

Land Lines

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Land Lines

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The Lincoln Institute of Land Policy is a nonprofit educational institution established in 1974 to study and teach land policy and taxation. By supporting multidisciplinary educational, research and publications programs, the Institute brings together diverse viewpoints to expand the body of useful knowledge in three departments—valuation and taxation, planning and development, and international studies. Our goal is to make that knowledge comprehensible and accessible to citizens, policy makers and scholars in the United States and throughout the world. The Lincoln Institute is an equal opportunity institution in employment and admissions.

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Cover: Agua Branca Urban Operation in São Paulo, Brazil.
Courtesy of Paulo Sandroni.

From the EDITOR

When Jim Brown joined the Lincoln Institute as president and CEO in May 1996, he had served on the faculty of Harvard University for 26 years and headed the Joint Center for Housing Studies at the Kennedy School, considered the most prestigious research center on U.S. housing issues. As he prepares for retirement from the Institute after nearly nine years, he says that the most surprising aspect of his tenure has been his role in expanding the organization's international programs, especially in Latin America and China.



Jim Brown

"The Institute's programs on U.S. land use and tax policy were well-established and ably directed by senior fellows on the staff," Brown noted, "but the need and demand for training and research on these topics remain critical in the new market economies that have emerged over the past few decades. Public officials, policy makers, academics and stakeholders in the private sector all have been very receptive to and eager for our educational programs, and we have developed a lively exchange of knowledge and mutual respect."

Brown expanded and reorganized the Institute's academic agenda by integrating research and educational programs into three academic departments: Planning and Development; Valuation and Taxation; and International Studies. This structure encouraged each department chair to develop a curriculum, sponsor research, offer educational programs and disseminate information to fit the needs of various constituencies.

"I wanted to empower others to do their work in their own program areas, and I think the results have been very positive," Brown commented. "The Institute is more widely known today because of our enhanced commitment to curriculum development and special demonstration projects, as well as varied outreach efforts to share the results of our work. We are fortunate to have the financial resources to be able to develop programs and offer them to those who need and can benefit from this information."

The Institute offers more than 75 courses, conferences and seminars annually at Lincoln House and at locations around the globe to public officials, practitioners and private citizens. In addition, the Institute's research and graduate student fellowship programs have been greatly expanded over the past five years.

"I'm very pleased with how the staff has developed numerous ways to disseminate our sponsored research and information about our programs," Brown added. "These include the *Land Lines* newsletter; books, working papers and other academic publications; our annual catalog; and our Web site. Advances in online communication have challenged us to continue to find ways to reach new audiences."

As the Institute board, staff and faculty prepare for the next generation of presidential leadership, we offer our sincere thanks to Jim Brown for reinvigorating the organization's academic mission, the scope of research and educational programs, and approaches to learning and communicating information about the many facets of land policy.



Declaration of Buenos Aires

Urban land management policies and land market operations have taken on greater status in the debate on urban public policy in Latin America, and they are given increased attention in academic research and the development agendas of many countries in the region. Over the past 10 years the Lincoln Institute's Program on Latin America and the Caribbean has supported a network of Latin American scholars and practitioners who have developed seminars, promoted research, organized public debates, consulted with decision makers and published their findings on these timely issues. Members of this network met at a conference in Buenos Aires in April 2004 to assess their activities and prepare this summary declaration of core land policy issues crucial to the search for more sustainable urban development programs in the future.

Urban land policy in Latin America and the ways that land markets operate tend to produce cities that are economically unequal, politically and socially exclusionary, spatially segregated and environmentally unsustainable. The consequences of these policies can be seen in the high and often irrational prices for land, due in part to the absence of effective urban land management practices.

The Current Situation

Land markets are structurally imperfect. However, the functioning of urban land markets depends on social relations, just as the outcomes of land market operations affect those relations, making it both possible and necessary to influence the markets. Instead of removing the imperfections, many instruments and policies have in fact helped to distort urban land market operations even further. Moreover, many established policies have kept the "rules of the game" in urban real estate unchanged, and apparently unchangeable.

A more comprehensive reading of the problem reveals that, rather than being the result of inconsistent rationalization, the current dysfunctional land market is the result of missed opportunities for socially sustainable development in Latin American cities. Yet there are promising and innovative alternatives that can overcome the existing bottlenecks evident in inadequate and destructive national government policies, the enduring difficulties in financing urban development, and poor management practices.

One of the most glaring negative outcomes of the current situation is the relative persistence, weight and importance of informal urban land markets dominated



by many exclusionary practices, illegal titling, lack of urban services, and other problems. Deregulation in places that should be regulated (poor areas on the urban fringe), overregulation of wealthy regulated areas, and privatization policies that disregard social criteria are factors that help to drive these negative processes, particularly the spatial concentration of the urban poor. Although the majority of regularization programs are well-intended, they instead cause perverse effects, including increased land costs for the poorest sectors.

Traditional urban planning processes and urban standards have lost importance and effectiveness as instruments for guiding urban development, especially the existing mechanisms for land management. Yet this situation offers opportunities to think about innovative ways to deal with land management and urban planning strategies. This opportunity has already been seized in some places, where new ex-

periments and proposals are causing intense debates by questioning the predominant traditional approaches.

Creating new practices within this framework requires making one unavoidable step: rethinking urban land taxation by incorporating new methods and keeping an open mind regarding alternative fiscal instruments intended as tools to redirect current urban development and discipline the operation of the urban land market. These new tools should not only collect funds in order to build infrastructure and provide urban services, but also contribute to a more equitable distribution of benefits

and costs, especially those associated with the urbanization process and the return of recovered land value increments to the community.

Proposals for Action

Recognize the indispensable role of the government. It is critical that the government (from local to national levels) maintains an active role in promoting urban development. The local level should be more committed to structural changes in land management, while the national level should actively foster such local initiatives. Government must not ignore its responsibility to adopt urban land market policies that recognize the strategic value of land and the specific characteristics of how land markets operate, in order to promote the sustainable use of the land by incorporating both social and environmental objectives and benefiting the most vulnerable segments of the urban population.

Break the compartmentalization of fiscal, regulatory and legal authorities.

Lack of cooperation among local authorities is responsible for major inefficiencies, ineffective policies, waste of scarce resources and inadequate public accountability. Furthermore, incongruent actions by different public authorities send misleading signals to private agents and create uncertainties if not opportunities for special interests to subvert government plans. The complexity and scale of the challenges posed by the urban social reality of Latin American cities require multilateral actions by numerous stakeholders to influence the operation of urban land markets (both formal and informal), thus insuring the achievement of joint objectives: promoting sustainable and fair use of land resources; reducing land prices; producing serviced land; recognizing the rights to land by the urban poor; and sharing the costs and benefits of urban investment more evenly.

These authorities must also coordinate urban development policies with land taxation policies. They should promote a new urban vision with legislation that recognizes the separation of building rights from land ownership rights, with the understanding that land value increments generated from building rights do not belong exclusively to landowners. Urban managers must also devise creative mechanisms whereby these land value increments may be mobilized or used to produce serviced land for low-income social sectors, thereby offsetting urban inequalities.

Recognize the limits of what is possible.

Transforming the current regulatory framework that governs the use of urban land requires new legal and urbanistic thinking that recognizes that inequalities and socio-spatial exclusion are intrinsic to the predominant urban development model. Even within the current model there is substantial room for more socially responsible policies and government accountability. Urban regulations should consider the complexity of land appreciation processes and enforce effective traditional principles such as those that restrain the capacity of government agencies to dispose of public

resources or proscribe the “unjustified enrichment” of private landowners.

Break vicious cycles. Alternatives to existing regularization programs are needed to break the vicious cycle of poverty that current programs help to perpetuate. It is important to recognize that these programs are only a stopgap measure and that urbanization, housing and land taxation policies must also be integrated into the process. Reliance on housing subsidy policies, although inevitable, can be nullified if there are no mechanisms to prevent these subsidies from being translated into an increase in land prices. City officials should give priority to the creation of more serviced land rather than new regularization programs, since the right to a home is a social right to occupy a viable “habitat” with dignity. It is also important to understand that the low production of serviced land per se contributes to withholding the supply and, therefore, to higher prices affecting all aspects of urban development.

Furthermore, individual solutions (such as plot-by-plot titling processes or case-by-case direct subsidies to individual families) ultimately result in more costs for society as a whole than broader, collective solutions that incorporate other aggregate values such as public spaces, infrastructure investment and mechanisms to strengthen social integration. Many Latin American countries have witnessed subsidized housing programs, often supported by multilateral agencies, where the land component is overlooked or dismissed. Such programs seek readily available public land or simply occupy land in interstitial areas of the city. This disregard of a broader land policy compromises the replicability, expansion and sustainability of these housing programs on a larger scale.

Rethink the roles of public and private institutions.

Land management within a wide range of urban actions, from large-scale production of serviced land for the poor to urban redevelopment through large projects, including facelift-type actions or environmental recovery projects, requires new thinking about how public

Latin American Network

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institutions responsible for urban development can intervene through different types of public-private associations. Re-developing vacant land and introducing more flexibility in its uses can play a crucial role here, provided such projects fall under the strategic guidelines of public institutions, are subject to monitoring by citizens, and incorporate a broadly shared and participatory vision of urban development.

Showcase projects such as El Urbanizador Social (The Social Urbanizer) in Porto Alegre, Brazil, the Nuevo Usme housing project in Bogotá, Colombia, and that country’s value capture legislation are examples of sensible and creative efforts that recognize the importance of adequate urban land management and new thinking on the role of land, particularly the potential of land value as an instrument for promoting more

sustainable and equitable development for the poor of our cities. Creative and balanced new thinking is also exemplified by the joint ventures of public land and private capital in Havana, Cuba, with value increments captured for upgrading densely populated historic areas.

Empower the role of land taxation in public finance to promote urban development. National, state, provincial and local governments must share responsibility for promoting property taxation as an adequate and socially meaningful method of financing and fostering urban development. The property tax should be sensitive and responsive to Latin American cities that have a strong legacy of marked economic and socio-spatial differences. There may be good reasons to tax land at a higher rate than buildings, in a rational and differentiated manner, especially in outlying areas subject to urban speculation and lands offered *ex ante* to low-income sectors of society (making certain that paying the tax also helps to build citizenship in these sectors). As already noted, it is also critical to create innovative fiscal instruments appropriate to special situations and other methods for capturing the value generated.

