

LANDLINES

Newsletter of the
Lincoln Institute of
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Land Policy Network in Latin America

**Special
Report**

The Lincoln Institute's Latin America Program pursues education and research projects with a dynamic network of academic scholars, government officials and community-based practitioners throughout the region. Given the many political and economic changes affecting Latin American land uses, land values and property taxation systems, the Institute is able to serve as a facilitator in providing a comparative, international perspective. Through promoting the exchange of ideas and experiences among countries with diverse social, economic and political conditions, the Institute's programs have had a significant influence on policymakers charged with developing and managing complex land policies.

Representing many countries and a variety of academic and professional institutions, the Institute's network of scholars and policymakers helps identify topics of proven relevance for the region. Structural adjustment programs to curb inflation and overcome the economic crises of the 1980s are changing attitudes regarding land, and the forces of globalization and urbanization contribute to significant pressures on the use of land. Institutional



SOME MEMBERS
OF THE LATIN
AMERICA NETWORK
MEET WITH SENIOR
FELLOW MARTIN
SMOLKA IN
GUADALAJARA,
MEXICO.

and in many cases constitutional reforms also influence land values and land ownership rights and regulations.

Access to land by the low-income urban population is the issue that best captures the hearts and minds of many researchers and public officials. Two connected research themes are 1) the mechanisms that generate residential segregation or exclusion through the market by private or public agents; and 2) the strategies of 'the excluded' to access land and subsequently formalize their 'inclusion.' Most of the Institute's education programs being developed in Latin America to deal with land management and instruments of public intervention are informed directly or indirectly by this issue.

To better understand these and other forces that affect land use and taxation policies in Latin America, members of the network are conducting research on the functioning of urban land markets and the experiences of different countries with value capture mechanisms. As a by-product of these efforts, the researchers are compiling an annotated bibliography of research and publications in their respective countries. At the same time, they are identifying a number of issues needing more detailed analysis, such as land segregation,

the role of informal land markets, vacant land, and the implementation of instruments for value capture.

The following articles and the list of contracted research projects highlight some of the people and activities that are all part of the Institute's Latin America Program.

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**NEW BOOK
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SEE PAGE 14.**

The Functioning of Urban Land Markets in Latin America

Among academics and practitioners in Latin America, there is an ongoing debate about the usefulness of existing paradigms to understand urban problems, but they agree on certain key themes regarding the functioning of urban land markets. This project seeks to examine those themes in 12 different countries and develop a systematic evaluation of the “state of the art” on land markets in the region.

Each of 12 researchers from a variety of disciplines is focusing on the particular theme most relevant to his or her country. Through an iterative research process, the researchers also contribute their own country’s experience to each of the other 11 studies. All of the contributors are leading scholars in universities or research institutes, and many are also active consultants for national and/or international agencies. In addition, some are key members of local non-governmental organizations involved in research, community action, technical assistance and other activities.

Martim Smolka serves as project coordinator of this ongoing project. The contributors regularly meet and share their work with each other, both in person and via the Internet. The goal of this collaborative endeavor is to develop teaching materials that present a holistic Latin American perspective on the functioning of urban land markets. The research will culminate in a publication incorporating 12 theme chapters and each country’s experience with each theme.

Researchers and Themes

Nora Clichevsky (Argentina)

CONICET: National Council for Scientific and Technical Research, Buenos Aires
“Urban Land Markets and Recent Changes in State Policies, Especially Towards Low-Income Groups in Latin America”

Martim O. Smolka (Brazil)

Lincoln Institute of Land Policy and Institute for Urban and Regional Planning and Research, Federal University of Rio de Janeiro
“The Functioning of Urban Land Markets in Latin America: Some Characteristics”

Francisco Sabatini (Chile)

Urban Studies Institute, Catholic University of Chile, and Center for Environmental Research and Planning, Santiago
“Liberalization of Land Markets and Social Segregation in Latin American Cities: The Chilean Case”

Samuel Jaramillo (Colombia)

CEDE: Center for Studies on Economic Development, University of the Andes, Bogotá
“The Role of Territorial Property in Some Urban Processes Peculiar to Latin American Cities”

Ricardo Núñez Fernandez (Cuba)

GDIC: Group for the Integral Development of the Capital, Havana
“Urban Development in Havana: Its Promotion and Processes of Inclusion”

Diego Carrión (Ecuador)

CIUDAD: Center for Research in Urbanism and Design, and School of Architecture, Catholic University, Quito
“Urbanization, Urban Management and the Land Market Issue in Latin American Cities”

Mario Lungo Uclés (El Salvador)

PRISMA: Salvadoran Program for Development and Environmental Research, San Salvador
“Economic Restructuring, State Reform and Urban Land Markets”

Manuel Perlo Cohen (Mexico)

Social Research Institute, Mexican National Autonomous University, Mexico City
“The Development, Contributions and Perspectives of Latin American Urban Land Markets: Empirical Studies”

Ninette Morales Ortega (Nicaragua)

HABITAR: Center for Housing Research and Promotion, Managua
“Effects of Property Ownership Redistribution on Urban Land Markets and the System of Housing Provision: The Managua City Experience”

Pedro Abramo (Paraguay)

IPPUR: Institute for Urban and Regional Planning and Research, Federal University of Rio de Janeiro
“Forms of Financing Urban Land Markets and the Internal Structuring of Latin American Cities: A Perspective from the Paraguayan Case”

Julio Abel Calderón Cockburn (Perú)

CENCA: Urban Studies Institute, Lima
“Regularization Policies and the Urban Land Market in Latin America”

Alberto Lovera (Venezuela)

IDEC: Institute for Experimental Development of Construction, and School of Architecture and Urbanism, Central University of Venezuela, Caracas
“Land and Housing Markets: Taxonomy and the Commercialization of Popular Housing Sub-Markets”

The Latin American Experience with Value Capture

Throughout Latin America, as in many countries in the world, debates on value capture are increasingly attracting attention. This same network of 12 researchers is involved with a second research project to evaluate their country’s experience with value capture mechanisms.

While various instruments are used widely, there is a significant gap between those mechanisms currently sanctioned by the existing legal (constitutional and statutory) apparatus and the actual tools available to practitioners, which are often outside the legal system. This ambiguity has become almost emblematic of Latin American urban policymaking.

This ongoing project is documenting a number of innovative experiences whereby the increment in land values generated by different forms of public intervention have been captured effectively for community benefit. Three recurring themes relate to historical and institutional antecedents for capturing land value increments; constraints and obstacles to implementing policies that can effectively capture those increments; and comparative evaluation of official vs. unofficial value capture mechanisms.

For more information about either of these projects, contact Martim Smolka, senior fellow for Latin America Programs (msmolka@lincolninst.edu).

Upcoming Courses

Regulatory Instruments for the Use of Urban Land

Cosponsored with PRISMA: Salvadoran Program for Development and Environmental Research, San Salvador, El Salvador, September 1997

Land Policy Forum for Informal Urban Sectors

Cosponsored with CIUDAD: Center for Research in Urbanism and Design, School of Architecture, Catholic University, Quito, Ecuador, October 1997

For course information, contact Alejandra Mortarini Carty, Program Analyst and Administrator for Latin America Programs (alejandra@lincolninst.edu).

Monitoring Urban Land and Building Markets

PABLO TRIVELLI

A group of Latin American scholars, practitioners and government officials who monitor urban market information systems and publish statistical reports on market behavior met in Chile in April to share their experiences and explore plans for future cooperation. Representatives came from Mexico City; San Salvador, El Salvador; Sao Paulo and Porto Alegre, Brazil; Montevideo, Uruguay; Santiago, Chile; Quito, Ecuador; and Bogota, Colombia. Specialists from the World Bank, the Inter-American Development Bank and the United Nations Development Program also participated.

Most of the cities' initiatives originated from small ventures to obtain information for project evaluation, research requirements or market analysis, and later expanded into larger-scale systems to monitor different types of markets and broader geographic regions.

Newly constructed housing and office and commercial buildings are the most frequently studied markets; price, location and product type are the basic variables being computed. In all cases, statistics are gathered from the formal market, even though an estimate from Bogota indicates that this market represents only about one third of all transactions.

Newspapers, magazines or specialized publications are the major sources of market data, but building permits or visits to construction sites also provide useful information. In San Salvador, the main source is data from the banking system on credit loans for the acquisition of real estate property.

