## From the public press:

*The following letter to the editor appeared in The New York Times of January 23, 1975; it was written by Philip Finkelstein, a former Deputy City Administrator of New York who now heads the School's research efforts.*

To the Editor:

Now that the City Comptroller has joined the annual charade of the dire property tax rate forecast, perhaps it is time for those responsible officials in New York City government to inject some reality into the performance. The dismay with which the Citizen's Budget Commission and its real-estate constituency responded, on cue, to a threatened rate rise of more than a dollar per hundred valuation might be dismissable as the well-rehearsed antics of perennial players. Unfortunately, the grim fiscal plight of the city is real enough.

Yet the city does have some legitimate alternatives to both a frightening tax rate and a heavy slash in expenditures. New York remains the richest urban tax base in the world. Nowhere is there such an extensive aggregation of valuable and underutilized land, which bears so small a share of the city's tax burden. The high rates of assessment on improvements, especially the older multifamily dwellings which house the overwhelming majority of New Yorkers, have in fact helped subsidize the absurdly low assessment rates on unimproved but fully serviced urban land of which even in our dense city there is a substantial amount.

Before we lean once again on the job-producing, home-providing taxpayer for yet another bite on his cash flow, we might look to the speculators in valuable parcels all over town whose assessments have not risen in more than a quarter of a century of inflation and enhancement of value by the city, and by other taxpayers.

Quite apart from bringing New York City assessments in line with the law that requires uniformity, and the revenue it could generate, the economic consequences of such a reassessment of the land could provide a vital shot in the arm for new development and construction. The high cost of land, even in outlying areas of the city, is an added burden to the failing building industry. Unrealistically low assessments have contributed to the higher costs providing an incentive for speculation and disincentive for the development of anything but highest priced luxury offices and apartment houses, of which New York already has much more than it can possibly use.

While reassessment alone will solve neither the city's budget nor its building depression, it is certainly better than another big jump in the tax rate or yet another slash in services. At the very least, by taking what we can from those profiting from urban land holding, we might moderate the pain of everyone else.