Educate stakeholders in the promotion of new policies. All actors involved in these processes, from judges to journalists, from academics to public officials and their international mentors, need in-depth training and education in the operation of land markets and urban land management in order to achieve the above objectives. We must identify the “fields of mental resistance,” particularly in urban and economic thinking and in the legal doctrines that represent the obstacles to be overcome. We must recognize, for example, that an “informal right” exists and operates in many areas to legitimize land transactions socially, if not legally, and to create networks and spaces of solidarity and integration. It is urgent that we take steps to introduce these themes and proposals into political agendas at the various government levels, in political parties, social organizations, academia and the mass media. ■

Land Value and Large Urban Projects: The Latin American Experience

MARIO LUNGO and
MARTIN O. SMOLKA

Land value is determined primarily by external factors, mainly changes that occur in the neighborhood or other parts of the city rather than by direct actions of the landowner. This observation is especially valid for small lots whose form or type of occupancy do not generate sufficiently strong externalities to increase their own value retroactively; that is, a small lot generally does not have a significant impact on those very external factors that could affect its own value. However, large urban projects (*grandes proyectos urbanos* or GPUs) do influence those factors, and also the value of the land that supports them. Herein lies the essence the Lincoln Institute’s interest in such projects.

We propose two perspectives for analyzing GPUs that complement and contrast with others that formerly predominated in this debate. First, these projects can be a stimulating force for immediate urban change that is capable of affecting land values, and therefore land use, for large areas if not an entire city region. This view is focused more on urban design or urbanism and stresses the study of the physical, esthetic and symbolic dimensions of large urban projects. A second approach, covering the field of regulation, attempts to understand the land value appreciation generated by the implementation and operation of these projects as a potential means for self-support and economic feasibility. It analyzes the role of GPUs in providing a new function for certain areas of the city. Both perspectives require a more holistic understanding that includes the diversity and levels of complexity of the projects, their relation to the city plan, the type

of regulatory framework they require, the role of the public and private sectors in managing and financing them, land taxation and fiscal policies, and other factors.

These large projects are not new to Latin America. In the early twentieth century, many cities were impacted by programs that used public-private management arrangements, including outside players (national and international) and complex financial structures. Some projects had the potential to trigger urban processes capable of transforming their surroundings or even the city as a whole, as well as accentuating the preexisting socio-spatial polarization. Often the projects were layered over existing regulations, contributing to questions about the urban planning strategies in force at the time. Large urban developers and utility companies (English, Canadian, French and others) coordinated the provision of services with complex real estate development operations in almost all the major cities of Latin America.

Today large projects attempt to intervene in especially sensitive places to reorient urban processes and create new urban identities on a symbolic level. They also aim to create new economic areas (sometimes territorial enclaves) able to foster an environment protected from urban poverty and violence, and more favorable to domestic or international private investment. When describing the motives that justify these programs, the rhetoric focuses on their instrumental role in strategic planning, their alleged contribution to urban productivity, and their effectiveness in boosting their intercity competitive position.

In a context marked by transformations due to globalization, economic reforms, deregulation and the introduction of a new focus on urban management, it is not surprising that these programs have been

the subject of much controversy. Their scale and complexity often spur new social movements; redefine economic opportunities; put into question urban development regulatory frameworks and land use rules; strain local finances; and expand political arenas, thus altering the roles of urban stakeholders. An additional complication is the long time frame for executing large urban projects, which usually exceeds the terms of municipal governments and the limits of their territorial authority. This reality presents additional management challenges and formidable dilemmas within the public and academic debate.

The Lincoln Institute's contribution to this debate is to underscore the land component in the structure of these large projects, specifically the processes associated with urban land management and the mechanisms for land value capture or the mobilization of land value increments for the benefit of the community. This article is part of a broader, ongoing effort to systematize recent Latin American experience with GPUs and to discuss the relevant aspects.



Redeveloped area in Santa Fé, Mexico Courtesy of Mario Lungo

A Wide Range of Projects

As in other parts of the world, large urban projects in Latin America comprise a wide range of activities: restoration of historic downtown areas (Old Havana or Lima); renovation of neglected downtown areas (São Paulo or Montevideo); redevelopment of ports and waterfronts (Puerto Madero in Buenos Aires or Ribera Norte in Concepción, Chile); reuse of old airports or industrial zones (the Tamanduatehy artery in Santo Andre, Brazil, or the Cerrillos airport in Santiago, Chile); expansion zones (Santa Fé, Mexico, or the former Panama Canal zone); residential or neighborhood improvement projects (Nuevo Usme in Bogotá or Favela Bairro in Rio de Janeiro); and so on.

Land management is a key component in all of these projects, and it presents diverse sets of conditions (Lungo 2004; forthcoming). One common trait is that the projects are managed by a government authority as part of a city project or plan, even though they enjoy private participation in several respects. Thus exclusively private programs, such as shopping centers and gated communities, are a different category of development project not included in this discussion.

Scale and Complexity

The minimum threshold of scale, in terms of surface area or amount of financial investment, for a project to meet the GPU criteria depends on the size of the city, its economy, social structure and other factors, all of which help define the complexity of the project. In Latin America projects often combine large scale and a complex set of players associated with key roles in land policy and management, including various levels of government (national, provincial and municipal), private entities and community leaders from the affected area. Even relatively small upgrading projects are often formidably complex with

regard to the land readjustment component.

There is obviously a huge difference between a project proposed by one or a few owners over a large area (such as Par-Latino, an abandoned industrial site in São Paulo) and a project involving the cooperation of many owners of small areas. The latter requires a complex series of actions capable of generating synergies or sufficient external economies to make each action economically viable. Most projects fall between the two extremes. They often involve the prior acquisition of rights over smaller parcels by a few agents in order to centralize control over the type and management of the development.

The key to analysis and design of GPUs in Latin America lies in the ability of the institutional organization in charge of project management to incorporate and coordinate scale and complexity appropriately. Governmental corporations have been created in some cases, but they operate autonomously (as in Puerto Madero) or as special public agencies attached to the central or municipal governments (as in the housing program being developed in the city of Rosario, Argentina, or the Nuevo Usme program in Bogotá). The case of the failed project to build the new Mexico City airport demonstrates the negative consequences of not correctly defining this fundamental aspect of GPUs.

Relationship of GPUs to the City Plan

What is the point of developing GPUs when the city has no comprehensive urban development plan or socially shared vision? It is possible to find situations where execution of GPUs may stimulate, enhance or strengthen the city plan, but in practice many such projects are established without any plan. One of the main criticisms aimed at GPUs is that they become instruments for excluding citizen participation in decision making about individual elements of what is expected or supposed to be part of an integrated urban project, as is normally provided for in a city's master plan or land use plan.

This is an interesting debate within the framework of urban policies in Latin America, since urban planning itself has



been criticized as being elitist and exclusionary. Some authors have concluded that urban planning has been one if not the main cause of the excesses of social segregation typical of cities in the region. In this context the recent popularity of GPUs can be seen as a reaction of the elite to redemocratization and participatory urban planning. Others may view GPUs as an advanced (and perverse) form of traditional urban planning; a yielding to the failures or ineffectiveness of urban planning; or even a lesser evil because at least they ensure that something is done in some part of the city.

There are many challenges for GPUs regarding their relationship to a city plan. They can help build a city plan where none exists, alter traditional plans, or do what we might call “navigating through the urban fog” if the former paths are not viable. In any case, land management proves to be a critical factor, both for the plan and for the projects, because it refers to the fundamental role of the regulatory framework covering urban land use and expansion.

Regulatory Framework

The preferred regulatory solution would be a two-part intervention: on one hand, maintaining general regulations for the whole city but changing the conventional criteria to be more flexible in absorbing the constant change taking place in urban environments; and on the other, allowing specific regulations for certain projects but avoiding regulatory frameworks that may contradict the stated goals of the city plan. Urban Operations, a specific and ingenious instrument devised under the Brazilian urban development legislation (Statute of the City Act of 2001), has been used wide-

ly to accommodate these dual needs. The city of São Paulo alone has 16 such operations in effect. Another version of this instrument is the so-called “partial planning” provision to readjust large tracts of land, which is included in Colombia’s equally innovative Law 388 of 1997.

Again in practice we see that exceptions are often granted in an apparently arbitrary manner, and regulatory restrictions are frequently ignored. The point is that neither type of regulation is submitted to any assessment of its socioeconomic and environmental value, thus losing a significant portion of its justification. Given the financial and fiscal fragility of cities in Latin America, what prevails is an extremely low capacity for public discussion of the requests made by the proponents of GPUs. The absence of institutional mechanisms that would make these negotiations transparent makes them more venal, insofar as they expose the capacity to discuss other, less prosaic legal challenges.

Public or Private Management and Financing

What is the desirable combination of public and private management of these projects? To guarantee that public management of a large urban project fulfills its function, land use must be monitored and regulated, although the degree to which the control should be exercised, and on which specific components of land ownership rights, is unresolved. Ambiguity in the courts and the uncertainties associated with the development of GPUs often result in public frustration over unanticipated outcomes favoring private interests. The proper balance between effective *ex ante* (GPU formulation, negotiation and design)

and *ex post* (GPU implementation, management, operation and impacts) controls over land uses and rights is at the heart of the problem. Typically in the Latin American experience with GPUs there is a huge gap between original promises and actual outcomes.

In recent years the management of GPUs has been confused with the utility and feasibility of public-private partnerships, such as those set up in many countries to carry out specific projects or programs. Some stakeholders even propose the possibility of privatizing urban development management in general. If the private sector has complete control over the land, however, GPUs are severely limited in their ability to contribute to socially sustainable urban development, despite the fact that in many cases the projects contribute significant taxes to the city (Polese and Stren 2000).

The preferred public management system should call on the greatest social participation possible and include the private sector in the financing and implementation of these projects. The large urban programs that seem to contribute the most to the development of a city are those based on public management of the land.

Land Value Appreciation

There is consensus around the fact that GPUs generate an appreciation in land value. Differences emerge when we try to assess the real amount of this appreciation, if it is to be redistributed and, if so, how it should be shared and whom it should benefit, both in social and territorial terms. Again we have the public-private conundrum, wherein this redistribution formula often leads to the appropriation of public resources by the private sector.

