

MAP OF CITY AND ENVIRONS, SHOWING COMPARATIVE LAND VALUES

1, Municipal Airport; 2, University Group; 3, The City Parks; 4, The Railroad Yards; 5, The Fair Grounds

## Why Not Pay for City Planning by the Land Values It Creates?

(Reprinted from the "American City," September, 1931, and with acknowledgments)

THE purpose of this research problem is to illustrate the possible effect upon the city planner's work, were he given authority to use the land values arising from it, to pay for the improvements he suggests. It is a frank and truthful experiment based upon actual investigation of present-day conditions in a typical American city of 18,000 population. The same principles would, it is believed, work out in similar results in a city of 8,000 or 8,000,000. The experiment deals with the estimated bare land values exclusive of all but public improvements. Figures given were obtained from realtors, landowners, a credit exchange, and the county assessor's files. The estimated values were obtained from an average of these various quoted values. Those received from realtors and landowners were naturally higher than those which might be called "true" values, and those received from the credit exchange and the county assessor were in most cases probably lower.

An average lot, 50 by 100 feet, was selected in each block and its value thus estimated was represented by a section of tubing, of which  $\frac{1}{4}$  inch of height would be equivalent to \$1,000 in land value. These sections of tubing were mounted in their respective places upon a map of the city. Various areas were left vacant so that a comparison of values could easily be made. The

**A Demonstration of What Would Happen If the Planner Could Adjust Necessary Improvements to the Probable Resulting Enhancement of Land Values**

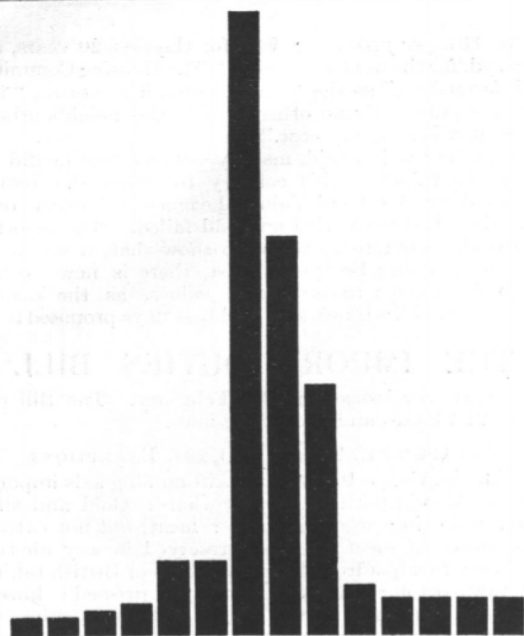
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little black line across certain of the surrounding lower sections of tubing indicates the city limits.

While this map is practically self-explanatory, attention may be called to a few special areas and circumstances where city and state improvements have been made; for instance:

1. *The Municipal Airport.*—The airport has increased land values immediately adjacent thereto, the land, little of it at present occupied, being held for speculation. While noise, smoke, and wind from planes has decreased desirability for homesites, there is reasonable expectation of future need for adjacent locations for specialized

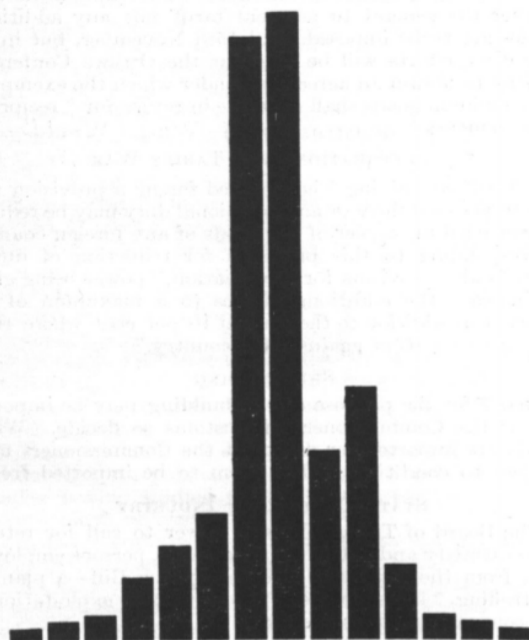


BUSINESS DISTRICT—EAST-WEST

Land values on a street through the business district crossing the main street at right angles

purposes in connection with airplane service. While the benefits of the airport are general, and are paid for out of public funds, that part of the benefit which appears in enhanced land values will largely go to landowners. Why should they not go to the public which creates them and which would go far to pay the cost of the airport?

2. *The University Group.*—The State University, built and financed by public funds, affects nearby land in the same way; in fact, it has an effect upon all the land values in the city. As the institution grows and needs more space, the taxpayers will have to pay for



BUSINESS DISTRICT—NORTH-SOUTH

Comparative land values in a section on the principal street of the business district running north and south. In this and the other charts on this page 1/16-inch equals \$1,000

the increased land values which their own earlier investment has created. How is it possible, under existing tax laws, for the city planner to select a school site that will not give some a disproportionate benefit in land values?

3. *The City Parks.*—In the same way, parks create land values. Parks and playgrounds are results of public expenditure, supposedly made for the benefit of all, yet the enhanced values of city lands, near and far, which are received by landowners, would pay for and maintain parks of far greater areas.

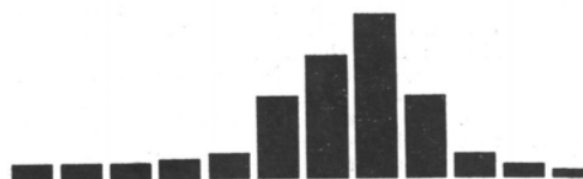
The highest land values in a city usually are concentrated within a comparatively few blocks, on neighbouring business streets. Great reduction in land values is to be noted within a short distance outside of such concentrated areas. All citizens contribute to these land values, but landowners receive them, save for the relatively small percentage allotted for taxes. The values thus received would build and pave many miles of city streets. Even the building of the public highway similarly affects land values, as may be seen on the map, where a street, leaving the "peaks" of the concentrated district, cuts across town toward the railroad yards.

Certain commercial sites, even where outside the city limits, having all the benefits of rail and highway transportation facilities, city lights, water, gas, and



STATE UNIVERSITY DISTRICT

Land values on section taken through university group



RESIDENTIAL DISTRICT LAND VALUES

Section taken through the most exclusive residential district

telephone service, show the same benefits accruing to landowners at the expense of the people contributing the public funds to supply these advantages.

The most exclusive residence district, located on an elevation overlooking the city, shows the enhancement of land values resulting from natural location, from which the landowners benefit in the same fashion.

The profession of city planning would be able to establish itself as a scientific undertaking if the city planner could adjust necessary improvements to the probable enhancement of land values which his proposals, if carried out, cause. This he cannot do to-day. Therefore, until some arrangement can be inaugurated that will enable the city planner to work intelligently and effectively, his task of planning or re-planning cities will meet with serious economic handicaps.

The purpose and aim of city planning should be, presumably, to promote better living conditions, health, morals, and the general welfare of the community. To achieve this purpose, ample funds would be available by collection of the publicly created value known as ground, or economic rent, whereby every man would be able to enjoy the increment of land values created by his presence in the community, to which, it would seem, he is entitled.