The geographical area and the time period for which statistics are computed vary from case to case. Yet, all systems face the same dilemma of losing statistical validity when reducing the size of the unit of analysis or shortening the time period. On the other hand, broadening the geographic area means a loss of homogeneity of well-defined neighborhoods, and broadening the time frame limits fine tuning of the phenomena.

General statistics and market trends are disseminated through newspapers and specialized publications, while more detailed statistics are sold through periodical bulletins and reports. Published listings

of new construction provide an open and useful mechanism for correcting information, because when a case is not listed the supplier is the first one to make it known.

Many challenges remain to improve the coverage of urban market transactions, the quality of the information, the analysis of the data, and the debate this information can stimulate regarding urban land policy. From an academic perspective, the challenge is to improve the understanding of the phenomena being observed. From a professional perspective, it is to use the information for better project analysis and to adjust valuation maps to establish more accurate records for property tax purposes.

Since many Latin American cities lack

any type of urban market monitoring systems, the special challenge facing the participants in this ongoing project is to find ways to share their experiences to improve the efficiency of market operations and urban planning throughout the region.

Pablo Trivelli is regional coordinator of the Urban Management Program, United Nations Development Program, Quito, Ecuador. The seminar was cosponsored by the Lincoln Institute with GTZ-MINVU, the Urban Studies Institute of the Catholic University of Chile, and Chile's Ministry of Housing and Urban Development.

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New Initiatives Support Research on Latin America

As part of its commitment to stimulate research and identify emerging scholars concerned with urban land policies in Latin America, the Lincoln Institute is supporting two initiatives to encourage the publication and dissemination of high-quality research.

The first project is the establishment of a network of Latin American scientific editors to explore ways to improve scholarly collaboration and publications. At the recent National Meeting of ANPUR (Brazilian National Association of Post-Graduate Schools and Research Centers in Urban and Regional Planning), some representative editors began an evaluation of existing Latin American journals and discussed what kinds of new vehicles may be appropriate.

They agreed that the well-respected international journal *Revista/SIAP*, published by the Inter-American Society of Planning, needs to be revitalized, and that numerous other smaller journals based at various universities and institutes throughout the region could be enhanced and their circulations expanded. The editors are also setting up an Internet network to facilitate communications and have begun to post lists of publications by each institution or publisher. For more information, contact Cristina Leme, School of Architecture, University of Sao

Paulo, Brazil (crisleme@usp.br).

Second, the Lincoln Institute is supporting the *Latin American Land Use and Planning Prize* in cooperation with ANPUR to encourage theoretical and applied research in urban land studies, especially as regards the functioning of land markets and mechanisms to capture land value increments.

Teachers, researchers, professionals and students from Latin American and Caribbean countries, or those affiliated with Latin American and Caribbean institutions, can submit work in the following categories: journal article, book, Masters degree thesis, and Ph.D. dissertation.

A jury of five internationally renowned researchers will evaluate the submissions: Ricardo Farret, Secretariat of Urban Policy, Ministry of Planning, Brazil; Alfonso Iracheta, Director of Planning of the State of Mexico; Mario Lungo Ucles, Salvadoran Program for Development and Environmental Research, El Salvador; Martim Smolka, Lincoln Institute of Land Policy; and Peter Ward, Lyndon B. Johnson School of Public Affairs, University of Texas-Austin.

For more information and application forms, contact ANPUR (ANPUR@ippur.ufrj.br) or Martim Smolka at the Lincoln Institute (msmolka@lincolninst.edu).

Urban Land Policy in El Salvador

MARIO LUNGO UCLES

Within the framework of economic restructuring, privatization and globalization, the issue of urban land and conflicts over its use is a top priority for El Salvador. Numerous factors contribute to the critical status of land management in the country:

- The small geographical size of the country and its large and growing number of inhabitants.
- The extraordinary concentration of rural land ownership in a few hands. This historical trend has been the source of a peasant uprising (1932), a civil war (1981-1992) and two important agricultural reforms (1980 and 1992), the latter leading to the Program for Transfer of Land supervised by the United Nations for ex-combatants and those affected by the civil war.
- A weak legal and fiscal system that has

avored eviction and the generation of numerous conflicts; for example, a land tax does not exist.

- A serious process of degradation of the environment that introduces strong conditions and restrictions to the functioning of the land markets.
- An accentuated process of internal migration that has concentrated a third of the population in the metropolitan region of El Salvador.
- The large number of El Salvadoran migrants in the United States who transfer a major source of capital to their native country. This influx of cash through largely informal transactions has accelerated a booming property market.

The Lincoln Institute is working with the Salvadoran Program for Development and Environmental Research (PRISMA) to present a series of seminars for high-level municipal and national government

officials, private development agents and representatives of non-governmental organizations. Last spring the two groups cosponsored a course on the functioning of the urban land markets and this fall will follow up with a course on "Regulatory Instruments for the Use of Urban Land."

This program addresses the urgent need to create economic and regulatory instruments to promote strategic urban land management, contribute to the ongoing process of democratization and support sustainable development. The course is particularly timely because El Salvador is in the process of establishing a Ministry of the Environment and drafting legislation to address issues of territorial organization.

Mario Lungo Ucles is a researcher affiliated with PRISMA, the Salvadoran Program for Development and Environmental Research, in San Salvador.

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Looking for Territorial Order

LUIS FERNANDO ALVAREZ
AND WILLIAM J. SIEMBIEDA

Most countries in Latin America today have become more urban than rural, and they are trying to develop their economies as integral parts of the global marketplace. This process introduces profound cultural and spatial changes, such as increased segregation and conflicts over the use of urban land.

There is a recognized need to strengthen citizen consciousness regarding the liberalization of markets and the withdrawal of state involvement in economic and planning schemes. This changing role of the state from "provider" to "enabler" creates a gap in addressing urban social needs. Participants suggested three approaches to simultaneously improve urban land management and provide for social equity.

First, basic tools to establish and support urban information systems. These include a monitoring mechanism capable of identifying agent and transaction data, including land prices; knowledge of the 'life cycles' of urban zones; and utilization of forecasting models capable of establishing the relationships of the local and na-

tional economies to the real estate market.

Second, urban policies to balance existing, often inconsistent, market mechanisms. For example, it is difficult to liberalize markets and at the same time impose limits on urban expansion, while trying to provide adequate land supplies to meet the needs of the working poor.

Third, recognition and support of positive actions by community groups and non-governmental organizations to break patterns of class segregation, as well as efforts by municipalities to utilize instruments such as territorial reserves, progressive financing mechanisms, and improvements in administrative and fiscal procedures.

A major territorial planning problem in Latin America is locating the "edge" of the city, especially when land tenure and occupation respond on the basis of social need rather than legal procedure. Among the forms of urban property outside the rules of commercial law, the most important is corporately held land (*ejido*), which in Mexico occupies more than 50 percent of the national territory and forms part of all major metropolitan areas. The *ejido* impedes the natural growth of the real estate

market and allows for the expansion of uncontrolled secondary (informal) markets.

To address these and related issues, leading academics and practitioners from the region met in Mexico in April to share their insights into the processes that influence urban territorial order and the instruments available and needed for effective public intervention to achieve social equity and territorial planning objectives. While the seminar participants remain uneasy about the long-term impacts of globalization on Latin America, they agreed that the arena for action, in the next few years at least, will be at the local rather than the national level.

Luis Fernando Alvarez is senior researcher at the Center for Metropolitan Studies, College of Architecture, Art and Design, University of Guadalajara, Mexico. **William J. Siembieda** is professor of planning, School of Architecture and Planning, University of New Mexico. The seminar on urban land and territorial reserve issues was cosponsored by the Lincoln Institute and the Center for Metropolitan Studies at the University of Guadalajara.



Land as a Strategic Factor for Urban Development in the State of Mexico

FERNANDO ROJAS
AND ALFONSO IRACHETA

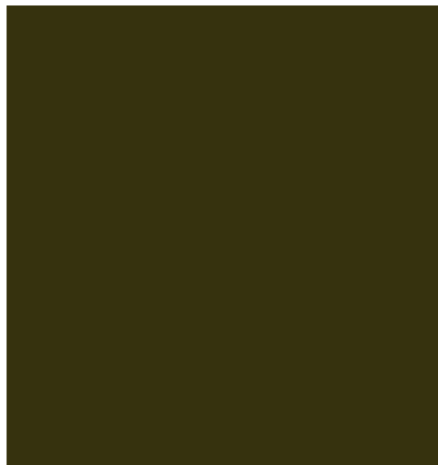
Mexico is beginning to create an enabling environment to use land value increments for development purposes. Recent constitutional and legal reforms have authorized the clarification of land titling as well as the commercialization of land. Real estate markets are gradually superseding the immobile land tenure arrangements that gave rise to informal markets characterized by confusing and often arbitrary arrangements and high transaction costs. The private sector is moving into the areas of low-income housing and public-private arrangements for balanced and sustainable land developments.