The appreciation of land value as a resource that can be mobilized for self-financing the GPU or transferred to other areas of the city could be a way to measure whether or not public management of these projects is a success. However, we rarely have an acceptable estimate of this land value increment. Even in the Puerto Madero project in Buenos Aires, which is

considered to be a success, to date there is no evaluation of the land value increment associated with either the properties within the project itself or those in neighboring areas. As a result, the discussion of possible redistribution has not gone beyond a few educated guesses.

GPUs conceived as instruments for achieving certain strategic urban goals are generally registered as successes when they are executed according to plan. The question regarding to what extent these goals were actually reached is not fully answered, and it is often conveniently forgotten. The hypothesis that best seems to fit Latin American experiences with GPUs is that the apparent lack of interest in goals has little to do with any technical inability to make the source of the increased value transparent. Rather, this inattention comes from the need to hide the role of public management in facilitating the private sector's capture of the land value increment in general, if not its capture of public resources used to develop the construction project itself.

We are not feigning ignorance of or trying to minimize the difficulties in advancing knowledge about how land value appreciation is formed and in measuring its size and circulation. Indeed, there are many technical obstacles to overcome when faced with complicated land rights, the vicissitudes or permanent flaws in cadastres and property registers, and the lack of an historical series of geo-referenced real estate values. Even the smallest plan must distinguish between the appreciation generated by the project itself and that generated by urban externalities that almost always exist despite the scale of the project, the different sources and rates of appreciation, and so forth. Some encouraging work has been done on measuring and evaluating the land value increment associated with development, but technical obstacles seem to be less relevant than the lack of political interest in knowing how these projects are being managed.

When land value increments are created, they are usually distributed in the immediate project area or nearby. This principle is based on the need to finance a specific

project within the area, to offset certain negative impacts, or to implement actions such as relocating precarious housing sited on the land or its surroundings that may detract from the image of the new project. Given the socioeconomic conditions found in the typical Latin American city, it is not hard to see that the preferred use of the captured value is to earmark it for projects of a social nature in other parts of the city, such as housing complexes. In fact a significant part of the generated land value increment results exactly from the removal of negative externalities produced by the presence of low-income families in the area. Needless to say, this strategy raises conflicting opinions.

There is certainly a need to devise better legislation and instruments to overcome the trade-off between socially mobilized land value increment and gentrification through displacement. Despite the lack of hard empirical studies, there are reasons to believe that a broader understanding of the impacts of these projects will show that some of the compensatory intracity transfers may actually prove to be counterproductive. For example, the resulting higher land price differences and social residential segregation may involve higher social costs that will need to be addressed by additional public resources in the future (Smolka and Furtado 2001).

Positive and Negative Impacts

On the other hand, the negative impacts caused by GPUs often obscure the varied positive impacts. The challenge is how to reduce the negative impacts produced by this type of urban intervention. It soon becomes clear, whether directly or indirectly, that the role of land management is critical to understanding the effects of large interventions in urban development, planning, regulation, socio-spatial segregation, and the urban environment and culture. Scale and complexity have a role as well, depending on the type of impact. For example, scale is more relevant to environmental and urban development impacts, while complexity is more critical in terms of social impact and urban policy.

As already mentioned, the gentrifica-

tion that these projects generally produce encourages the displacement of the existing, usually poor, inhabitants from the new project area. However, gentrification is a complex phenomenon that requires further analysis of its own negative aspects, as well as how it could help to raise living standards. It could be more useful to move on from simple mitigation of unwanted negative impacts to better management of the processes that create these risks.

Any GPU can have positive or negative effects, depending on the way urban development is managed, the role of the public sector, and the existing level of citizen participation. We have emphasized that one of the central issues is management of the land and of the land value increment associated with these projects. Large urban projects can not be analyzed in isolation from the entire development of the city. Likewise, the land component must be evaluated with respect to the combination of scale and complexity that is appropriate for each project. **L**

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Tierra vacante en las ciudades de América Latina: Desafíos y oportunidades

This report is the first Spanish-language publication in the Lincoln Institute's series of policy focus reports on public policy issues regarding land use planning and development, real estate markets and property taxation. The analyses and case studies are based on presentations made by more than 25 participants in the "International Seminar on Urban Vacant Land: New Challenges and Opportunities" held in April 1999 in Rio de Janeiro, and jointly sponsored by the Lincoln Institute and the Municipality of Rio de Janeiro.

The types and impacts of vacant land on urban quality of life vary widely among the countries and cities of Latin America, and even among neighborhoods within a city, making it difficult to develop a single conceptual framework. This report explores the many possible ways to understand the origins of urban vacant land and develop viable strategies and actions to address its consequences. It examines two key questions: How can vacant land fulfill its social function of contributing to the development of more equitable cities; and What kind of instruments are required to achieve this goal?

Adriana de Araujo Larangeira works for the Municipality of Rio de Janeiro and was an organizer of the 1999 vacant land seminar.

Tierra vacante en las ciudades de América Latina: Desafíos y oportunidades

By **Adriana de Araujo Larangeira**

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Taxing Publicly Owned Land in China: A Paradox?

YU-HUNG HONG

After spending more than a decade on restructuring central-provincial fiscal relations, the Chinese government is advancing its efforts to reform local public finance. In 2003 the central government issued a directive to ameliorate the real property tax system in China. To fulfill this mandate, tax authorities are reviewing international property taxation experiences, sending officials overseas to study pertinent models and inviting foreign experts to China for consultation. Yet comparable cases from which the government can draw relevant lessons for tailor-making a Chinese property tax system are few. The danger is that when public officials are under pressure to move the reform forward, they may be tempted to adopt concepts that do not match the country's conditions.

One recent proposal that may develop into such a scenario is to establish an *ad valorem* property tax system in which leasehold land would be taxed as if it were freehold. This article explains what the Chinese government's current proposal entails, why it may not be consistent with existing land tenure arrangements and, more tentatively, how the establishment of a land rent system could mediate potential contradictions of taxing land that is not private property.

China's Property Tax Reform Proposal

The Chinese property tax system currently has as many as nine property taxes, depending on the definitions (see Hong 2003; 2004). The central government has proposed to consolidate three of these taxes into a single levy to simplify the existing tax structure. One of them is the Township and Urban Land Use Tax (LUT), which all land users (except foreign entities, government and nonprofit agencies, and

agricultural industries) are required to pay. To collect this tax, local governments divide their jurisdictions into different taxing zones according to population size or land use. Land in different zones is taxed at an array of tax rates preset by the central government, ranging from 0.2 to 10 yuan per square meter (1 yuan = US\$0.122). Some Chinese officials have admitted that the tax rates for the LUT have been set too low; hence its collections have little impact on local revenue. The government plans to eradicate this tax.

The other two taxes, the Building (or House) Tax and Urban Real Estate Tax (URET), will also be subject to reform. While the Building Tax is imposed on income-generating properties held by Chinese nationals, the URET is levied on all real estate owned by foreign entities and overseas Chinese. Both are *ad valorem* taxes whose bases can be the discount original purchasing cost, assessed capital value or gross annual rental value of the property.

When the assessed capital value (or the purchasing cost for the Building Tax) is used as the basis for tax assessment, the tax rate is 1.2 percent for the Building Tax and 1.5 percent for the URET. If an estimated rental value is used instead, the tax rates for the Building Tax and URET will be 12 and 15 percent, respectively. In some locales, like Beijing, if actual rental value is available because individual property owners rent their dwellings to another party at the market rate, the Building Tax rate will be 4 percent of gross rental income of the property. In view of this discrepancy in taxing local- and foreign-owned real estate, the government would replace these two levies with a single property tax as part of the upcoming reform.

The proposed new property tax would be imposed on both land and buildings at a uniform rate. The tax base would encom-

pass all properties, domestic and foreign, located in rural as well as urban areas. As some public officials argue, a standardized property tax could have at least three advantages. First, the new property tax system may ease tax administration. Instead of administering the collection of the LUT, Building Tax and URET separately, local tax bureaus will be able to concentrate their effort on just one tax. Second, the new property tax would be a value-based tax, which allows the government to capture future land value increments if property reappraisal can be done regularly. Third, one key purpose for creating the new property tax is to convert selected real estate development charges into a unified tax. Many scholars argue that some local governments might have abused the current system of user charges, thereby making payments for public services unduly cumbersome. Collecting these charges through the new property tax may lower the transaction costs of doing business. As well-intentioned as the proposal may sound, policy designers might have underestimated the importance of one fundamental matter: the integration of the new property tax system with the current land tenure arrangements.

Property Taxation and Public Leaseholds

As specified in the Chinese Constitution, urban land is owned by the state and rural land is owned by collectives. Local governments, empowered by the state, can assign land use rights to users through a set of leasing arrangements. Lease terms are 40 years for commercial land, 50 years for industrial land and 70 years for residential land. If a local government wants to lease an urban land site to a private entity, it must be assigned through a bidding process. The winning bidder must pay the total set of leasing fees (including a “conveyance fee,” expropriation costs if land is acquired from the collective, and various land allocation charges) in a lump sum and immediately to obtain the land use rights.

The payment of the market-determined conveyance fee allows the lessee to transfer or rent the land use rights to another party

and to use them as collateral. In the past, land rights were allocated mainly to private entities through negotiation, but this method failed to collect proper fees due to personal connections or corruption and it was suspended by the central government in 2002.

The design of the new property tax system must take these unique land tenure arrangements into consideration . . . the most basic question is: How can the government convince lessees to pay property tax on lands that they do not own?

Users of land assigned administratively to public agencies or state-owned enterprises are not required to pay the conveyance fee, but must compensate the state for any allocation costs. The assignment of the land rights has no term limit. According to the law, if a state-owned enterprise wants to transfer its land rights to a private entity for commercial purposes, it must pay the conveyance fee to the state before doing so. For the transfer of rural land into urban uses or to nonmembers of the collective, the state will first expropriate the land from the collective with compensation and then lease the use rights to interested users for the payment of the conveyance fee and other leasing charges.

Owing to a long bureaucratic process and high transaction fees, many users have transferred their land rights to other parties without going through the proper procedure and registration. As such informal exchanges have gained in popularity, the official land leasing record is no longer reliable. Hence, any future attempt to identify the actual landholders, delineate their land rights, and estimate the leasehold value for tax purposes would no doubt be a difficult task.

The design of the new property tax

system must take these unique land tenure arrangements into consideration. Aside from the extensive informality involved in land transaction and possession—a topic that is beyond the scope of this article—the most basic question is: How can the government convince lessees to pay property tax on lands that they do not own?

