A modest proposal for more revenue for the City of St. Louis

By Neal Frederiksen, St. Louis, MO

The Problem (briefly stated).

With the recent data emerging concerning population decline in the City of St. Louis, questions abound surrounding the issue, such as the reasons for the exodus, what is necessary to stem the outward flow, how best to represent the citizens remaining in the city, etc. But politicians seem to be interested primarily in one overriding concern: The Shrinking Tax base. There are proposals afoot to eliminate the City Earnings Tax, and to revise other sources of revenue for the city. The idea appears to be to eliminate unfairness in the tax system or to increase the revenue to the city while simultaneously not damaging some other area of civic life. Additionally, one of the concepts seemingly etched in stone for many Americans would appear to be the "Ability-to-Pay" principle...taking more from those with more, and less from everyone else.

The Solution!

With these two ideas firmly in mind (the city's need for more revenue and the implementation of the "ability-to-pay" principle), I have observed the downtown area closely during the last several weeks (going to the Kiel Center, Union Station, the Adam's Mark Hotel, Civil Courts for jury duty, etc.), and it appears that the solution to our common problem lies right beneath our feet...or, more precisely, our tires.

I refer, of course, to the city's <u>Parking Meter System!</u> Driving (and parking) in the downtown area recently, I couldn't help but notice (along with the difficulty in finding a good spot during those prime times and events) that, though I drive a small Japanese compact car, when it came time to put the money in the meter <u>I had to pay exactly</u> the same parking fee as the fellow next

Mercedes or Lexus. The utter injustice and inequality of this situation should be apparent to anybody familiar with speeches of Richard Gephardt or the writings of Karl Marx. Anyone driving an Infiniti J-30 or BMW 540i can obviously afford a much larger parking fee than someone in a Geo Metro or an old Ford Escort. These drivers should pay more money to park downtown, as their cars obviously increase the value of the parking spaces they occupy. Don't they?

The Implementation

How to achieve this? Fortunately, with advances in computer technology, this will be relatively easy. Cars would be equipped with a sort of computer "bar code" device, which would have all the information relative to the cost of the car, the horsepower, the accessories, and the like, and this device would be implanted into all four corners of the car's bumpers. Parking meters would likewise be equipped with scanners to "read" these codes, and indicate digitally on a small screen how much that car would have to pay to occupy a parking space for a set duration of time.

As for minor problems, the "meter police" would have to be trained to check the new-style meters, and the meters would have to be equipped, like newer vending machines, to take bills. But the expense of these changes would be more than offset by the increase in revenue to the city from the new system, and, in addition, the fines for violations of these new meters could also be based on the "ability to pay" principle, with larger amounts for the more valuable cars. After all, the people with the very expensive automobiles should be paying more. They have nice cars and obviously make good incomes. They deserve to pay for the privilege of having a parking spot in the heart of the city that has given them such infrastructure, such opportunity, and such access to the wonderful world of urban life and culture provided by the City of St. Louis. And the fees for those with lesser vehicles could be lowered commensurately, resulting, as Mr. Gephardt might put it, in "more money for working families".

A Stupid Idea?

The naysayers and doubters among readers of this proposal might come up with still more nit-picking gripes, such as: People would deface the "bar codes" on their cars or swap those codes for codes from cheaper automobiles; some would wrap tape around the scanners; some would even take to driving only their old junkers on their trips into town. Sales of luxury cars might even decline. But these objections are really quite petty, and pale in comparison to the magnitude of the problem and solution that I have outlined. And more flexibility could easily be accommodated. For example, to encourge the sale of luxury cars or to encourage driving them into town more often, car buyers could apply for "parking meter abatements", which would allow the possessors of special bar codes to pay little or no fee when parking. (There are, of course, those who believe that taxation is not really to raise revenue at all, but essentially to regulate and control human behavior. But that's ridiculous, isn't it?)

Not Convinced?

If you think that the preceeding is really quite fatuous and misconceived, you're not alone. As a matter of fact, it is so facetious as to be almost ridiculous. And yet, when you think about, this is exactly the way most cities assess property taxes! Taxes are assessed on the basis of the expense of the building, the amenities it contains, the

continued on page 6

A modest proposal for more revenue for the City of St. Louis

continued from page 5

number of floors it has, etc., when what is most valuable near urban hubs is the location. In this sense, the parking meter system is impeccably worked out...the choice locations lease a certain amount of space for a set charge, while the less desirable locations (near the outskirts or in the county) lease exactly the same amount of space for more time/less money. It's where the space is located that determines its value, i.e. the market. Too high a charge for a parking spot would result in fewer people going there, a proliferation of private parking lots and garages, etc. And what makes those spots valuable for parking is not the space itself but the surrounding businesses and services! Why are prices high at certain malls? Perhaps because the parking at those malls, which seems to be "free", is really included in the cost of the goods available at the mall. Why do businesses provide validated free parking? Because they want you to shop at their places of business.

In conclusion...

If my "progressive parking meter" idea seems silly to you, you know how destructive the property tax system seems to someone with just a bit of common sense. It might be argued that taxing a motor vehicle in a parking space is futile because of its mobility. Try telling G.M. that they cannot move their Union Ave. plant to

Wentzville! Let's get some common sense into the property tax system, and base that system on locations instead of buildings. Just like there would be more junkers driven into town to take advantage of the lower parking meter fees, slums are perpetuated in urban areas where the incentive to build and rehab is stifled by a regressive tax system. SO LET'S REPLACE IT! A charge or fee for the value of a location. rather than a tax on the infinite variety of buildings and structures on them, would go a long way toward ending the insanity that currently passes for wisdom in the tax code. — The author acknowledges with special thanks input from the late Bill Rankey of Chi-