The State of Mexico has launched a comprehensive program, known as PRORIENTE, to promote government, business and community interaction for joint management and financing of urban development in the eastern part of the territory. PRORIENTE's vision is one of "new cities" surrounding the Mexico City megalopolis, characterized by balanced growth between demographic densification, income-generating activities and environmental protection. The creation of employment in and around the new settlements is an overriding social and economic goal of the program.

Given the intricate pattern of interests involved, PRORIENTE has adopted an intersectorial and interjurisdictional approach. Indeed, PRORIENTE requires that the State of Mexico take the initiative to coordinate land and fiscal policies and instruments among the federal government, the newly elected opposition government of the Federal District, and the many municipalities that are largely controlled by opposition parties.

The challenges for PRORIENTE are formidable:

- Population growth in the region between now and the year 2,020 is estimated at five million people.
- Deforestation and disorganized urbanization of agricultural areas are leading to further desertification of this region.



SEMINAR PARTICIPANTS MEET IN THE OLD MARKETPLACE OF TOLUCA WHICH HAS BEEN RENOVATED AS A BOTANICAL GARDEN SURROUNDED BY STAINED GLASS PANELS.

- Innovative policies and contractual arrangements have yet to be introduced to create effective land markets.
- Uncontrolled urbanization has been dominated by private developers who speculate with land prices, ignore urban planning and appropriate huge increases in land values, as well as by settlements of low-income immigrants. New mechanisms for public capture of increases in land values that emanate from new policies and/or administrative decisions will have to overcome serious resistance.
- Real estate taxation is largely underdeveloped, and the property tax structure is plagued with many exceptions. Cadasters are often outdated and have only weak connections with the system of transfer and registration of real property.
- Public-private partnerships that are accountable to the communities and operate on a transparent basis are practically unknown in a country with a tradition of a strong federal government.
- Intergovernmental fiscal relations and interjurisdictional arrangements have been dominated by the will and the overwhelming fiscal power of the federal government, which controls 80 percent of public income compared to four percent for the municipalities and 16 percent for the state. Local and regional governments are just beginning to experiment with political coalitions and multiparty governments.

In view of these obstacles and challenges, the leaders of PRORIENTE have adopted a participatory, negotiating approach that is already producing visible results. Businesses have formed large-scale conglomerates capable of funneling much-needed capital and management technologies into the area. The federal government, the Federal District, municipalities and communities are invited to the negotiating table to participate in an ongoing process that nurtures an expanding program rather than a precise policy or institutional goal.

The Lincoln Institute recognizes that this project presents an excellent opportunity to study the complex role of land as a strategic factor for development throughout Latin America. Last April, the Institute coordinated a seminar on urban land markets in the city of Toluca, and is continuing to serve as a sounding board for policymakers of the State of Mexico and other public and private actors involved in PRORIENTE.

In addition, a Lincoln Institute team is cooperating with other institutions and practitioners to share international experiences regarding both the process of policy formation and the operational side of the PRORIENTE program. Special attention is given to the sustainability and replicability of strategies to facilitate the transition from restrictive land tenancy systems, weak property tax administrations and highly centralized fiscal resources to competitive land markets and local land use initiatives to encourage development. The Institute will utilize this experience in Mexico for developing courses in other countries facing similar situations.

Fernando Rojas, a visiting fellow of the Lincoln Institute, is a legal scholar and public policy analyst from Colombia. He was formerly a visiting fellow at the David Rockefeller Center for Latin American Studies at Harvard University.

Alfonso Iracheta is technical secretary of PRORIENTE and the director of planning for the State of Mexico. For more information, contact frojas@lincolninst.edu.

Strategic Planning in Cordoba

DOUGLAS KEARE
AND RICARDO VANELLA

The Lincoln Institute is collaborating with the city of Cordoba, Argentina, on a major project to change approaches to and instruments used for physical planning in the city. Cordoba presents an especially interesting case because of its strategic location at the center of the core development area of Mercosur.

The first phase of the project was a three-day seminar held last April titled “Towards an Urban Integrated Management: Implementing a Strategic Plan for the City of Cordoba.” Its main aim was to bring together the principal “actors” in Cordoba to discuss and debate planning goals and instruments in the context of new developments in urban management.

The seminar included presentations by international experts and discussions among municipal officials, developers, business and commercial interests, non-governmental organizations and planning practitioners. The Institute played an important role in providing an open forum for the local participants to come together for the first time to discuss difficult planning and development issues and to begin the process of establishing new management policies and procedures.

Three principal themes emerged from the discussions. The first dealt with prioritizing land to be urbanized, with particular concern for equitable access to land, infrastructure, and housing for the popular sectors, as well as appropriate mechanisms for regional planning. The second theme addressed environmental and fiscal impacts of large commercial establishments on existing urban structures, historic districts and residential neighborhoods. The third theme focused on various actors and sectors involved in industrial development in Cordoba, with attention given to dispersal of industry, infrastructure limitations, and social and environmental costs.

In addition to giving the Cordovan participants a broad perspective on urban management issues in other cities, the seminar raised two important points: 1) that planning for development is not just about regulation or land use control, but that fiscal and taxation policies are equally important in affecting land values;



and 2) that local officials must learn to assess benefits and costs of urban planning projects in order to deal effectively with private sector developers.

The seminar has already had specific impacts on collaborative commercial activities in the historic center and on improved management programs for providing new infrastructure and services while also reducing deficits. In addition, the program stimulated participants to develop an appreciation for the importance of long-term strategic planning in charting general directions for policy changes and in understanding the effects of particular kinds of development on the social and physical environment.

The Institute is continuing to work with municipal officials to help develop new management paradigms that can support more effective private/public collaborations and better analytical and planning techniques. Follow-up programs will assist policymakers and private developers (operating in both formal and informal markets) in better understanding the functioning of urban land markets and the consequences

of policy changes for urban development.

The next course on “Land Market Behavior in Cordoba: Implications for the Urban Structure” will explore research on formal land markets in Cordoba, stressing the effects of economic policies and local government interventions. It will be followed by a regional seminar where experience will be shared with participants from at least three other countries. At the same time, the Institute and Cordoba officials are developing a training program directed to a broad spectrum of local and regional officials and developers, concentrating on general management, urban planning, and project preparation and implementation.

Douglas Keare is a visiting fellow of the Lincoln Institute. He has experience in strategic planning for large cities in developing countries through previous research at the World Bank and the Harvard Institute for International Development. He can be reached at doug@lincolninst.edu. **Ricardo Vanella** is director of the Department of Economic Development for the city of Cordoba.

Institute Announces Contracted Research Projects

The Lincoln Institute awards research contracts in each of its three program areas to encourage and support investigations that contribute to the body of knowledge about land use and land-related tax policies. We are pleased to announce these projects by scholars from throughout the United States and Latin America whose work is being supported by the Institute during the 1997-1998 academic year.

Program in Taxation of Land and Buildings

We are interested in the special nature of taxes on real property, particularly those based on market value. We address the economic effects of such taxes, including their legal structure and interpretation with regard to valuation. We are also interested in political aspects of implementing property taxes as instruments of fiscal decentralization. Research in this program area provides practical assistance to policymakers dealing with existing tax systems, and also explores current tax reform efforts around this country and overseas.

Actual Value Assessment in the Greater Toronto Area: Impacts and Policy Implications

David Amborski, School of Urban and Regional Planning, Ryerson Polytechnic University

To evaluate the impacts of actual value assessment on various classes of property and the extent to which assessment reform will address the issue of commercial and industrial property tax differentials between Toronto and nearby municipalities

Measuring the Tax Subsidy Produced by Use-Value Assessment of Open Space on the Urban Fringe

John Anderson, Department of Economics, University of Nebraska-Lincoln

To measure the tax expenditures related to both property tax relief and preservation of agricultural land within cities or at the urban fringe through preferential property tax associated with use-value assessment.