Certainly not all property tax systems are based on the premise that property owners should be taxpayers; occupiers are sometimes liable for tax payment. In some countries, such as Australia, the Netherlands and United Kingdom, taxes paid by occupiers are referred to as rates, a council tax or a user tax to avoid any confusion. Despite the different names, the calculation of these levies is still based on either the capital or rental value of the property, which is the same approach as for the property tax.

More fundamentally, since the supply of land is fixed, the landowner (the state government in the case of China) would bear the ultimate tax burden even if land users paid the property tax directly to the government. This is because the new tax would dampen the demand for land use rights and in turn reduce the fees that local governments could receive from leasing public land.

Because the Chinese government is both the landowner and property tax collector, lessees who leased land in the past and paid the entire lease-hold value without anticipating the additional property tax burden would wonder why they should pay more land tax to the government. Thus it is essential to have a rationale for taxing leasehold land, so as to convince lessees to comply with their property tax obligation.

One way to analyze the matter is to treat property rights as a bundle of rights, which includes the right to own, use, develop, transfer, bequest and benefit from land. This bundle also comprises the right to exclude others from enjoying these privileges.

Viewing the Chinese land tenure arrangements through this lens, the government holds the ownership of land and leases other attributes of the bundle of land

rights to private entities. So long as the privileges and obligations of holding the leased land rights are fully delineated and recognized, both legally and by the society, there is no reason why leasehold rights cannot be regarded as private property of the lessees for a specific period of time as stipulated in the lease.

In 1988 the Chinese National People's Congress amended the Constitution to acknowledge the transferability of the right to use land. Further amendments are needed to explicitly recognize leaseholds as private property and empower the state to establish special legislation for the enforcement and protection of leasehold rights. In this way, the implicit contradiction in imposing property tax on leased public land would be clarified and resolved.

One technical issue remains, however: valuation of leasehold rights for tax purposes. Since the new property tax will be value-based, assessors will face the challenges of estimating the leasehold value of land independently, based on market data that normally reflect a combined value of land and all improvements. Most property valuation methods presume that land is freehold, and that developed real estate markets are present. Neither of these assumptions can be applied to China. Although there are practices that separate land and building values for tax purposes, the divisions are generally based on crude assumptions. How can assessors modify the existing (or invent new) valuation techniques to accommodate these special Chinese conditions?

More important, leasehold value is highly sensitive to the lease term and conditions, both of which can vary significantly from one case to another. At this moment, time-tested mass appraisal techniques for assessing large numbers of leasehold sites do not exist. Do these issues imply that property assessment for tax purposes under the Chinese leasehold system requires a case-by-case approach? If so, do local governments have the capability to carry out such detailed property appraisals for the collection of the new property tax? The Chinese government must find ways to deal with these practical

matters if it decides to tax leasehold rights as private property.

It is also extremely important to educate would-be taxpayers and public officials about the distinctions between freehold and leasehold systems. Lessees must recognize that they possess only the leased land rights that are not designed to last in perpetuity. If the rights and obligations of both the state and lessees are not clearly delineated, taxing leasehold rights as if they were freehold could complicate the implementation of future land and tax policy. For example, in Canberra, Australia, and Israel, lessees are requested to pay the entire leasehold value up front, and thereafter they pay an annual property tax (or rates in Australia) for leasing public land. Lease terms in both cases are long and renewable—99 years in Canberra and 49 years in Israel with four automatically renewable terms totaling 196 years.

This method of collecting leasehold charges and taxes is tantamount to the payment system for land in countries where

What the government needs is a transition system in which property tax reform can proceed as planned without interfering with its endeavors to restructure land ownership. Establishing a land rent system seems to be an option.

land is freehold. Due to this similarity, lessees have developed the perception that land is privately owned (Hong and Bourassa 2003). This view, albeit legally a fiction, has engendered the expectation that any government's attempt to exercise its rights as the landowner to retake land for public uses or to demand additional payments from lessees for enlarging or extending land use rights would constitute an infringement on private property.

This expectation has added conflict

to government efforts to redistribute land and land value between private landholders and the state on behalf of the public. As Neutze (2003) argued, had the Canberra government provided enough public education about its leasehold system, it would have spared the Australian capital from many intractable disputes over land ownership.

The Chinese government has no immediate plan to give fee simple deeds to private landholders. Thus, if local governments continue to collect all leasehold charges up front and then levy the new property tax on both land and buildings, they may be at risk of creating the same mistaken expectations, that is, that land is privately owned. This may put the government and lessees at odds with each other when there is a later need to reallocate land from private to public uses. Designing a real property tax that will not add more complications to the already unsettling land tenure system is a critical task that policy makers should not overlook.

Land tenure reform is a long, controversial process, however, and the Chinese government would be ill-advised to delay the implementation of the new property tax system until land reform is completed. What the government needs is a transition system in which property tax reform can proceed as planned without interfering with its endeavors to restructure land ownership. Establishing a land rent system seems to be an option.

Land Rent System

Under a land rent system, leasehold charges would be paid in the form of an annual land rent, not a one-time leasing fee. Local land bureaus could continue to assign land use rights by public auction, but the bidding would be to determine the amount of annual land rent. Similarly for lands that were assigned to state agencies administratively, users would pay their conveyance fee for transferring land rights to other private parties in annual installments, which would be equivalent to the yearly rental payments. The land rent system has pros and cons (see Hong 2004 for a detailed discussion); four impor-

TABLE 1

Impacts of Different Land Rent Levels and New Property Tax Rates on Tax Revenue

Option	Land Rent Level (%)	New Property Tax Rate (%)	Change in Tax Revenue	
			Amount (in 1,000 yuan)	% Change
1	100	4.0	29,765,241	2.91
2	-47	4.0	(363)	0.00*
3	-60	5.9	31	0.00*
4	-70	7.3	2	0.00*
5	-80	8.7	(28)	0.00*
6	-90	10.1	(57)	0.00*
7	-100	11.5	(86)	0.00*

*These figures are not zero. They appear as zero because of rounding.

Source: Computed by the author using the modified 1997 Input-Output Table of China (1999).

tant advantages are discussed here. First, collecting a land rent is the most straightforward way to characterize the landowner-tenant relationships between the state and lessees. More important, requesting lessees to make their rental payments annually would serve as a constant reminder of their leasehold relationships with the state.

Second, if leasehold charges were paid in annual installments, local officials would no longer be able to generate a large amount of cash instantly to cover short-term fiscal shortfalls. This in turn may lower their incentive to lease land rapidly—a major malady of the current land leasing system.

Third, research using the input-output (I/O) technique and the 1997 I/O Table of China found that collecting land rent could facilitate the transition to the new property tax system (Hong 2004). Had the central government required all land users to pay an annual land rent in 1997, rental income would have added 29.8 billion yuan (US\$3.6 billion) to the government treasury, representing a 2.9 percent increase in total tax revenue (see Table 1). This revenue increase would represent a net gain over estimated tax revenue losses under the proposed property tax reform.

The land rent system, however, may generate a cash flow problem for local governments. When leasing fees are deferred and paid by lessees in annual installments, fewer funds would be immediately available for local governments to cover public

expenditures. To resolve this problem, local jurisdictions may borrow money from the central government or other financial intermediaries, using perhaps the future land rent collections as collateral. Loans would then be repaid in annual installments by funds gathered from yearly rental payments made by lessees.

Had the government decided to keep the total tax revenue approximately the same, it could have set the new property tax rate at 4 percent, which is the same as the Building Tax rate for personal dwellings rented at market prices, and then discounted the land rent by as much as 47 percent (see Table 1). With a reasonable tax rate and a substantial reduction on rental payment, taxpayers would be less resistant to the reform.

Table 1 also shows several possible combinations of rent level and property tax rate to produce a revenue-neutral shift. If the government were to increase the new property tax rate to deepen the tax reform, it could lower the rent level to avoid antagonizing taxpayers. This approach would provide local governments with an array of options to adopt the new property tax system in stages and at a pace that suits their economies.

Fourth, the proposed land rent system could keep future tenure choices open. If the sociopolitical sentiment of the country favors public leaseholds, local governments could continue to levy the land rent and property tax at the ratio that matches local

needs. Subsequent adjustments to the rent-tax ratio could also be made when new circumstances arise.

If central authorities, in response to popular demand, were to grant fee simple deeds to all lessees, it could order local governments to phase out the collection of land rent and raise the new property tax rate accordingly. As shown in Table 1, directing the reform toward either path would not create adverse effects on local government budgets.

This analysis shows that choices available to the Chinese government are not limited to privatizing land ownership and relying solely on real property taxation to recoup land value. Undeniably, the Chinese government may eventually choose to do just that because it is indeed an option, but there are many other possibilities as well. Why, then, should the government make such a decision now, when there may be other viable alternatives that can keep all options open? Recognizing that there are many choices could unleash the creative powers of policy makers and scholars to imagine a unique Chinese system to capture land value. **L**

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Universities as Developers: An International Conversation

BARBARA A. SHERRY

In the United States we are used to thinking about the university within the context of its host city. The University of Wisconsin in Madison, the University of North Carolina in Chapel Hill and the University of Illinois in Urbana play major roles in driving the economies of those traditional college towns. Stanford University and Massachusetts Institute of Technology are examples of research universities that have served as incubators for new industries that have had significant economic and industrial impacts in Silicon Valley, California, and metropolitan Boston. The Julliard School in New York City, the Chicago Art Institute, and the film departments at the University of California (UCLA) and University of Southern California (USC) in Los Angeles also have had a significant effect on their local cultural landscapes.

After more than five years of focusing on the real estate development activities of U.S. colleges and universities, Lincoln Institute researchers are now investigating the roles that universities play in their host cities around the world. Will the National Autonomous University of Mexico (UNAM), a 733-hectare campus in the middle of one of the world's largest cities, be able to maintain autonomy from the federal government through its land policies? Can a university that serves Northern Ireland's Catholics and Protestants succeed in building a new campus in an area known for poverty and intractable political violence? What lessons can we learn from the redevelopment of a German military barracks by the University of Lueneburg that might be applicable to other universities' development efforts?

Universities are major players in many activities not traditionally associated with the ivory tower. They are employers,



University of Cape Town, South Africa

Courtesy of Fabio Todeschini

purchasers, engines of economic growth, innovators, cultural meccas, branders of place and, increasingly, major real estate developers. This last role creates a web of opportunities and challenges that are not only important to the future of universities but also extend throughout the politics and economics of cities.

