pap has smothered your ability to add two and two.

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The moral to the foregoing might be that the official version is sometimes more confusing than what's actually happening.

For related example: Along U.S.2 in Michigan's Upper Peninsula is a tourist trap titled the Mystery Spot, a collection of carpentry carefully constructed so as to boggle all of one's previous understanding of perspective, physics, hammer, saw and sanity.

Our mystery is being conducted in the vast brass tax cauldron stirred by the equalisation committee of the Oakland County Board of Commissioners.

Jack Fernane, a member of the homeowners' conglomerate that recently fought non-residential zoning in the Berg 10½ Mile area pointed out at a public hearing that asking prices for residentially zoned property in the area are as high as \$60,000 per acre—in anticipation of zoning changes.

"Some of these properties,"

Fernane continued, "are assessed as low as \$7,000 an acre. Perhaps if assessments were more in line with potential use, property owners would not be able to afford to hold out for zoning changes bearing the highest dollar figure."

What Fernane is suggesting, of course, is that the city adhere again to nothing other than land-value taxation.

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He may get his wish. It's possible that the county and the mayor, via his city assessor, are really going to wash away that 27 per cent equalisation factor.

But they aren't going to do it with the liquid legerdemain being stirred into that kettle of double talk. They're going to do it by re-establishing the large, vacant land values removed this year. Feder isn't going to admit it, but he's going to readopt Clarkson's system of land-value taxation.

And if you should happen to notice Mr. Colborne squinting at a computer take note of his other eye—it will likely be taking in the lay of the land.

While you're at it, you might keep an eye on Mayor Feder's other eye, too.