Land Taxation in South Africa

Michael Bell, MEB Associates and Institute for Policy Studies, Johns Hopkins University, and John Bowman, Department of Economics, Virginia Commonwealth University

To develop a comprehensive strategy for the study of site value taxation versus a flat rating system in South Africa, including an initial reconnaissance of data availability and identification of potential in-country research partners.

Redistribution of Fiscal Stress: Long-Run Consequences of Proposition 13

Jeffrey Chapman, School of Public Administration, University of Southern California

To study the long-run effect of property tax changes, the diminishing fiscal autonomy of local government, and the continuing redistribution of fiscal stress in California communities since the passage of Proposition 13 in 1978.

Valuation of Open Space

Charlie Fausold, Cornell Cooperative Extension Association of Schuyler County, New York

To develop a case study of how different towns in western metropolitan Boston value conservation land, considering differences in the negotiation process, characteristics of the parcels, terms of final agreement, priorities of the towns, and what compensation was sought by each town.

School Finance Reform and Property Tax Revolts

William A. Fischel, Department of Economics, Dartmouth College

To investigate the use of the property tax as an efficient means of funding local public services, and the link between judicial decisions on school finance and dissatisfaction with the property tax.

Efficiency and Equity of a Forest Site Value Tax

David Klemperer and Gregory Amacher, Department of Forestry, Virginia Polytechnic Institute and State University

To examine the implications of instituting site value taxation on forest lands in the United States by exploring issues of neutrality, efficiency, equity and fiscal feasibility within existing local and regional tax structures.

Land Taxation and Land Use in Asia

Alven Lam, Lincoln Institute of Land Policy

To examine land tax reform proposals and land use regulations and policies in Asia in order to understand how mechanisms used at the local government level are affected by the international economy. The research will also examine the increasing coherence between land and tax policies in some Asian cities.

Land Taxation and Value Capture Initiatives in Britain

Nathaniel Lichfield, Department of Economics, University College of London, and Owen Connellan, Centre of Research in the Built Environment, University of Glamorgan

To explore and propose potential improvements in the planning and development process arising from introduction of site value taxation principles, with a view to making recommendations to improve government land policy.

Property Tax Appraisals and the Reuse of Inner-City Properties

Emil Malizia, Department of City and Regional Planning, University of North Carolina-Chapel Hill

To document the discrepancy between market value and assessed value for a sample of commercial properties in North Carolina. The research explains how appraisal methods may lead to overvaluation and explores ways to modify appraisal methods to eliminate this impediment to the reuse of inner-city properties.

Property Taxation in Transitional Economies: Case Studies

Jane Malme, Lincoln Institute of Land Policy

To compile comparative case studies on the development of property taxation systems in transitional economies of Eastern Europe, including problems encountered in developing complex tax policies, laws, administrative arrangements and valuation methods.

Land Tax Systems: Comparative Issues, Strengths and Problems

William McCluskey, Department of Surveying, University of Ulster at Jordanstown, Northern Ireland, and Riël C. D. Franzsen, Department of Mercantile and Labor Law, University of South Africa, Pretoria

To critically evaluate the effectiveness and sustainability of land tax systems within a fiscal environment. This analysis will investigate the linkages of the land tax in promoting land policy decisions and explore the range of legal definitions of unimproved land value across several international jurisdictions.


The Two-Rate Tax: The Amsterdam, New York, Experience

Donald Reeb, Department of Economics, State University of New York-Albany

To study the process through which the two-rate tax was approved, implemented and later appealed. By presenting a chronicle of the events that led to the adoption of the tax and interviewing leaders of the reform movement, this study will present a profile of actions and attitudes concerning the tax reform and its failure.

The Latin American Experience with Value Capture

Martim Smolka, Lincoln Institute of Land Policy

 To compile and analyze trends and experiences concerning the use of taxation and regulatory instruments to respond to increases in land value due to public investment and development in 12 Latin American countries, based on research by 12 scholars.

 DENOTES PROJECTS IN THE LATIN AMERICA PROGRAM

Infrequent Assessments Distort Property Taxes: Theory and Evidence

Koleman Strumpf, Center for Urban and Regional Studies, University of North Carolina-Chapel Hill

To consider the influence of assessment practices upon property taxes and on related issues such as tax limits and capital gains taxes. The focus is explicitly on the rate-setting decision under majority rule and the resulting lags between reassessments which can distort the equilibrium.

Program in Land Use and Regulation

We focus on the process, plans and policies that affect the development of land, especially in urban "fringe" areas most at risk from changing land uses. We also investigate issues around the reuse of vacant and underutilized land and the conservation of land. While we are interested in the economically efficient use of land, we take a more comprehensive perspective for evaluating land use and its regulation. We seek to understand how the development, reuse and conservation of land affect other public values and goals, such as access to land, the character of society and the quality of life.

Politics of Megaprojects

Alan Altshuler and David Luberoff, Taubman Center for State and Local Government, John F. Kennedy School of Government, Harvard University

To study the political and institutional history of Boston's Central Artery/Third Harbor Tunnel project and other megaprojects across the country. The researchers plan to examine the place of large-scale transportation projects and other public infrastructure investments in urban land use and development politics.

Growth and Spread of Vacant/Underutilized Land and Land Value Depression in Buffalo: 1946-1996

Alex Anas, Department of Economics, and Elizabeth Kent, Barry Lentnek, Jean-Claude Thill, Department of Geography, State University of New York-Buffalo

To examine the process of vacant and underutilized land accumulation in rust-belt cities. The study is based on a cross-sectional regression analysis of the market price of vacant and underutilized parcels using variables that measure location, accessibility, ownership, and physical characteristics of the parcels and the surrounding neighborhood.

Use of Growth Management Tools to Achieve Sustainable Development

Philip Berke, Department of City and Regional Planning, University of North Carolina-Chapel Hill

To show the relationship between the use of certain growth management tools and policies and their actual outcomes through the use of

both domestic and international case studies and a conceptual framework for understanding communities' efforts at achieving sustainability.

Developing Model Solutions to Recycling Brownfield Areas

J. Thomas Black, Lincoln Institute of Land Policy

To review the existing "state of the art" regarding the market for reuse of urban industrial areas, focusing on medium to large U.S. cities. The final output will be a set of model strategies and related action programs to restore urban brownfields to productive uses.

Government and Vacant Land: Creating Cityscapes

Ann O. Bowman, Department of Government and International Studies, University of South Carolina, and Michael A. Pagano, Department of Political Science, Miami University, Ohio

To study the availability and use or reuse of vacant and fringe land in U.S. cities, to analyze successful and less-than-successful city policies that affect the use of vacant land, and to link the analyses of vacant and fringe land to a broader understanding of city development.

Public Policy and Sprawl: Implications of Existing Development Patterns

Patricia Burgess, Planning and Urban Design Services, The Urban Center, and Thomas Bier, Housing Policy Research Program, Levin College of Urban Affairs, Cleveland State University

To analyze the public policy implications of sprawling development adjacent to Cleveland as part of a statewide examination of metropolitan development patterns. The results will serve as a model to aid researchers and government officials in six other Ohio cities.

Vacant Land In Latin American Cities

Nora Clichevsky, CONICET, Buenos Aires, Argentina



To undertake a comprehensive study of vacant land in six countries of Latin America, based on an in-depth case study of Buenos Aires. The research will be incorporated into an international seminar on vacant land problems in Latin American cities.

State-Level Growth Management

John DeGrove, Joint Center for Environmental and Urban Problems, Florida Atlantic University/Florida International University

To investigate state and regional growth management systems and their approaches to planning objectives, including consistency of statewide planning and provisions for adequate infrastructure, affordable housing, economic development and funding.

Urban Transformations and Land Use Regulation

Mabel Fernandez Gonzales Silvano, School of Architecture and Urbanism, University of Belgrano, Buenos Aires, Argentina



To analyze land use changes in Buenos Aires as a consequence of globalization and economic restructuring. The research

investigates the shift from a European to an American model of metropolitan development, which emphasizes extensive transportation networks that support gated communities, office complexes and other development on the urban fringe.

Changing Character of Public Spaces in Contemporary Metropolitan Areas

Ann Forsyth, Department of Landscape Architecture and Regional Planning, University of Massachusetts at Amherst

To analyze and classify formal and informal regulations for major types of public and semi-public spaces in the Springfield-Hartford metropolitan area, and then to examine the changing nature of these spaces and the implications for the character of public interactions.

Changing Organization of Work

Genevieve Giuliano, Department of Urban and Regional Planning, University of Southern California

To examine how trends in the changing organization of work may affect household location choice, travel patterns and urban structure, using the Los Angeles area as a case study.