Formal examinations of the university's role in acquiring, managing, selling and developing real estate have not been a topic of academic and professional inquiry in the U.S. until recently, but these issues are even less frequently discussed in international circles. There are few comprehensive case studies and literally no multi-continent examinations of how urban universities operate in real estate and land development, even though there is widespread agreement over its growing importance. The contributions of universities to their cities, the nature of state higher education policy and the increasing role of private market actors in university expansion are all important features of urban land development today, although they are realized differently in various places.

To facilitate further exploration and comparison of these issues, a dozen international scholars from Europe, South America, Asia and Africa gathered at the Lincoln Institute in March 2004 to present papers and critique their work. They quickly moved the discussion beyond the case studies into a broader conversation about the role of the university in the history and the future of national policy toward cities and how such policy is affecting and is affected by the global economy.

The Role of the State

Outside the U.S., the university is almost always a public institution; therefore university land development is closely intertwined with and often an integral part of local and/or national planning and development policies. The levels of autonomy in real estate development decision making experienced by international universities are also dramatically different from those of U.S. universities, because of their relative attachment to the state as both an agency and public institution.

Anne Haila of the University of Helsinki

pointed out the strong history of planning in Finland, for example, where plans are laws that carry great weight and supply clear direction to university land use planning. All university real estate in Finland is owned and managed by the national real estate company, which strives for efficiency in all of its real estate strategies. Conflicts between universities and the property manager became especially prevalent after 1999, when university departments were ordered to pay the full price of rent for their premises; if departments increased their space they had to pay more, but if they decreased it they were compensated. The reasoning behind the policy was to abolish the idea of “free space” and to make university departments aware that bringing in new research and other revenue-generating projects would help them pay for additional space.

Carlos Morales-Schechinger presented another example of the relationship between university land policies and the state in his review of UNAM in Mexico City. UNAM has been autonomous from the federal government for more than 50 years and has “abandoned any intention of becoming a developer.” Instead, UNAM considers the land’s use value as a sanctuary, an area secure from government intervention, and a place for study, natural spaces and public art. Approximately 29 percent (212 ha) of the land has been declared an ecological zone due to its unique flora and fauna.

Morales-Schechinger suggests that UNAM’s reluctance to engage in current real estate development is related to its past history, when some of its land was acquired from the territory granted to the peasants after the 1910 Revolution. The university serves nearly 260,000 students from all socioeconomic groups and thus views itself as an independent and often vocal critic of the federal government.

Shifting City Growth Patterns

Changes in the nature and structure of the nation-state brought on by economic restructuring, new political alliances, changing demographics, and the decentralization of governmental responsibilities and mandates can bring about radical changes

The City and the University Project

The Lincoln Institute of Land Policy launched The City and the University Project five years ago, to study the changing relationships between universities and their immediate neighborhoods, cities and the society at large. The Lincoln Institute shares this interest in the role that universities play in their cities with many other organizations. However, our attempt to understand this role is motivated by questions regarding urban assets and the use of those assets.

According to the currently dominant paradigm of enlightened self-interest, universities engage the city with the realization that the economic well-being of the abutting community is directly correlated to its own health. Through this project we are attempting to articulate a philosophy that universities should serve society as a whole, not just their abutters. Our goal is to extend the thinking, conversation and actions of university-community-city relations beyond this paradigm.

Under the leadership of Rosalind Greenstein of the Lincoln Institute, David Perry of the Great Cities Institute (GCI) of the University of Illinois at Chicago, and Wim Wiewel of the University of Baltimore, key actors from every conceivable side of university real estate development practices (including university administrators and faculty, developers, city planners and managers, journalists, nonprofit groups, and members of federal and state agencies) have been invited to participate in workshops sponsored by the Lincoln Institute. Perry and Wiewel have edited a book of U.S. and Canadian case studies contributed by some of these participants. Titled *The University as Urban Developer: Case Studies and Analysis*, this book is being published this spring by M.E. Sharpe, Inc., in association with the Lincoln Institute.

As a natural outgrowth of their work in North America, Perry, Wiewel and Greenstein expanded their research collaboration with an international seminar built on case studies from several continents. The workshop in March 2004 generated papers that will become part of a new edited volume, tentatively titled *The University, the City and the State: Comparative Studies of University Real Estate Development*.

In 2005 the Institute will convene a roundtable of practitioners and scholars to examine the university-city relationship in a variety of dimensions, including political, historical and philosophical. Another course is intended for neighborhood groups located near universities that face impressive challenges because of the particular role universities play in their district and their city. The course offers such groups the opportunity to learn how to best use their resources, relative to their university neighbors, to improve their urban environment.

The Institute will also offer a professional training opportunity for private-sector developers who work with and for universities that are extending their boundaries as demand increases for new laboratories, residential spaces, athletic facilities and other amenities. In addition, we are developing a special Web site for the urban university project that will facilitate communication among and between practitioners, policy makers and scholars. For more information about these programs, contact Rosalind Greenstein (roz@lincolninst.edu).

in the real estate development policies of universities. Three participants focusing on universities in Portugal, Germany and Finland described the conditions of student demand and changes in the technology of work that were forcing both expansions and relocations of universities (or parts of them) in an increasingly decentralized urban environment.

Isabel Breda-Vazquez, speaking about the University of Porto (UP), noted the

demographic shift in the city center, where UP was originally located, when it decided to expand and relocate its engineering and science facilities outside of the city, due to increasing demand for those courses of study and changing employment patterns. Problems associated with the subsequent decline of the city center included physical degradation, social vulnerability problems, functional obsolescence of buildings and spaces, reduced economic activity and con-

sumption, and relocated student housing.

Changes in political alliances and the fall of the Iron Curtain reduced Germany's need for military barracks, according to Katrin Anacker, and this has resulted in the large-scale conversion of one such facility to university property in Lueneberg. Increased student enrollment, a shortage of classrooms and the fact that university buildings were scattered throughout the city were important factors in the University of Lueneberg's decision to take advantage of the military's abandonment of a nearby barracks. Although dealing specifically with the conversion of military property into university buildings, Anacker's paper may be read for its insights into the reuse of other types of obsolete or abandoned industrial buildings.

The growth demands on public universities and the decentralization of governance are occurring in the face of competing issues of demographic shift out of the city and revitalization efforts focusing on older parts of cities. Many workshop attendees identified the theme of abandonment during these discussions, in the contexts of either the state or local government or the university abandoning the city. Universities almost everywhere are placed in critical positions as they actively develop land themselves, and thus can be seen as agents of urban change—to both the benefit and the detriment of the city.

David Perry argued that to discuss the university as an engine of growth may be only part of the picture. The modern university may be an engine of the city's development by dint of attrition, becoming even more important to central city renewal by filling the vacuum created by the withdrawal of once dominant agents in both the public and private sectors.

University Development Zones

Several papers addressed universities that are their own "zones of development" or "cities unto themselves." Abner Colmenares presented the case of the Central University of Venezuela, a public institution in Caracas, and its Rental Zone (Zona Rental) Plaza Venezuela project dating from the 1940s. The notion of the Zona

Rental dates back to 1827, when Venezuelan President Simon Bolivar granted real estate properties and farms to the university, to support its faculty and provide for its upkeep.

Adopting as its model Columbia University's approach to the development of Rockefeller Center in New York City, Central University created and transferred the land to an independent foundation (Andrés Bello Fund Foundation for Scientific Development of the Central University of Venezuela—FFABUCV), which was mandated to promote scientific research by generating financial resources through the development of rental zone properties. By late 2004, more than 40 million square feet of construction had been completed, creating public spaces for the city, a subway center and numerous rental income sites, including a mall.

Wilmar Salim presented a similarly expansive project, the relocation of four universities in Indonesia to rural land formerly occupied by a rubber plantation. The government's decision to relocate the universities from the capital city of Bandung to the Jatinangor area 23 kilometers distant resulted in the development of a new town to service the large campus. While the planning for the university was carefully conceived, such was not the case for the town that grew up alongside it. Salim notes several serious problems resulting from this relocation: environmental deterioration of the rural area due to the increased population and construction; lack of adequate planning in terms of infrastructure; and negative effects on community institutions caused by the influx of a population much larger than and culturally different from the indigenous residents.

Contested Space

The topic of the university as a contested space was addressed by Haim Yacobi of Israel and Frank Gaffikin of Northern Ireland, both of whom spoke of the challenges for urban universities located in places of conflict. In the Northern Ireland case, an attempt was made to set up a branch of the University of Ulster in an embattled area of Protestant-Catholic conflict and

economic deprivation in Belfast. Although U.S. President Bill Clinton and British Prime Minister Tony Blair were present at the groundbreaking, the project faltered due to the lengthy development time and turnover of leadership, coupled with the existing problems associated with a historically contested space. The result was a distinct loss of credibility for the university in the community. Gaffikin stressed that when universities enter into these kinds of situations, they have to see the projects through with strong civic leadership.

Yacobi discussed the siting of Hebrew University on Mount Scopus in Jerusalem, a decision made by the government rather than the university, as was the case in Belfast. According to Yacobi, relocating the university after the 1967 war had a fundamental role in judaizing Jerusalem.

Fabio Todeschini of South Africa also examined the roles and responsibilities of the university in shaping urban space in a place that was already contested. He noted that the University of Cape Town has undergone enormous change since the apartheid era; currently more than one-half of the student population is black, although the majority of professors are white. The development and real estate practices of these and other universities have both created and been affected by significant symbolic, economic and cultural changes in their countries.

The workshop participants agreed about the seeming contradiction between the importance of universities to their cities and political economies and the lack of formal study of this phenomenon. The meeting confirmed that, both locally and globally, universities have enduring, indeed even increasing, levels of importance in their cities and regions. It is also clear that land development policies are equally important to the universities, to the development futures of cities and to the policy relationship with the private market. ■

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THOMAS A. JACONETTY

Thomas A. Jaconetty is the chief deputy commissioner of the Board of Review (formerly the Board of Appeals) of Cook County, Illinois. During the past 24 years he has been involved in the disposition or review of taxes on more than 600,000 parcels of real estate. He is a member of the International Association of Assessing Officers (IAAO); the Chicago, Illinois State (ISBA) and American Bar Associations; the Justinian Society of Lawyers; and many other professional associations. He has served as a member and chair of the ISBA State and Local Taxation Section Council and contributed to the Illinois Department of Revenue's Recodification Project.

