Site Value as a Tax Base: Probable Land-Use in Milwaukee County
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Corrections Copy

SITE ~~POTENTIAL~~ AS A TAX BASE:
PROBABLE LAND-USE IMPACTS IN MILWAUKEE COUNTY

by

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F I R S T D R A F T

Installment No. 1
November 15, 1963

Abbreviate wordiness and digressiveness of this introductory matter; add more relevant points.

Move digressions to later in the outline, where they are not digressions.

Site-~~potential~~ Value as a Tax Base: Probable ~~impacts~~ effects on land-use in Milwaukee County.

INTRODUCTION

The use of site-~~potential~~ value as the base for real estate taxation was a burning issue in this country and abroad for many years before the First World War. The movement scored a few electoral successes -- in Denmark, Australia, New Zealand, western Canada, the Irrigation Districts of California, and elsewhere -- and, where it lost, still often won concessions from assessors who brought up their land valuations to meet or forestall criticism, or because they themselves believed in it. The idea tended to travel with the Progressive Movement, and, like that Movement, succumbed to the postwar return to Normalcy. The New Deal synthesis, ~~by no means a carbon copy of Wilson's New Freedom,~~ excluded the idea almost entirely.

Economic analysts on the whole flagged in interest in tune with the times, so that now two generations of economists have shattered old icons, and embraced new, without much relieving the general ignorance of this subject that had become ritualized by 1920. Recent economic literature may give one a nodding acquaintance with the idea as an abstraction, but none at all with its practical application in the age of freeways, ~~or any age.~~ ~~The issue has been, for most economists, dead and buried.~~

~~Now it seems the obsequies were premature.~~ The last ~~five~~ ten years have seen an unexpected revival of popular and professional interest in the use of site-~~potential~~ value as a tax base. In part this is a reaction to the disproportionate inflation of suburban land prices after 1950, with land assessments lagging far behind price increases, and new buildings carrying the major tax burden. In part it is a general malaise over the inefficacy of the social reforms of the 1930's, and the ongoing programs of HHFA HUD to contain urban sprawl, or check the ~~inexorable~~ costly spread of blight, or cut the roots of urban crime and riot. In part it is the recent rapid increase of real estate taxes, which has raised them over the ~~"squawk~~ threshold, ~~and~~ of perception and heightened the need to levy them ~~on a base which cannot leave town.~~ in the least damaging way. In part it is the rise of tax rates generally, with a concomitant popularization of ~~the sport of~~ tax-avoidance, and a vigorous defense of tax-evasion, that has left few scoffers unconvinced of the force of ~~taxation~~ tax-avoidance in ~~perverting~~ blaring economic motivations. And in part it is the growth of a new generation seeking, as all generations, to ~~write its own economics from its own experiences~~ forge its own philosophy and to push ahead in the quest for improved institutions.

The revival of interest has already gone been reflected in new legislation in Hawaii, which in 1963 adopted an incipient modified Pittsburgh Plan. ~~In~~ Jamaica, in those intervals when Norman Manley is Premier, has moved toward a site value basis over the last several years. Strong movements are afoot ~~current actions currently~~ in Calif. (over)

and Pennsylvania. Assmt. freeze and tax abatement laws, which have much in common with site-value taxation, are available for local option in ~~Wisc.~~, Mo., N.Y., & Ct., and until a recent court upset, in Wis. Boston has sparked its urban renewal by ~~substituting gross rental for property taxes on existing new buildings, at~~ drastically lowering its tax demands on new buildings relative to old — another parallel to S.-v.t. Many states are offering tax concessions and other subsidies to attract new industry ~~for present~~ to generate present employment and future tax base. Some assessors are upvaluing land and downvaluing buildings, thus moving in the direction of land-value taxation without any legislative change, — prominent examples are assessors Francis Austin of Rosslyn, Va.; Theodore Swartney of Southfield, Mich.; and Irene Hickman of Sacto., Calif.

Signs of a ecst's, proful. interest (pp. 1-4 of RSA paper)
and TRED, & its pubns.
NTA -- on program every yr.
AIP
RSA
Brookings
Douglas NCUP
CUE
Minn. Exp. City

The revival of interest has ~~long since~~ reached the point when many responsible officials and consultants are asked, and asking, just what would happen if the proposed change were wrought: if real estate taxes were levied on site-~~potential~~ value regardless of present structures and uses. They seek in vain for much professional economic guidance based on modern conditions and modern analytical techniques. This monograph purports to fill a part, at least, of the need, by seeking to foretell the likely land-use changes that would follow from use of site-~~potential~~ value as a tax base.