Land Use Patterns, Social Justice and Environmental Improvement

William Goldsmith, Department of City and Regional Planning, Cornell University

To study problems of metropolitan land use, social justice and environmental improvement, building on both scholarly literature and practical concerns of local officials and activists.

Non-Profit Developers and Vacant Land

James Goldstein, Tellus Institute, and Greg Watson, Dudley Street Neighborhood Initiative, Boston

To develop course materials on vacant land reuse for community development corporations across the country. Two components of the project are a case study of the Dudley Street Neighborhood Initiative and suggested processes for bringing community stakeholders together to identify common goals in overcoming barriers to redevelopment.

Boston as a Global City Region

Rosalind Greenstein, Lincoln Institute of Land Policy

To document the spatial form of metropolitan Boston in order to understand the process of urbanization and the particular form it takes in this region. As part of a comparative investigation of 13 global city regions, the study will use mapping and statistical analysis to isolate the forces that operate at regional, national and international levels.

Impact of Housing-Related Tax Expenditures on Residential Land Use Within the Metropolitan Area

Joseph Gyourko, Department of Real Estate and Finance, The Wharton School, University of Pennsylvania, and Richard Voith, Federal Reserve Bank, Philadelphia

To study how federal tax policy related to housing has influenced the nature of urban form and, in particular, residential land use intensity in the Philadelphia metropolitan area. The primary issue under investigation is the relationship between decentralization and housing-related tax policies.

Limitation on Development Impact Exactions as a Means to Limit Social Policymaking

James Holloway and Donald Guy, Department of Finance, School of Business, East Carolina University

To examine two recent U.S. Supreme Court takings decisions which applied a means-ends analysis that protects the property rights of real estate developers and that subjects municipal land use policymaking to heightened scrutiny.

Does Planning Matter?

Gerrit Knaap and Lewis Hopkins, Department of Urban and Regional Planning, University of Illinois-Urbana

To analyze the effects of changes in urban growth boundaries and local zoning ordinances on land values, land transactions and development activity in Portland, Oregon. The researchers use dynamic visualization and statistical tests and create a GIS database on property sales transactions, zoning and plan designation changes, subdivisions, and building permits.

The Influence of New Flexibility and Technology Requirements on Weak Commercial Property Markets

Nancey Green Leigh, City Planning Program, Georgia Institute of Technology

To explore changes in land use demands and the context for reuse of central city office and industrial properties in Atlanta and Chicago, stemming from an increased emphasis on flexibility in the organization of manufacturing production and in the delivery of producer services.

Overcoming Regulatory Barriers to the Reuse of Urban Land

George W. Liebmann, Law Offices of George W. Liebmann, Baltimore

To review the methods of removing barriers to the adaptation and reuse of urban land in the U.S. and internationally, and to develop an annotated model ordinance or state enabling law allowing for more effective urban land use policies.

Contested Terrain: Land Ownership and Land Use in Jerusalem

Najwa Makhoul, Center for Middle Eastern Studies, Harvard University

To map out the structure of land ownership and regulation in Jerusalem as it relates to land values. The researcher will document the forces acting on land values and the mechanisms through which they are being transformed.


Edge Cities

Patrick McGovern, Department of Urban and Regional Planning, University of Michigan

To explore the relationships between environmental regulation, racial change and edge city growth through examining the ten largest metropolitan areas in the U.S. and the dominant edge city in each.

Poverty, Urban Environment and Land Segregation

Sonia Regina deBrito Pereira, Lincoln Institute of Land Policy

 To study problems of environment and land segregation caused by socio-economic and spatial disparities in developing countries, in particular in Latin America. The project includes a case study of squatter communities in the Baixada de Jacarepagua region of Rio de Janeiro, with the aim of developing programs to train community leaders to deal more effectively with local land use conflicts and environmental risks.

Growth Management Case Study on Boulder, Colorado

Peter Pollock, Lincoln Institute of Land Policy, and Planning Department, Boulder

To discuss the history and effects of growth management efforts in Boulder, as an example of the process that communities follow to attain suitable and effective institutions for growth management.

Evaluation of Recent Reforms Regarding Land Policy in Latin America

Fernando Rojas, Lincoln Institute of Land Policy

 To study institutional changes, new intergovernmental fiscal and managerial arrangements, and decentralized planning and budgeting in Latin American cities.


Urban Social Segregation in Santiago: Trends, Problems and Opportunities

Francisco Sabatini, Institute of Urban Studies, Catholic University of Chile, Santiago

 To understand the social impacts of urban spatial segregation based on an analysis of public transportation commuting times and the 'social pathologies' prevalent in lower-income areas. The research will help project trends in the morphological pattern of the city and the social implications of those trends.

Comparative Patterns of Intra-Urban Segregation

Francisco Sabatini, Institute of Urban Studies, Catholic University of Chile, and Martim Smolka, Lincoln Institute of Land Policy

 To develop terms of reference for an international comparative study of patterns of segregation in Latin American cities. The focus of this empirically oriented study is less on urban form than on the concrete processes affecting segregation associated with commuting patterns and residential mobility.

Growth Management in States Without Legislation

Patricia Salkin, Government Law Center, Albany Law School

To examine states and regions which have invested significant fiscal and human resources in the effort to coordinate planning strategies, yet in the end failed to enact meaningful legislation. The research focuses on the political, social and fiscal problems that hindered reform initiatives.


Land Transformation in Peripheral Areas

William Siembieda, Department of Urban Planning, University of New Mexico

 To help improve policy frameworks for dealing with issues of land management and infrastructure by concentrating on the dynamics of land transformation at the periphery of secondary cities in Mexico.

Legislation, Markets and Access to Housing in Sao Paulo, Brazil

Helena Menna Barreto Silva and Carolina Maria Pozzi de Castro, Laboratory of Housing and Urban Settlements, School of Architecture and Urbanism, University of Sao Paulo, Brazil

 To examine the barriers to expanding access to legal housing by low-income populations which are traditionally forced into informal and illegal markets. This paper stimulated discussion at a Lincoln Institute workshop on low-income housing markets in Sao Paulo in August.


Future Form of Global City Regions

Roger Simmonds, School of Planning, Oxford Brookes University, Oxford, England

To examine to what extent the emerging socio-economic and physical forms of global city regions represent a new type of human settlement for the 21st century. Each of 13 research teams focuses on one city region and produces data on its decade-by-decade growth, linking mapping exercises to changes in key social and economic indicators and investment in transportation and communications infrastructure.

Urban Land Management Case Studies

Nadia Somekh, Intermunicipal Consortium, Metropolitan Sao Paulo, Brazil

 To select and develop three case studies where innovative land use control instruments were used (successfully or not) in the contexts of public/private actions, preservation of urban landmarks and environmental features, and policies aimed at low-income areas. The cases will be prepared as training materials for planning professionals and students throughout Latin America.



DENOTES PROJECTS IN
THE LATIN AMERICA PROGRAM

Consensual Approaches to Land Use Decisionmaking: An Analysis of Recent Experience

Lawrence Susskind, Consensus Building Institute and Department of Urban Studies and Planning, Massachusetts Institute of Technology, and Marshall Kaplan, Graduate School of Public Affairs, University of Colorado-Denver

To develop an evaluative framework and apply it to cases of land use decisionmaking in which professional facilitation, mediation or other forms of consensus building were used to supplement normal governmental processes.

Costs and Benefits of Metropolitan Employment Deconcentration

Wim Wiewel and Joseph Persky, Great Cities Institute and College of Urban Planning and Public Affairs, University of Illinois-Chicago

To develop an overview of employment and firm location trends in metropolitan areas, focusing on the relative positions of central cities, inner suburbs and outer suburbs. The study will also present a comprehensive cost-benefit analysis of location decisions and review the relative effectiveness of various policies aimed at reducing employment deconcentration or mitigating its adverse effects.

Comparative Analysis of Vacant Land in Urban Areas in Western Europe

Barry Wood, Department of Town and Country Planning, University of Newcastle-upon-Tyne

To analyze and review the causes of vacant land, why its occurrence is of policy concern, and what policy solutions have been put forward to deal with it in the Netherlands, France, Italy and the United Kingdom.

Transfer of Development Rights

Robert D. Yaro, Regional Plan Association, New York

To describe the ways in which the transfer of development rights from rural areas to town centers and designated development areas can be part of a larger physical and institutional framework for on-going, sustainable development.