A certified review appraiser and formerly an arbitrator for the Circuit Court of Cook County, Jaconetty has authored numerous articles and chapters for legal and taxation publications, edited three books and is working on a fourth. He has lectured at or moderated many educational programs on property taxation and assessment administration, and has published over a dozen articles on those topics. In 1998 he was appointed to the Planning Committee of the National Conference of State Tax Judges, and he served as conference chairman for the past two years. Contact: thomasjaconetty@yahoo.com

Land Lines: How did you first become involved with the Lincoln Institute?

Thomas A. Jaconetty: I was familiar with the Institute's work through its presentations at the annual conferences of the International Association of Assessing Officers (IAAO) and various other educational seminars. In 1994 the chairman of the National Conference of State Tax Judges, Ignatius MacLellan of the New Hampshire Board of Tax and Land Appeals, invited me to attend the conference after reviewing articles I had written on "Highest and Best Use" and "Valuation of Federally Subsidized Housing." I found the experience invigorating, challenging and intellectually stimulating. The conference was and continues to be the best seminar in which I am involved each year, and I attend quite a few.

LL: As the past chairman, how do you see the role of the National Conference?

TJ: For 25 years the conference has functioned as a clearinghouse of ideas for officials exercising judicial or quasi-judicial powers over tax cases for statewide or regional jurisdictions. Noted authorities in the field, state tax court judges and officials of established tax courts are drawn together in an informal, collegial environment. The conference encourages improved decision making, the exchange of data and resources, the analysis of complex legal issues, and an avenue for a free-flowing interchange of ideas. The personal and professional relationships are open, friendly and dynamic, and



there is plenty of room for divergent opinion, eclectic thought and agreement to disagree.

The Planning Committee of about 15 regular participants develops annual programs, and the rest of the members are actively involved with making presentations, offering suggestions, working on committees, attending the sessions and contributing to the overall educational experience. The annual fall conference is the most significant opportunity for formal interaction, but ongoing discussions are supported by the use of e-mail, the Lincoln Web site and the members' professional involvement in other organizations.

LL: Why is it important for tax adjudicators to have this forum?

TJ: We are surrounded by ever-changing ideas and theories that we must balance against time-honored principles of tax-

tion, complex economic relationships and the expectations of government. Each state has individual statutes and case law, but there is a high level of commonality among basic tax principles and a finite number of responses to factual situations. In spite of the many recurring and vexing issues that confront us, regular communication offers an opportunity to encourage consistency and consensus on the one hand and divergent opinion and reasoned dissent on the other. Members actively seek suggestions, advice and even help from their colleagues, who eagerly and generously respond.

LL: How have you seen the National Conference evolve during the years of your involvement?

TJ: Actually, there has been a remarkable level of consistency. There has been a core group of representatives from about 15 states and another dozen or so that change over time. Many members predate my involvement and others are very new. The most significant changes have been the enhanced communication offered by e-mail and the willingness of the group to probe into ethical, theoretical, decision-making and policy-based questions. There also has been a noticeable increase in volunteerism and in the number of women who are active participants.

I think there is a growing awareness that the deference given to any fact-finding agency (such as the state tax courts from whence our members come) creates a complementary responsibility to evaluate

tax controversies within a framework that addresses all of the pertinent legal, valuation, philosophical and public policy issues. From all of that we hope to attain “justice,” which James Madison argued “is the end of government.”

LL: *What do you see as the greatest challenges to the conference?*

TJ: Remaining timely and relevant, and maintaining a cutting-edge outlook. Not every ascendant theory is always supportable or reasonable, but we seek to remain receptive, open and flexible while respecting the basic principles of state and local taxation that have stood the test of time. As issues become more complex and multi-jurisdictional, there is always a tug-of-war between local control and innovation versus national consistency and uniformity. This era of enormous budgetary constraints on state and local agencies places a premium on knowing where to go for expertise.

We face new challenges and are learning every day, and the conference presents the opportunity to encourage that growth. As John Quincy Adams said, “To furnish the means of acquiring knowledge is . . . the greatest benefit that can be conferred upon mankind.” We are also working to increase our membership and recruit more participation from states not currently represented. The optimum goal is to have around 55 to 60 active participants at any one time.

LL: *What role does the Lincoln Institute play?*

TJ: It is the heart and the soul of the conference. Especially in these trying economic times, without the Institute’s support many of our members would not have the local funding and financial wherewithal to attend the conference. And, without the organizing ability of the Institute staff, there would be no conference. The Lincoln Institute is uniquely qualified to create the healthy intellectual environment that brings the tax policy, legislative, academic, practitioner and administrative points of view before those very persons who decide the cases and in so doing “make the law.”

LL: *You alluded to policy. Should judges and tax adjudicators be involved in considering public policy?*

TJ: I can only suggest my own view. How judges and adjudicative bodies rule is almost inevitably a reflection of what they learn, know, believe, have proven before them, sense and comprehend, as well as what appears to be just. Everything must be taken against the backdrop of the purposes of the law and the ends the law seeks to achieve. The more informed, eclectic, analytical and open the decision maker, the better the outcome.

The valuation of contaminated property (brownfields) and subsidized housing are two real property tax areas that immediately come to mind. These are technical issues, but they require an appreciation of the larger context and policy implications, as well as the proper balance between legislation and its interpretation.

The Lincoln Institute has had a significant and salutary impact on the development of sound tax policy. Henry George, whose writings inspire the Institute’s work, addressed these issues in *The Land Question*: “[Taxation] must not take from individuals what rightfully belongs to individuals.” In *Progress and Poverty* he stated, “It is the taking by the community, for the use of the community, of that value which is the creation of the community.” But, as an exercise of power, it “must not repress industry . . . check commerce . . . [or] punish thrift . . .”

LL: *What are some of the major tax issues facing tribunals today?*

TJ: On the real property taxation side there is the taxation of contaminated property; the use and misuse of the cost approach; valuation of subsidized housing; the effect of low-income housing tax credited property; and the changing face of charitable and nonprofit entities. There are so many other issues: the application of traditional sales, use, gross receipts and income tax principles to an ever-expanding and global economy; related questions of nexus jurisdiction and extraterritorial power; the impact of e-commerce; the clash and inter-

relationship of the due process and commerce clauses; local autonomy challenged by movements to adopt model acts.

Other more general concerns include alternative dispute resolution; pro se litigants; ethics (appraiser, assessor, judicial); regulation versus deregulation; court management; and the role of policy in decision making. Added to these are the routine daily determinations that must be made by tribunals and agencies that form the grist of the taxation process, which is the lifeblood of government—that which Oliver Wendell Holmes characterized as “what we pay for civilized society.”

LL: *How does the National Conference of State Tax Judges interact with other professional associations?*

TJ: Many members of the conference are active at the state and local level with continuing legal education (CLE), appraisal or assessment organizations, such as seminars offered with the Appraisal Institute. Others take part in presentations sponsored by local directors of revenue or bar-related symposia on tax issues. Some sit on advisory commissions, boards, panels and task forces. Still others, including myself, have a continuing relationship with the IAAO, which offers an especially valuable and practical access to the assessment side of the real property world.

LL: *Any final thoughts on the conference and its future?*

TJ: Having just completed my two-year term as chairman, I hope it can be said that the conference maintained the high standards set by my immediate predecessors—Ignatius MacLellan, Joseph Small and Blaine Davis. I certainly feel that the future is in capable hands with our new chair, Arnold Aronson. With the biannual rotation of the conference to different locations around the U.S., it returns to Cambridge next year to celebrate its twenty-fifth year. I will simply echo what many of us say every year when we convene: This conference is the finest and most beneficial professional education endeavor in which any of us are engaged.

David C. Lincoln Fellowships

The David C. Lincoln Fellowships in Land Value Taxation (LVT) were established in 1999 to develop academic and professional interest in this topic through support for major research projects. The fellowship program honors David C. Lincoln, chairman of the Lincoln Foundation and founding chairman of the Lincoln Institute, and his long-standing interest in LVT. The program encourages scholars and practitioners to undertake new work in this field, either in the basic theory of LVT or its applications. These research projects will add to the body of knowledge and understanding of LVT as a component of contemporary fiscal systems in countries throughout the world.

The fellowships announced here are the fifth group to be awarded under this program; several recipients are continuing projects from last year. The deadline for the next annual application process is September 15, 2005. For more information, contact fellowships@lincolninst.edu or visit the Institute's Web site at www.lincolninst.edu/education/fellowships.asp.

Methods of Valuing Real Property for Taxation: An Examination of Practices in States that Require Separate Valuation of Land and Improvements

Michael Bell

*MEB Associates, Inc.
Coalition for Effective Local Democracy
McHenry, Maryland
Institute for Public Policy
The George Washington University
Washington, DC*

John H. Bowman

*Virginia Commonwealth University
Richmond, Virginia*

Accurate valuation of land is a critical element of land value taxation, which taxes land at a higher rate than improvements. Twenty-nine states formally require separate valuation of the land and improvements portions of real estate. This project will conduct case studies in four states to gather information on state regulations, requirements or guide-

lines to direct the valuation of land by local assessing units, and their application at the local level. We will determine what valuations are actually made and seek to gauge the quality of the land value estimates. Information from the case studies will be linked to follow-up activities on valuing land for tax purposes in rural areas in South Africa.

Why So Little Georgism in America?: Using the Pennsylvania Cases to Understand the Slow, Uneven Progress of Land Value Taxation

Mark Alan Hughes

*Robert A. Fox Leadership Program
University of Pennsylvania
Philadelphia, Pennsylvania*

Pennsylvania is the lost horizon of the Georgist movement in America. As the only state government in the U.S. to pass enabling legislation for split-rate property taxation, which it did in 1913, Pennsylvania has produced a body of sustained outcomes across a large set of municipalities. The 20 municipalities in Pennsylvania with split rates are universally cited as proof of LVT's possibility and, to a lesser extent, its impacts. In the wake of Pittsburgh's full repeal of its split-rate tax, this project will reexamine that body of experience in an effort to answer the old question of why LVT is not more widely implemented.

Land Value Taxation to Support Local Government in Russia: A Case Study of Saratov Oblast

John L. Mikesell and C. Kurt Zorn

*School of Public and Environmental Affairs
Indiana University
Bloomington, Indiana*

As the Russian Federation moves toward basing land taxes on cadastral value rather than normative measures such as land area or values based on subjective adjustments to area, there is some uncertainty about how best to proceed. The Saratov oblast will be used as a case study to analyze how best to develop a value-based system of land taxation in the context of a developing land market. In addition, guidance will be provided on how the implementation of the land value tax can

provide a foundation for financial support of developing local governments.

