



Gusher under the Flightpath

THE LAND under Mueller Airport should remain the property of the City of Austin forever. The reason is that the annual revenue from leasing lots at market value would amount to a substantial yield that continues indefinitely, and is bound to increase as the value of land in Austin continues to rise.

With no land to buy, nobody looks for cheaper land further away or holds land out of use to sell when prices are higher, which are two principal causes of sprawl. With no land to buy, prospective lessees, who would own the improvements, could more easily afford the cost of building them, in accordance with an approved land-use design.

The big advantage of retaining the

land is that the value of the location, which the whole community created, is totally captured for revenue.

The problem in Adam Smith's time was that the land-owning House of Lords would naturally defeat any move



to have the government collect ground rent, but with Mueller Airport, the City of Austin already owns the land! It's the opportunity of a life-time to retain what must become a permanent revenue gusher. That can happen only if the City never sells the city, not Mueller airport, or for that matter, any other

land the City owns. It would only sell the buildings.

Of the 719 acres of the airport, about 450 acres will have residential and commercial buildings on them. Using figures from the Travis Central Appraisal District, an average

MARY LEHMANN, on behalf of Texans for Land-use Integrity, reports on her fight to prevent the sale of land beneath an airport

50 x 100 foot residential lot not too far west of the runway would have a rental value of \$5,000 a year. From 450 acres of these lots, even excluding commercial locations and improved location values when there's no runway, the annual revenue yield would be nearly \$20m.

What to do with

that revenue? Alaska gives each of its citizens a "dividend" from its oil rents. Austin's natural wealth is the people themselves. Divide that \$20 million among 200,000 Austinites, whose collective achievements have given land its rising location value, and the per capita "citizen bonus" each year would be \$100 – just from Mueller Airport land!

Maybe citizens would want to do something else with \$20million. The ancient Greeks chose not to distribute *per capita* the silver they discovered. They built ships to defeat the Persians. But what to do with new revenue is secondary compared with making sure that the City of Austin doesn't give this revenue away.

Nader fights for land tax

RALPH NADER, the Green Party's candidate for the US presidential elections, has declared his support for a policy that would halt urban sprawl.

Writing in the *San Francisco Bay Guardian*, the man who became a household name when he began to combat the power of the corporations, said that sprawl was at the heart of urban decline, racial polarization, worsening air and water quality and the erosion of community.

But he added: "Do not despair! The Sprawl monster can be contained. Many of these detrimental trends can be reversed.

"It comes as no surprise that one of the major factors exacerbating sprawl is the automobile. Still, we subsidize the use of automobiles with highway budgets and tax subsidies for parking facilities. Competition between local jurisdictions in metropolitan regions also fuels urban sprawl.

"The end result? This exodus forces outlying suburbs to build new infrastructures and raise tax rates to crushing levels. According to Maryland governor Parris Glendening, every new classroom costs \$90,000; every new mile of sewer line costs roughly \$200,000; and every mile of single-lane road costs at least \$41 million."

He identified site-value property taxation as a tool that may "spark greater development in cities by taxing land, not buildings. Unlike traditional taxation – which rewards developers who put up cheap, tacky housing and strip malls – site-value taxation gives developers the incentive to build gracious, durable buildings. Allowances for affordable housing, however, need to be part of site-value schemes."

New FORUM unites scholars

Ed Rosenthal reports on a new network of researchers that was launched on April 11. It unites those wishing to explore the potential of "resource rents" as public revenue, the impact of land policy on social justice, the environment and the economy.

WE gathered for the launch in a Victorian warehouse in Southwark, a stone's throw from Shakespeare's Globe Theatre.

The opening chair was Ashley Hoarsely, director of the Empty Homes Agency, which highlights the scandal of empty property in England. There are over 100,000 houses empty in London alone.

Liberal Democrat MP Simon Hughes set the scene by highlighting the framework of government business over the coming months into which we could introduce our ideas for tax reform.

Lord Plant, Chair of the Fabian Society's Commission on Taxation and Citizenship (due to publish its report in September), said the debate on tax will loom ever larger as we are left with nothing to tax (except land), but the chances of getting much informed debate in the press are marginal.

Bill McCluskey from the University of Ulster compared LVT around the world using five countries as examples: Australia, Kenya, Jamaica, New Zealand and South Africa, and Owen Connellan from Kingston University mapped out the history of land taxation from Roman times.

Stephen Walker, from Oxford Brookes University, highlighted planning gain vs. impact fees in the US.

Jacob Braestrup from the University of Copenhagen, gave a free market argument for land tax and highlighted the fact that maybe we should concentrate our efforts on battles we can win rather than making LVT a cure for all of the planet's and its population's ills. He saw local variations in LVT as a way of creating a competitive market among firstly local areas and also regions and countries each trying to lure businesses and people into these areas.

Henry George Foundation Chief Executive Tony Vickers reported on *Preparing for Land Value Taxation in Britain*, the first research project to be started within Progressive Forum.

Mugabe Power Play

THE LAND invasion by peasant farmers was designed to bolster the flagging prestige of President Robert Mugabe, according to opposition politicians in Harare. Freedom fighters who finally forced Britain to retreat from its Rhodesian colony claim that the unequal distribution of land has prevented them from achieving justice.

But Margaret Dongo, one of the three opposition MPs, has published a list of 424 previously white-owned farms that had been bought on the open market and given on rent-free, 98-year leases to leading government members and cronies.

One of the country's most tough-minded landlords is Solomon Majuru, who led Mugabe's guerrilla army in exile in the 1970s.

Britain has agreed to compensate white farmers whose land may be transferred to landless peasants, but Foreign Secretary Robin Cook insists that the rule of law must be restored and the upcoming elections should be free.

A swelling opposition movement to Mugabe's rule was supported by the white farmers, who own most of the best land, and this is regarded as the reason why the ruling Zanu-PF Party encouraged the land occupation.