Program in Land Values, Property Rights and Ownership

We study how the actions of stakeholders in both private and public sectors produce land values and distribute rights to land. We are also interested in how to develop methods to measure land value. This program area touches upon the larger issues of property rights, the operations of formal and informal land markets in creating and distributing land value, and methods for both recovering the costs of public investment in land and distributing the wealth gained from land.

Metropolitan Land Markets

H. James Brown, Lincoln Institute of Land Policy

To analyze patterns of development and urban expansion in the Boston metropolitan area through the use of survey information on land-owners' perceptions of the current land market and their resulting real estate decisions.

Measuring Regulation

Richard Green and Stephen Malpezzi, Department of Real Estate and Urban Land Economics, University of Wisconsin-Madison

To develop an error correction model of housing prices, with special emphasis on the effects of the regulatory environment on the time path of adjustment in the housing market. The researchers will also estimate the price elasticity of the supply of housing across U.S. metropolitan areas and analyze the determinants of these elasticities.

Problems in the Estimation of Urban Land Price Indicators

Emilio Haddad, School of Architecture and Urbanism, Institute for Technology Research, University of Sao Paulo, Brazil

To analyze problems not covered in existing literature regarding the estimation of land prices in the Latin America context of uneven regional wealth and income distribution, unplanned urban growth, and informal and illegal markets.

Parcel-Based GIS for Land Supply and Capacity Monitoring

Anne Vernez Moudon, Cascadia Community and Environment Institute, College of Architecture and Urban Planning, University of Washington-Seattle

To develop a "protocol" of GIS attribute data, repeat inventory requirements, and related analytical techniques, which are essential for urban and suburban land planning and monitoring. This protocol will help improve communication and increase efficiency and accuracy of data, allowing for a better understanding of the forces that impact land supply and capacity.

Formal and Informal Mechanisms in Housing Production in Developing Countries

Ayse Pamuk, Department of Urban and Regional Planning, University of Virginia

To study the role of informal arrangements in land delivery and transfers in developing countries. The importance of private arrangements made in informal land markets will be examined, using Trinidad and Tobago to assess the consequences of a restrictive regulatory environment.

Security of Tenure

Omar Razzaz and Bishwapriya Sanyal, Department of Urban Studies and Planning, Massachusetts Institute of Technology

To evaluate the state of the art in informal land and housing markets with an emphasis on developing countries. The researchers will examine the contributions of the literature grounded in both "institutional economics" and the "plan-

ning perspective," identifying the gaps in the current body of research and areas for further investigation.

Effects of the Implementation of New Land Use Controls and Regulations in Restructuring Real Estate Markets in the Cities of Sao Paulo State

Raquel Rolnik, Department of Architecture and Urbanism, Catholic University of Campinas, Sao Paulo, Brazil

To examine the process of implementing innovative land use control instruments and regulations and their effects on land markets and the behavior of market agents since changes were introduced in the 1988 Brazilian Constitution. Three city case studies will also be prepared.

Public Development of Publicly Owned Lands

Lynne Sagalyn, Graduate School of Business, Columbia University

To determine what types of policies underlie the strategies cities follow for the disposition of publicly owned land in order to examine the trade-offs involved in meeting multiple objectives, the influence of structural factors, and the issue of government accountability.

Alternative Sources of Real Estate Capital in Two Latin American Historic Districts

Joseph L. Scarpaci, Department of Urban Affairs and Planning, Virginia Polytechnic Institute and State University

To analyze the different contemporary land uses which compete in the historic districts in Cartagena, Colombia, and Cuenca, Ecuador. Of special interest is the uneven degree of historic preservation in Latin American cities, and in particular the alternative ("illicit") sources of capital used to drive real estate markets in older neighborhoods.

The Functioning of Urban Land Markets in Latin America

Martim Smolka, Lincoln Institute of Land Policy

To understand key themes in the functioning of urban land markets in Latin America. Twelve scholars analyze a theme relevant to their country and each other researcher contributes additional information based on his or her country's experience. This collaborative and iterative process will result in a publication that presents a comprehensive analysis of land market issues.

For information about the Lincoln Institute's research proposal process, visit our Web site at www.lincolninst.edu/lincoln or email your inquiry to help@lincolninst.edu.

For information about research projects in Latin America, contact Ana Vera Wynne, Research Assistant for Latin America Programs (awynne@lincolninst.edu).



DENOTES PROJECTS IN THE LATIN AMERICA PROGRAM



Institute Awards More Dissertation Fellowships

The Institute has established a fellowship program for Ph.D. students whose dissertation research focuses on land use and tax policy issues in the U.S. and around the world. The program provides an important link between the Institute's educational and research objectives by supporting scholars early in their careers. The first group of four fellowships was announced in the July issue of *Land Lines*. The following 11 projects, listed by Program Area, are also being supported during the 1997-1998 academic year.

Program in Taxation of Land and Buildings

Value Recapture in Latin America

Fernanda Furtado, School of Architecture and Urbanism, University of Sao Paulo, Brazil



To offer a framework to evaluate the Latin American experience with public value recapture, and to explore its potential as a basis for urban land policy. The private appropriation of land value increments constitutes a recurrent issue in the literature that examines the problems engendered by urbanization in Latin America. This research works with the hypothesis that ambiguities in the interpretation of value capture mechanisms are closely associated with difficulties in their implementation.

The Effect of Market Value on Inner-City Residential Reinvestment

Michelle M. Thompson, Department of City and Regional Planning, Cornell University



To examine municipal assessment and fee appraisal standards and procedures, as well as the impact of valuation estimates in an urban residential context. Focusing on market shifts and residential value trends in

Boston since the early 1980s, the research will look at differences between municipal and private fee appraisal values which may have an impact on the ability to invest or reinvest in a community. The findings will assist in the implementation of standardized public policy for value estimation, which should have objective, market-specific modifications.

Program in Land Use and Regulation

Public Policy and the Post-World War II Suburbanization of Pittsburgh

Kent James, Department of History, Carnegie Mellon University



To examine the suburbanization process since the end of World War II, using Pittsburgh and its suburbs as a case study. The research will explore how public policy encouraged suburbanization through local and federal tax policies, infrastructure development, zoning laws, and the evolution of school district and municipal boundaries. Documenting the historical forces of suburbanization will provide the context for developing more effective public policies for the future development of metropolitan regions.

Development Principles and Practices in Orlando's Evolving Residential Communities

Kristin Larsen, Department of City and Regional Planning, Cornell University



To analyze the influence of development principles, including street and lot configurations, housing orientations and land uses, on Orlando's evolving single-family residential areas. The research will examine a

case study neighborhood representing each of four distinct boom periods to determine the nature of the interaction between development principles and practices during periods of rapid growth. This analysis will be relevant to other local governments embracing the New Urbanism as a model of development.

Linking Land Use, Transportation and Travel Behavior: Modeling Trip-Chaining in Terms of Land Use and Accessibility Patterns

Sumeeta Srinivasan, Department of Urban Studies and Planning, Massachusetts Institute of Technology



To understand how changes in land use and transportation regulations at a local level could affect travel behavior such as trip-chaining. The study will use computer-based discrete choice models to examine this

behavior and its relevance to both household and neighborhood characteristics. The model

can then be used with GIS to measure the sensitivity of trip-chaining to local land use and transportation policies and to provide spatial analysis and a representational tool for planners.

Democratic Debates in Land Use Planning and Decision Making: A Case Study of Citizen Participation in Wisconsin

Stacey Swearingen, Land Resources Program, Institute for Environmental Studies, University of Wisconsin-Madison



To evaluate the consequences of participatory opportunities by examining a Wisconsin Department of Natural Resources initiative to bring local communities into the planning process for a purchase of development rights program. By asking if participation per se is a sufficient condition to ensure local support of such a program, this research builds on democratic theory and provides empirical evidence concerning a citizen's role in a democratic society facing serious environmental problems.

Program in Land Values, Property Rights and Ownership

Rising Land Prices in Israel: A Failure of the National Ownership Policy or a Necessary Adjustment to a Free Market Oriented Society?

Gilat Benchetrit, Faculty of Architecture and Town Planning, Technion/Israel Institute of Technology



To examine Israel's land policy, which was designed to restrain land speculation by concentrating ownership under the national government. In reality, the land market is subject to substantial price fluctuations as the

differences between property rights linked to leased national land and to privately owned land have diminished. The study will examine the implications of privatizing land markets and other land policy models.