Evaluation of the Two-rate Property Tax in Taiwan, with a Focus on Valuation Issues

Chi-Mei Lin

*Land Policy Division
International Center for Land Policy Studies and Training
Taoyuan, Taiwan*

Tzu-Chin Lin

*Department of Real Estate and Built Environment
National Taipei University
Taipei, Taiwan*

Despite its theoretical appeal, little empirical work has been undertaken to examine the merits and problems of the two-rate property tax in practice. Taiwan, with an experience of more than 50 years in administering the two-rate property tax, provides an ideal opportunity to critically examine this tax. Valuation issues associated with the two-rate property tax are the main concerns of this study and will be analyzed respectively using literature reviews, econometric models, geographic information systems and face-to-face interviews to evaluate the performance of this tax.

Property Tax or Land Tax: Possible Cure for Urban Sprawl? Theory and Empirical Tests on Property Tax for City Sizes for the U.S. Cities

Yan Song

*Department of City and Regional Planning
University of North Carolina
Chapel Hill, North Carolina*

Yves Zenou

*Research Institute of Industrial Economics
Stockholm, Sweden*

This project attempts a formal analysis of the connection between property tax and urban sprawl. We will begin by developing a theoretical model that includes households (who are also landlords), land developers and city planners as actors in a regional land market. We will then test the model empir-

Research in Planning and Development

ically based on a national sample of urbanized areas. Finally we will perform numerical simulations to determine the gap between actual and optimal property tax rates for selected cities and compare the effects of property tax and pure land tax on urban sprawl.

This research will contribute to knowledge about the long-standing discussion of the impact of the property tax on urban development patterns by providing empirical evidences. The results of the analysis, both theoretical and empirical, will assist in the design of property tax policies. More generally, the results of this proposed project will raise a number of issues of interest to policy makers and will also assist them in understanding the pros and cons of alternative instruments (a property tax or a pure land tax) to combat sprawl.

Valuing Land and Improvements in Thin Markets: The Case of High-poverty Urban Neighborhoods

Rachel N. Weber

*Urban Planning and Policy Program
College of Urban Planning and Public Affairs
University of Illinois at Chicago*

Daniel P. McMillen

*Department of Economics
University of Illinois at Chicago*

How does the relative lack of comparable sales influence property assessments in poor neighborhoods? We estimate the level and change in assessments of residentially zoned land and improvements as a function of market activity and relevant independent variables. Sales and assessed valuations within Cook County, Illinois, between 1993 and 2003 comprise our principal dataset. We also test the hypothesis that the potential lack of assessment uniformity in thin markets contributes to the slow pace of development activity because of uncertainty about property tax burdens.

This fellowship program was established in 2004 to encourage and support research on land planning and development topics. The research is expected to result in a Lincoln Institute working paper, and each fellowship recipient will present his or her research for a discussion of the work-in-progress at a seminar to be held at the Lincoln Institute in the spring of 2005.

The deadline for the next application process is September 15, 2005. For more information, contact fellowships@lincolnst.edu or visit the Institute's Web site at www.lincolnst.edu/education/fellowships.asp.

Understanding Owner Decision Making, Abandonment and Tax Foreclosure in Flint, Michigan

Ellen M. Bassett and John H. Schweitzer

*Urban and Regional Planning Program
Michigan State University
East Lansing, Michigan*

Genesee County, Michigan, recently established a land bank to foster the reutilization of vacant, tax-reverted land in Flint. Although abandonment of property has been occurring in Flint for decades, little is known about what has caused and what is continuing to drive foreclosure and abandonment in the city. The research seeks to understand abandonment and decision making by owners about their property. Three questions are asked: (1) How has abandonment moved spatially throughout the city over the last few decades? (2) What economic, social and environmental factors are driving abandonment in the city? and (3) Why do different landowners act differently in their decision making about land and property in Flint?

Regional Integration and Land Policies Affecting the Development of Tallinn, Warsaw and Budapest, as Part of the Polycentric EU Headquarters Network

Carola Hein

*Growth and Structure of Cities Program
Bryn Mawr College, Pennsylvania*

A polycentric headquarters is emerging in the European Union (EU), composed of three main seats—Brussels, Strasbourg and Luxembourg—and 17 other cities that host decentralized agencies. As part of a larger investigation into issues of regional rebalancing and spatial changes following the enlargement of the EU in 2004, this research examines EU spatial and land policies for the integration of the new member states and studies policy initiatives undertaken by the cities of Tallinn, Warsaw and Budapest to establish themselves in the European city network as possible hosts for EU functions.

The "Taking" of Europe: Globalizing the American Ideal of Private Property?

Harvey M. Jacobs

*Department of Urban and Regional Planning
Gaylord Nelson Institute for Environmental Studies*

University of Wisconsin-Madison

Since the 1990s countries across Europe have been engaged in two significant and parallel activities: rewriting their national planning laws and creating a European Constitution. In all these efforts private property is playing an important role. It appears that Europeans want to move toward a U.S. "takings clause" type of model. As part of this process, they are interested in the reconstruction of a planning system that moves away from a reliance on command and control and toward more market-based approaches. This research will assess proposed cross-European policy changes from the perspective of governmental organizations and advocacy groups engaged in this effort.

Geographical Scope of University Expansion and its Impact on Land and Housing Markets

Mukesh Kumar

*Department of Urban and Regional Planning
Jackson State University
Jackson, Mississippi*

This research presents a methodology to estimate the geographical scope of the impact of university expansion on land and housing markets using geostatistical tech-

Graduate Student Fellowship Application Deadlines

The Lincoln Institute announces its annual funding cycle to select applications for the Dissertation Fellowship Program, for projects that focus on land use planning, land markets and land-related taxation policies in the United States and other regions throughout the world. This fellowship program demonstrates the Lincoln Institute's commitment to provide financial support to doctoral students who will contribute to land and tax policy research and will develop new ideas to guide policy makers. The program provides an important link between the Institute's educational mission and its research objectives by supporting scholars early in their careers.

The Institute will award approximately 10 dissertation fellowships of \$10,000 each for the 2006 fiscal year (starting July 1, 2005). As part of the program, all recipients are invited to present their work to other fellows and Institute faculty in a seminar at Lincoln House in Cambridge, Massachusetts, in June 2006.

To download a copy of the Dissertation Fellowship application guidelines and forms, and to learn about the work of current fellows, visit the Institute's Web site at <http://www.lincolninst.edu/education/fellowships.asp>, or request information by e-mail at fellowships@lincolninst.edu. An electronic version of the complete application must be received at the Lincoln Institute by March 1, 2005.

The Institute also supports special fellowship programs for both masters and doctoral students enrolled at universities in Latin America and in the People's Republic of China. Applications for fellowships in the Latin America Program are due by April 30, 2005, and the awards will be announced by July 1, 2005. For more information and guidelines on fellowships in the China Program, contact fellowships@lincolninst.edu.

niques and spatial hedonic pricing models. The project demonstrates this methodology through the study of one urban university and juxtaposes those experiences with two other universities. The research uses a combination of quantitative and qualitative methods to provide a rigorous and rich analysis of the impact of university expansion on specific market segments.

From Megapolis to Megapolitan: Creating a New Framework for Planning Trans-metropolitan Development in the U.S.

Robert E. Lang
*Metropolitan Institute
School of Planning and International Affairs
Virginia Tech
Alexandria, Virginia*

According to European spatial planning practice, the primary urban unit for integration in the global economy is a trans-metropolitan area. This research establishes a new geography to identify and measure U.S. "megapolitan areas," which are functionally and spatially connected clusters. It builds on prior attempts to understand large-scale integrated urbanization by adding new data and theory, and by developing a precise and defensible megapolitan area definition. The ultimate goal is for the U.S. Census Bureau to formally adopt a megapolitan designation. In doing so, the census would confer legitimacy onto megapolitan areas that would help these places start planning.

Valuing Private Development in Distressed Urban Neighborhoods: Does Design Matter?

Brent Ryan and Rachel N. Weber
*Urban Planning and Policy Program
College of Urban Planning and Public Affairs
University of Illinois at Chicago*

This study will determine if a significant relationship exists between the design of new privately financed housing in Chicago's distressed urban neighborhoods and the value of these projects. We will classify new housing developments with more than 25 units built since 1992 into design typologies based on location, specifications and form. We will compare average price differentials between different types of similarly situated projects and develop a hedonic model to

control for other variables that are likely to affect sales price and assessed valuations. Our findings will have important implications for policy makers, assessment officials, developers and scholars concerned with fostering urban revitalization.

Population Density and the Transformation of Communities: The Social Geography of American Metropolitan Areas, 1970–2000

Alexander von Hoffman
*Joint Center for Housing Studies
Harvard University
Cambridge, Massachusetts*

This project on the changing social geography of American metropolitan areas investigates the population characteristics of several metropolitan areas from 1970 to 2000. The first phase investigates metropolitan settlement patterns through the collection, mapping and analysis of demographic, socioeconomic and geographic information, drawn primarily from the U.S. Census Bureau reports for 1970, 1980, 1990 and 2000. The second phase illuminates the census data and map analysis with case studies of the demographic, economic and land use issues in selected localities within metropolitan areas.

Areawide Brownfield Regeneration Through Business-based Land Trusts and Progressive Finance

Kris Wernstedt
*Resources for the Future
Washington, DC*

The promotion of brownfields reuse will be investigated through (1) ownership mechanisms that retain community control; (2) smart growth financial tools to encourage investment in distressed areas; and (3) risk spreading approaches to address the uncertainties associated with contaminated properties. The project rests on interviews with experts in brownfields, environmental insurance, land trusts and business incubation, as well as representatives of public institutions, nonprofits and businesses in the study city of Milwaukee, Wisconsin. A survey of business owners will examine perceptions of business opportunities and barriers in the neighborhood study area and attitudes toward land trust models for business establishments.

PROGRAM CALENDAR

Courses and Conferences

The courses and conferences listed here are presented at Lincoln House in Cambridge, Massachusetts, unless otherwise noted. For more information about the agenda, faculty, accommodations, tuition fee and registration procedures, visit the Lincoln Institute Web site at www.lincolninstitute.edu/education/ or e-mail rboff@lincolninstitute.edu. For more information about the Institute's Program on Latin America and the Caribbean, visit www.lincolninstitute.edu/aboutlincoln/lac.asp.