The monograph covers a broad subject by focusing on only one of its many aspects. It avoids as much as possible embroilment in the more incendiary and subjective ideological aspects. ~~like fiscal equity, or intergovernmental relations.~~ It illumines only incidentally vital questions of capital-output ratios, public vs. private investment, and aggregate economic activity. It limits itself simply to laying out the specific, objective effects on land use that would follow from levying local real estate taxes on site-~~potential~~ value alone, instead of, as now, on site and building combined.

That is a sufficient task, and a useful prerequisite to broader discussions which ~~hopefully~~ surely will follow. For if half the cacophony that has sounded about this issue manifests only discordant premises and ~~incompatible~~ grand ideologies, the other half betrays sheer technical uncertainty of what is being proposed, and what it would effect. This monograph seeks harmony by restricting itself to a range of objectively resolvable questions of the form "If this, then that." Whether the results are on the whole mellifluous is another question which individuals will answer according to their ~~lights~~ tastes. ~~The objective method guarantees no infallibility, and reflects no lack of concern, but it does reduce the scope for error. If it serves to clarify the issues involved, it will serve its purpose.~~

The narrow and specific focus of the present monograph should not blind us to the wider implications of the subject, which ramify throughout all of economics. Probably the most ~~exciting and~~ important of those is the effect on the ~~enormous~~ construction and allied industries, and of course the indirect reverberations of such effects throughout all business and employments. Exempting from taxes the products of the building business

would ~~obviously~~ constitute quite ~~an economic stimulant,~~ a stimulus to invest, a 2% yearly tax on buildings being roughly the equivalent of a 30% (36) lump sum sales tax on a new building. (And 3% = 54%?) Yet, the net aggregate impact of a change to the site-potential base is not so simply discerned, for ~~it~~ the site tax would also tend to consolidate settlement and thus reduce the volume of investment in transportation and utility extensions. Which of these effects on aggregate investment would prevail is a question the macro-economist cannot answer very well without benefit of some micro-economic and land use studies. And so the present study should hopefully serve as background to later wider-ranging aggregative studies, and that would be one of its highest potential uses. Meantime, it should have uses enough at the local level where the issue is most often drawn today.

I. Milwaukee County as a testing ground.

Milwaukee County on the whole is neither better nor worse than several other testing grounds on which the probable results of taxing site-potentials might be traced out, and that representative quality is precisely its virtue for the assignment. It is an average sort of metropolis in many ways, as to size, age, rate of growth, vigor, conservatism, percentage of home ownership, divisiveness, concentration of wealth, sprawl, ~~taxes~~, minorities, budgets, standards, etc. It is even representative in that it cherishes its idiosyncracies.

Milwaukee County's greatest virtue for study is the way it wears its heart upon its sleeve. Milwaukeeans love to talk Milwaukee, and their newspapers, governments, and citizens' groups cater to this garrulous civic disposition with a heavy factual diet. Milwaukeeans like to keep a clean house, and they watch their public officials with suspicious and piercing eyes. There is, indeed, a gnat-straining quality in Milwaukee's civic rectitude, with more ado over petty pilferage than grand misdirection, but the civic character ~~at least~~ manifests a basic honesty, and generates the data by which

to judge and correct itself. ~~Where essential facts are accessible, pettiness can be ignored and obfuscation dispelled. Milwaukee offers us no ready answers, but a fair chance to find them.~~ Public officials ~~here~~ rank high in professionalism and probity, ~~by any national standard.~~ Many ~~of them~~ have cooperated gladly in supplying the grist for this study, and encouraged it in many ways. ~~Give credit~~ Particular credit is due to a number of individuals (over)

Milwaukee County analysis is facilitated, too, by the relatively small number of suburbs, 18 in all. These run the usual gamut of suburban types: W. Mke. is ~~from an~~ industrial enclave; River Hills is the ~~like West Milwaukee to a mink-and-manure~~ subtopia of maximum prestige and con- ~~with more pheasants~~ spicuous waste of land; Whitefish Bay is the ~~like River Hills, but in few enough numbers that the analyst need not be drowned in detail.~~ spit-and-polish suburb of standardized resalable houses for fast-moving young executives; Cudahy, S. Mke., & W. Allis are working men's towns; and so on. But the number of suburbs is few enough so the analyst is not crushed by detail.