Dissertation Fellowships continued on next page

Lincoln Lecture Series

The Lincoln Institute annually sponsors a series of lectures at Lincoln House in Cambridge to present research by colleagues working in the area of land and tax policy. The following special programs are offered this fall.

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Founder's Day Lecture Land Value Tax: What Do We Need to Know?

MONDAY, SEPTEMBER 22, 1997, 3:00 P.M.

This lecture by Dick Netzer, professor of economics and public administration at the Robert F. Wagner Graduate School of Public Service, New York University,

commemorates the 131st anniversary of the birth of John Cromwell Lincoln, the Cleveland industrialist who founded the Lincoln Foundation in 1947. Mr. Lincoln drew inspiration from the ideas of Henry George, the nineteenth-century American political economist and social philosopher. George proposed the use of a tax on land, the land value tax, as a solution to public financing and other problems facing society during his lifetime.

The Lincoln Institute has commissioned Netzer to lead a team of distinguished researchers in writing papers for a roundtable discussion to be held in January 1998 on the topic of the land value tax

and its use today. In this Founder's Day address, Netzer discusses his own research on land value taxation and gives an overview of the studies being conducted by other participants in the roundtable.

Fullmer Lecture Tools and Techniques for Managing Growth in the Boulder Region

FRIDAY, OCTOBER 24, 1997, 3:00 P.M.

Peter Pollock, director of the Community Planning Division, Department of Community Design, Planning and Development in the city of Boulder, Colorado, presents this year's Fullmer Lecture. This named lecture was created in 1993 to honor David R. Fullmer, the former General Counsel and Secretary to the Lincoln Institute.

Pollock is on leave from his position to study and conduct research in Cambridge as a 1997-98 Loeb Fellow at the Harvard University Graduate School of Design and a 1997-98 Visiting Fellow at the Lincoln Institute. He will discuss Boulder's experience in developing a wide range of local and regional growth management mechanisms, including urban growth boundaries, impact fees and open space planning.

For more information or to register for these free lectures, contact the Institute at 800/LAND-USE (526-3873).

Dissertation Fellowships

continued from previous page

Informality and the Formal Private Sector's Role in Low-Income Housing: The Case of Ahmedabad City

Vinit Mukhija, Department of Urban Studies and Planning, Massachusetts Institute of Technology



To examine the way government's enabling policies transform the formal/informal and legal/illegal strategies available to private developers and low-income households. By comparing successful and failed

low-income housing projects by a private developer in Ahmedabad, India, the researcher hypothesizes that the successes were made possible by the group's ability to use certain informal and illegal practices.

The Use (and Misuse) of Property Rights in Environmental Policy

Leigh Raymond, Department of Environmental Science, Policy and Management, University of California-Berkeley



To explore the issues of equity and ecological success in the allocation of private property rights under government-sponsored programs. The research will focus on two case studies: federal grazing permits created

under the Taylor Grazing Act of 1934 and tradable emissions permits created under the Clear Air Act Amendments of 1990. The task will require bringing the philosophy of property literature to bear on environmental policy problems, in pursuit of improved policy options.

The Construction of Property Rights and Their Impact on the Use of Natural Resources

Erika N. Sasser, Department of Natural Resource Policy, Nicholas School of the Environment, Duke University



To evaluate how different property rights regimes affect decisions made by natural resource managers as to the nature and rate of resource use. The potential conflict between social pursuit of environmental goals and

individual pursuit of private rights is a central concern. The study will develop a theoretical model of property rights and resource management, and then test that model in the context of forest management in the United States, Canada and Mexico.

A Multi-Variate Analysis of Commercial, Industrial and Office Land and Improvement Values in the Seattle Area

Abhay Thatte, Institute for Public Policy and Management, University of Washington-Seattle



To examine the relative contribution of business and social amenities on the sale price of commercial and industrial land in two Seattle suburbs. While most studies of land values have focused on traditional business

factors such as highway access and agglomeration economies, this research will also look at social amenities, including crime rates, open spaces and school test scores, as variables in a regression model.



Model Solutions to Revitalize Urban Industrial Areas

J. THOMAS BLACK

Most urban areas are experiencing significant disinvestment in older industrial-warehouse areas, along with a net loss of employment, tax base and related activity. The few recent surveys done to measure vacant industrial land suggest that, in Northeastern and Midwestern cities, 15 to 20 percent of industrial sites are inactive. In major cities such as Chicago or Philadelphia, vacant land can amount to several hundred parcels comprising several thousand acres. Often there are significant financial liabilities associated with the ownership of these “brownfield” sites due to the high incidence of contamination and related safety and environmental problems.

Vacant or underused properties are often located in areas suffering generally from physical decline, concentrations of low-income households and high crime rates. Thus, older cities are faced with the dual challenge of improving the capacity of the resident population to participate productively in the labor force and restoring the competitive market standing of areas with declining fiscal capacity.

While recent economic changes have resulted in a net decline in business activity in older industrial areas, many of these sites have the potential for residential, commercial or office reuse, with varying degrees of investment required. However, reuse is often constrained by factors including fragmentation in ownership, risks associated with the ownership or use of contaminated property, and the high market risks associated with front-end investment in environmental assessments, market studies, land assembly and area planning.

Currently, federal laws and regulations dealing with contaminated sites add to the high risk for new owners, investors and users who might otherwise contribute to reinvestment in and reuse of these areas. Also, federal and state clean up programs tend to operate independently of concerted area-wide redevelopment strategies and programs.

Special Situations for Industrial Reuse

Unfortunately, examples of successful reuse approaches which effectively orches-



THE COLLINWOOD YARD IN NORTHEAST CLEVELAND IS A 48-ACRE, MAINLY VACANT INDUSTRIAL SITE WHICH HAS LOST 20,000 JOBS SINCE 1970. ITS ACCESS TO INTERSTATE 90 AND THE RAIL LINES IS A KEY ELEMENT IN THE REVITALIZATION OF THE AREA.

trate federal, state and local government policies and actions with private landowner, investor and business development actions are limited and tend to be concentrated in a few special situations. One circumstance involves a strong private owner such as a financially healthy major corporation which cannot avoid the liabilities associated with the site yet cannot afford the adverse publicity of simply abandoning it.

Another situation is when a strong private reuse market for the site creates a high reuse value relative to the current “as is” value. This typically involves waterfront or other property adjacent to growing downtowns or sites which happen to fit the development needs for a major, publicly subsidized facility such as a new stadium or convention center. In these situations, the private or public reuse benefit calls forth the financial and political resources necessary to acquire, clean up and redevelop the land.

However, most vacant or underused former industrial-warehouse properties do not meet these conditions. Generally the demand for reuse is weak or declining, in part due to deteriorating neighborhood conditions. Because of low land values, even for clean, ready-to-develop sites, finding investors for either equity or debt

investment in acquisition, renovation or new development is problematic. These areas typically require more concerted efforts involving business, government and civic group participation.

Site-Specific vs Integrated Redevelopment

While interest in brownfields reuse has increased over the last several years, policy discussions at the national level and programs in the states tend to approach brownfields as a site-specific contamination cleanup problem rather than an area-wide reuse problem within the context of the metropolitan economy.

The case for integrating site treatment into a broader redevelopment strategy can be argued from several angles. One is simply that giving priority to cleanup expenditures may do little to foster area reuse and may preclude the more effective use of public funds. If the contamination is contained within a small area and the public can be protected from any potential harm, then area reuse may be more effectively fostered by focusing on the removal of other constraints to investment. These constraints may include improving access, removing unsightly buildings, installing landscape improvements, clearing sites of

obsolete structures, and subdividing the area to better meet current facility demands.

Another argument for integrating site cleanup into an overall redevelopment strategy is that the cleanup costs are difficult to finance in a situation where the value of clean sites is very low. If an area-wide redevelopment effort focuses initially on increasing the overall demand to reuse sites, putting vacant clean sites into use will improve the demand/supply balance. Then, the cleanup costs can in most cases be funded out of the increased site value, and private owners of such sites will be motivated to clean up the sites voluntarily. Area-wide financing schemes using tax

in industrial areas. Some examples are the American Street industrial area in Philadelphia, the Collinwood area in Cleveland, the Southwest industrial area in Detroit, the south side of Chicago and several areas in Pittsburgh.