MONDAY, FEBRUARY 21

Denver, Colorado

Land Use and Property Rights in America

Harvey M. Jacobs, Department of Urban and Regional Planning and Gaylord Nelson Institute for Environmental Studies, University of Wisconsin-Madison

In the 1990s, the property rights movement influenced legislation in 27 states that restricts the right of state and local governments to enact and enforce land use and environmental regulations and planning programs. It reshaped public dialogue on the appropriate balance of private and public property rights. This course, intended for land use and environmental planners and managers, citizens and elected officials, acquaints participants with the history and structure of the property rights movement; strategies to engage land use planning opponents in constructive dialogue; policy techniques that address the concerns of property rights advocates; and the future of property rights in local, state and national politics.

MONDAY, FEBRUARY 28–TUESDAY, MARCH 1

Fort Lauderdale, Florida

Regional Collaboration: Learning to Think and Act Like a Region

Armando Carbonell, Lincoln Institute of Land Policy; and Matthew J. McKinney, Public Policy Research Institute, The University of Montana, Helena

Many land use issues transcend political and jurisdictional boundaries, affect multiple parties with diverse viewpoints, and

require strong partnerships. Existing institutional arrangements and public policy, however, do not address such issues. Whether formal or informal, regional initiatives bring together the right people in constructive forums with the best possible information to address issues of common concern. This two-day course provides a conceptual framework and practical skills to initiate, design, coordinate and sustain regional initiatives.

FRIDAY, MARCH 4

Minneapolis-St. Paul, Minnesota

Two-Rate Taxation of Land and Buildings: Benefits and Challenges of Innovative Property Tax Reform

David Brunori, Institute of Public Policy and Law School, George Washington University, and Tax Analysts, Washington, DC

This one-day program presents a variety of political and economic views on the taxation of land and buildings, and the rationale for applying different tax rates to land and buildings. Speakers address the economic impact of two-rate taxation, its history in Pennsylvania, and current issues in the assessment of land value.

MONDAY, MARCH 28–TUESDAY, MARCH 29

GIS for Community-Based Organizations: A Focus on Redevelopment and Revitalization Projects

Ann-Margaret Esnard, Department of City and Regional Planning, Cornell University, Ithaca, New York

GIS technology (including Web-GIS) is increasingly used by community based organizations (CBOs) for land development and community revitalization projects and policies geared at improving a community's overall quality of life. To help CBOs keep up with the rapidly changing technology while maintaining their mission, this course provides CBOs with general strategies for successful GIS implementation; information about national data resources for local uses; and case studies on the types of projects and analyses that can be used as methods for evaluating administrative, political and financial impacts of GIS.

THURSDAY, APRIL 14–FRIDAY, APRIL 15

Location TBA

Redesigning the Edgeless City

Robert Lane and Robert Yaro, Regional Plan Association, New York City; Patrick Condon, Landscape Architecture Program, University of British Columbia, Vancouver; and Dan Marckel, College of Architecture and Landscape Architecture, University of Minnesota, Minneapolis

This course introduces planning and policy advocates, city and state officials, and developers and citizen stakeholders to principles and techniques that can be applied in different metropolitan contexts. Previous courses have dealt with such topics as the design of a sustainable suburban highway corridor and ways to redesign mature suburban areas into pedestrian-friendly, transit-oriented centers with a strong sense of place.

MONDAY, APRIL 25–FRIDAY, APRIL 29

Land and Building Taxation in Latin America

Martim Smolka, Lincoln Institute of Land Policy; and Claudia De Cesare, Municipality of Porto Alegre, Brazil

Leading practitioners involved in policies and administration of property taxes share lessons and experiences, improve their access to useful information, and exchange views on complex and controversial tax issues. Theoretical and practical aspects of the property tax are examined: determination of property values; the context of urban finance; principles of taxation; components and definition of the tax base; assessment performance; tax rates and exemptions; information systems (cadastre, maps and GIS); collection and appeal; analysis of current systems; and responsibilities of policy makers and administrators.

WEDNESDAY, MAY 4

Comprehensive Planning

John R. Mullin, Dean of the Graduate School and Director of the Center for Economic Development, University of Massachusetts, Amherst

This in-depth review of fundamental planning principles and the planning process explores both the theoretical and practical aspects of comprehensive planning. It is

PROGRAM CALENDAR

designed to equip participants with state-of-the-art tools and techniques for realizing specific planning objectives, and for framing, implementing, assessing and managing comprehensive plans. Topics include strategic and long-range planning, the land use plan, the capital improvements plan, the plan and the map, the plan and zoning, and growth management.

THURSDAY, MAY 12

Location TBA

Visualizing Density

Julie Campoli, Terra Firma Urban Design, Burlington, Vermont; and Alex MacLean, Landslides Aerial Photography, Cambridge, Massachusetts

As smart growth initiatives gain momentum across the country, one of the persistent obstacles to compact development is the public's aversion to density. Misplaced concerns over density often prevent the construction of urban infill projects or the revision of zoning regulations that would allow for compact growth. This workshop offers planners, designers and community development officials specific tools for understanding the link between urban design and residential density. Using aerial photography and computer graphics, the program explores how various design approaches accommodate different levels of density.

JUNE (TBA)

Management of Land in Large-Scale Urban Redevelopment Projects

Martim Smolka, Lincoln Institute of Land Policy; and Mario Lungo Ucles, Central American University (UCA José Simeón Cañas)

Intended for experts involved in large-scale urban redevelopment, as well as for politicians and academics, this course is set in the context of the land regulation crisis in Latin America and the new paradigms of urban management. Using case studies of deteriorated neighborhoods, historical centers and vacant land, participants discuss the rationale for large-scale urban interventions, the implementation process and criteria to evaluate their impact on cities.

Valuation Series

Joan Youngman, Lincoln Institute of Land Policy; Michelle Thompson, Course Coordinator, Ithaca, New York; Charles Fausold, Cornell Cooperative Extension of Schuyler County, New York; and Lawrence Walters, George Mason University, Fairfax, Virginia

All policy issues concerning value-based taxes, from the distribution of the tax burden to the impact of a tax on land use decisions, depend on a prior determination as to the meaning and computation of value for purposes of taxation. This series of courses examines the theoretical and practical challenges of the valuation process and the best means of addressing them.

I. The Theory and Practice of Land Valuation: A Case Study Approach

OFFERED ONLINE IN LATE SPRING 2005

Using a specific parcel as a case study, this course offers a detailed examination of the valuation of undeveloped land.

II. New Model for Tax Administration: CAMA, GIS and Spatial Analysis

TUESDAY, MAY 3

Large-scale valuation of land throughout a taxing jurisdiction requires techniques different from the intensive single-parcel approach considered in The Theory and Practice of Land Valuation. This advanced course reviews innovative methods for integrating computerized appraisal and spatial analysis techniques and considers their place in modern assessment practice.

III. Selected Topics in Computer-Assisted Mass Appraisal and Spatial Analysis

THURSDAY, JUNE 2

This course examines land valuation models used for taxation and new trends in assessment modeling. A faculty including both practitioners and academic experts examines selected econometric models and computer-assisted mass appraisal (CAMA) systems, and discusses the policy implications of modern assessment technology. A critique of case studies will identify strengths and weaknesses in model structure, efficiency and accuracy.

Mediating Land Use Disputes Series

Lawrence Susskind and Merrick Hoben, Consensus Building Institute, Cambridge, Massachusetts; Matthew McKinney, Public Policy Research Institute, University of Montana, Helena; and Patrick Field, MIT-Harvard Public Disputes Program, Cambridge, Massachusetts

Land use disputes are among the most contentious issues facing communities. Local officials struggle to find ways of balancing environmental protection, economic development and private property rights. Few mediators in the U.S. have the specialized knowledge and skills required to successfully mediate land use disputes. Our trainers bring a wealth of experience, drawing on both theory and practice.

I. Resolving Land Use Disputes

THURSDAY, MARCH 3–FRIDAY, MARCH 4
Pace University, White Plains, New York

THURSDAY, MARCH 24–FRIDAY, MARCH 25
Lake Tahoe, Nevada

This two-day introductory course presents practical experience and insights into negotiating and mediating solutions to conflicts over land use and community development. Through lectures, interactive exercises, gaming and simulations, participants discuss and work with cases involving land development and community growth, designing and adopting land use plans and evaluating development proposals.

II. Advanced Course on Mediating Land Use Disputes

WEDNESDAY, APRIL 6–FRIDAY, APRIL 8

This interactive three-day course is designed for those who have attended the introductory course or are trained mediators with public policy dispute resolution experience. Participants explore different approaches to consensual land use decision making and deepen their understanding of assisted negotiation techniques to settle land use disputes. They also learn about the special problems associated with infrastructure and facility siting disputes, environmental justice battles, zoning and permitting rights, and discord over the preparation of long-range resource management and land use plans.

Audio Conference Training Program for Planning Officials

This series is cosponsored with the American Planning Association (APA). Most programs are one hour and begin at 4 p.m., E.T. For registration information, contact the APA at 312.431.9100 or www.planning.org.

WEDNESDAY, FEBRUARY 16

Zoning Clinic

Panelists examine the zoning board of appeals and how it can function better. They discuss the purposes of the board and how it should approach decision making, as well as the use of a zoning hearing examiner as an alternative to a board.

WEDNESDAY, APRIL 20

Planning for Safe Growth

Safe growth means planning and developing communities that resist natural disasters, provide safe streets and public spaces, and are prepared for emergencies. Learn about programs that help communities deal with weather-related problems, as well as technical assistance, planning tools and funding sources.

Lincoln Lecture Series

The Institute's annual lecture series is presented at Lincoln House in Cambridge, Massachusetts, beginning at 12 p.m. (lunch is provided). Consult the Lincoln Institute Web site (www.lincolninst.edu) for information about other dates, speakers and lecture topics. The programs are free, but pre-registration is required.

WEDNESDAY, APRIL 27

Innovations in Conservation Finance

James N. Levitt, Director, The Program on Conservation Innovation at the Harvard Forest, Harvard University, Cambridge, Massachusetts

MONDAY, MAY 23

Universities as Developers

David C. Perry, Director, Great Cities Institute, University of Illinois at Chicago

Wim Wiewel, Provost, University of Baltimore, Baltimore, Maryland

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