

A Windfall for the People

By J. RUPERT MASON

AN almost unpublicized event of the greatest importance to every citizen occurred in San Francisco on May 5, 1942. It has not been given editorial comment or even notice by the newspapers, beyond a stereotyped story of the affair, as though it was nothing unusual.

On the corner of Fifth and Market Streets once stood the Lincoln Grammar School. The site covers 275 square feet, and the location of the site has made it the object of covetous eyes and greedy hands that are ever ready to seize strategic locations so that they may reap where they do not sow.

After all attempts to "buy" the lot had been thwarted by public-spirited citizens years ago, the lot was leased for what was then believed to be a high rent—\$7,500 a month for 25 years.

The lessee erected the building now on the site and the lease provided that the building would become the property of the people when the lease expired.

Meanwhile there was "friendly" litigation to ascertain whether the lot belongs to the City and County of San Francisco or to the Board of Education of the City and County of San Francisco. The lower court has ruled in favor of the latter, but in either event the lot belongs to the people of San Francisco, as does all the rent it will return.

After much maneuvering in and about the City Hall, the Supervisors recently consented to permit the lot to be put up for public bidding by auction. It had been contended by some friends of the people that the lot would rent for more than the old lease figure of \$7,500 a month, if this were done.

On May 5, 1942, the bids were submitted, and spirited competitive bidding developed. The successful bidder has contracted to pay \$29,500 per month for 20 years, or a total of \$7,080,000, and any buildings or other improvements erected on the lot become the property of the people at the end of the lease. This equals about one and one-half times the top estimated "market value" of the lot, which anyone would have offered for the fee simple title. Under the lease, the people in effect, will eat their cake and have it too. The tenant paying this rent to the people will sublet to businesses, but will obviously not be able to charge them any more because of the fact that he has to pay \$29,500 a month to the people for the privilege of being a landlord.

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