Research directed at discovering common opportunities and constraints and the related strategies most effective at addressing different types of situations is very limited. Therefore, our approach is to conduct a broad survey of industrial reuse markets based on a review of existing reports and interviews with local experts, and then to develop a series of in-depth case studies to assess alternative reuse strategies appropriate to common types of situations.

Each case study will include a survey and assessment of the city-wide situation and the conditions in various industrial subareas. Model solutions will focus on a single subarea chosen to represent a combination of factors, including the relevance of that case to other cities and the relative importance of the subarea to its city's overall reuse plan. In each case, a group of development professionals familiar with the local real estate market will be involved in assessing opportunities and constraints, alternative strategies and implementation measures. Ultimately, our objective is to identify changes in federal, state and local techniques, policies and programs that would support the implementation of the strategies being developed.

J. Thomas Black, visiting fellow of the Lincoln Institute, is an urban development economist and the principal investigator for this project. The study is in its early stages and the author invites your insights, ideas and suggestions on the subject, particularly for case examples demonstrating opportunities, general strategies, particular techniques, financing methods or organizational structures that work well. He can be reached by phone: 703-875-0314, fax: 703-875-0315 or email: tomblack@erols.com.

J. THOMAS BLACK

THE UNION SEVENTY CENTER IN ST. LOUIS IS A MULTI-TENANT INDUSTRIAL/WAREHOUSE FACILITY OCCUPYING A REMODELED 2.7 MILLION SQUARE FOOT GENERAL MOTORS ASSEMBLY PLANT. IT IS PART OF A 171-ACRE REDEVELOPMENT PROJECT WHICH DEMONSTRATES THE REUSE AND INVESTMENT POTENTIAL OF OLDER URBAN INDUSTRIAL AREAS.

increment financing (TIF) and special taxing and benefit districts can also facilitate the funding required for remediation and indemnification against any future liabilities.

New Models and Strategies

The Lincoln Institute, in cooperation with the U.S. Department of Housing and Urban Development, is undertaking a research project to explore the problem of recycling urban industrial areas which fall outside of the special situations described above. The study builds on recent work conducted by the Lincoln Institute, the Northeast-Midwest Institute, the author and others who have researched reuse potential and demand/supply constraints

New Lincoln/ Brookings Book Explores Gated Communities

Across the country, Americans are "forting up"—retreating from their neighbors by locking themselves behind security-controlled walls, gates and barriers. An estimated 8 million Americans live in gated communities today, with large concentrations in Los Angeles, Phoenix, Chicago, Houston, New York and Miami. This trend has become popular in both new suburban developments and older inner-city areas as residents seek refuge from the problems of urbanization. But what does it mean for the nation?

Fortress America: Gated Communities in the United States probes the development and social impact of this rapidly growing phenomenon. While early gated communities were restricted to retirement villages and the compounds of the super-rich, today the majority are for the middle to upper-middle class. Even existing modest-income neighborhoods are using barricades and gates to seal themselves off.

According to authors Edward J. Blakely and Mary Gail Snyder, this splintering and fragmenting of the nation's neighborhoods behind boundaries and gates represents an increasing and threatening polarization of the country. While these barriers may protect, they also escalate the paranoia that many people associate with urban life. The authors ask, "Can there be a social contract without social contact?"

The book looks at the three main categories of gated communities and the reasons for their popularity:

- lifestyle communities, including retirement communities, golf and country club leisure developments, and suburban new towns;
- prestige communities, where the gates symbolize distinction and stature, including enclaves of the rich and famous, developments for high-level professionals, and executive home developments for the middle class; and
- * security zones, where fear of crime and outsiders is the main motivation for fortifications.

FYI

RELATED PUBLICATIONS

(To order, use form on page 7.)

Wright, *Risks and Rewards of Brownfield Redevelopment*, 1997. Policy Focus Report. \$14.00 paperback.

The authors examine the social, political and governance dilemmas posed when millions of Americans opt out of the local governance system by privatizing their environment. They address such essential issues as: Do these gated communities and walled cities point to a widespread "fortress mentality" in America? Do gated communities reduce crime or increase fear? What does it say about the nation when divisions between neighborhoods require armed patrols and electric fencing to keep out other citizens? What are the policy consequences? At the local level, what is the impact of private communities on citizens' voting behavior? And when public services and local government are privatized and community responsibility stops at the front gate, what happens to the functioning and the very idea of democracy?

Blakely and Snyder argue that gating does nothing to address the problems of urbanization to which it is responding. They propose alternatives, such as more emphasis on crime prevention, better traffic control in neighborhoods, designing new developments to encourage sustainable communities, and creating metropolitan regional planning governance.

Edward J. Blakely is dean of the School of Urban and Regional Planning at the University of Southern California. **Mary Gail Snyder** is at the Department of City and Regional Planning at the University of California, Berkeley. *Fortress America* is based on their research, which was supported in part by the Lincoln Institute. The illustrated, 192-page hardcover book is copublished with Brookings Institution Press and is available from both organizations for \$24.95, plus shipping and handling.

FYI

RELATED PUBLICATIONS

(To order, use form on this page.)

Blakely, "Shaping the American Dream: Land Use Choices for America's Future," 1992. Working Paper. \$9.00.

Blakely and Snyder, "Fortress America: Gated and Walled Communities in the United States," 1995. Working Paper. \$14.00.

Downs, *New Visions for Metropolitan America*, 1994. \$16.95 paperback.

Fulton, *The New Urbanism: Hope or Hype for American Communities?* 1996. Policy Focus Report. \$14.00.

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Who Owns America?: A Call for Papers

The North American Program of the Land Tenure Center at the University of Wisconsin-Madison is hosting a conference to exchange ideas and information about land and natural resource tenure issues and trends, and their implications, in the U.S., Canada and the U.S./Mexico border region. "Who Owns America? II: How Land and Natural Resources are Owned and Controlled" will be held June 3 to 6, 1998, in Madison. The Lincoln Institute is one of several cosponsors.

The conference, which follows a 1995 session on the same topic, seeks to bring together public officials, policymakers, grassroots activists, business interests, academic representative, non-governmental organizations and private citizens interested in the following themes:

- A Bundle of Rights: Law, Policy and the Politics of Land
- Cultures, Ethics and the Land
- For Land and Money: Economic Realities and Alternatives
- This Land Was My Land: Land Loss Prevention and Recovery
- Natural Resources Ownership and Management

Proposals to present papers, panels, posters and videos or films, or to organize a workshop, should be submitted by November 1, 1997, to: Gene Summers, Director, North American Program, Land Tenure Center, University of Wisconsin-Madison, 1357 University Avenue, Madison, WI 53715; fax 608/262-2141; email <ltc-nap@facstaff.wisc.edu>. Abstracts or descriptions should not exceed two double-spaced typewritten pages. For more information, contact Lynn Meinholz at 608/262-3658, or visit the Land Tenure Center's home page at www.wisc.edu/ltc.

Lincoln/APA Training Series

The Lincoln Institute is joining forces with the American Planning Association (APA) to offer a series of audio conference training programs on planning and the public decisionmaking process. Each of four sessions is designed to help local officials and their staffs gain a richer understanding of current planning and development issues facing American communities. The presenters include elected and appointed officials, planning directors, land use attorneys, developers, planning consultants, policy researchers and academic researchers. The dates and topics to be covered are:

SEPTEMBER 10, 1997

New Directions in Neighborhood Planning

DECEMBER 3, 1997

Best Development Practices

JANUARY 28, 1998

Property Rights vs Public Resource Protection

JUNE 3, 1998

Public Anger and Community Decision Making

These audio conferences are designed to be delivered to groups of participants over a speaker telephone. Each one-hour session is held on a Wednesday at 4 pm, Eastern Standard Time. Questions can be faxed to the speakers before or during the program.

Registration provides access to the designated telephone number for the program, as well as reading materials, an agenda and instructions about asking questions. Participants can register for one or more programs or purchase a tape and transcript of any program. For more information or to register, contact Carolyn Torma or Candace Kane at APA, 312/431-9100.

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The Lincoln Institute of Land Policy is a nonprofit educational institution established in 1974 to study and teach about land policy and taxation. By supporting multi-disciplinary research, educational and publications programs, the Institute brings together diverse viewpoints to expand the body of useful knowledge in three key areas: taxation of land and buildings; land use and regulation; and land values, property rights and ownership. Our goal is to make that knowledge comprehensible and accessible to citizens, policymakers and scholars, to improve public and private decisionmaking. The Lincoln Institute is an equal opportunity institution in employment and admissions.



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