A. Representative trends and problems.

Milwaukee County manifests the same trends and problems as all modern municipalities, differing only in degree. Let us note those trends that most bear on our study.

- - - decentralization and disintegration. Milwaukeeans joined the nation in the suburban flight, and the building and land booms after World War II. A few unfinished suburbs, notably Whitefish Bay, filled out compactly in this era, but elsewhere the boom strewed ~~itself in~~ bits over the whole County and its neighbors. Industry, commerce and institutions accompanied the movement, and highways and utilities perforce were extended too, the outer lines being modernized and enlarged as a rule before the central ones. Central areas underwrote the expansion in several ways, supplying the capital, and bearing the deficits of extending transport and utilities. New buildings outside the central city escaped the fiscal deficit areas of the old city behind them, but assumed the load of duplicating the city's social overhead capital. L.v. also shifted outward.

- - - automobilization. The no. & size of autos and trucks that had to find space on city streets and private land, so multiplied ~~severalfold~~ that the conversion of space to streets and parking was the (cont'd)

and organisations warrant special mention. The Citizens Govt. Research Bureau

St. Francis is the town that tries to line on a power plant; Greendale is the utopian colony of the Tugwell era; Greenfield is a collection of remnants, a defensive incorporation to fend off Milwaukee City; and so on.

major land use shift of the time, one which incidentally entailed many transactions in bare land and supplied abundant data on land values. Older retail districts survived by ~~by~~ buying land for parking, often behind them, pushing the retail price influence a full block ~~either~~ from the retail artery. Gasoline stations acquired vast aprons. Factories bought employee parking space, etc.

Conference Plan

W. Nelson
Met. Study Comm.

1. Factual background

Tribute to city: CGRB, Tax Comm., suburban assrs., xway Comm., gas co. (Ned Vahldieck), SEWRPC, Sewage Comm., Am. Appraisal, Bd. of Harbor Commrs., UWM, MLI, ~~Bd. of Realtors~~ (~~Chicago~~ Soc. of R.E. Appraisers), THCA, State Commr. of Ins., City Ec. Devt. Comm. (Stefanidis study)

Mke. Cty. as testing ground

Not congruent w. metrop. area, but about as close to it as one wd. find in a pol. unit. [W., N.W., & N. metrop. area outside it. Indeed, City Mke. just annexed a few acres of Germantown, & eyeing Butler & Metrop. Sewage Comm., & utilities, jump Cty. lines.]

A. Rep. trends & problems of our times

~~B~~.
- decentralizn & disintn.
- immigrn.
- recentralizn. (or is it disintn of the CBD?)

B. Idiosyncracies

- strong cty. Compr. undergrn'g.
- complete incorpn.
- strong central city
- simple jurisdictions
- shared ins. taxes.

---immigration. The inventory of old houses seeking resale created a low-rent vacuum to attract rural low-income immigrants, among whom southern Negroes are conspicuous. The Negro ghetto, (the "inner core,") burst its northern dam and coursed ~~nearly~~ to Capitol Drive, ~~the secondary east-west axis of~~ and beyond. There are mixed neighborhoods on the northwest, but ~~high~~ "levees" at Holton St. on the east and 20th on the west. ~~Milwaukee, with appreciable block-by-block mixing on the expanding fringe.~~

There are ~~even~~ about 200 Negro families sprinkled in the blocks northwest of Capitol Drive and Sherman Avenue, an area of postwar buildings; But on the whole, Negroes live in houses built before 1920, and it ~~is~~ may be the urban sprawl of that time that accounts for ~~much~~ some of the neighborhood integration of today. Density about held its own, but with growing vacancies in the "inner core." [Maybe crowding got worse, offset by land clearance and dereliction of bldgs. Building values tapered off as buildings aged and obsolesced, lost their insurability, or made way for parking lots and expressways, and residential land values weakened as neighborhoods deteriorated.] But immigrant demand for cheap rentals maintained a floor under values of old buildings, helping forestalling abandonment and renewal.

? irrelevant here. ?

---recentralization. By about 1960 the suburban boom lost its vim as high land pricing and restrictive suburban zoning conspired to price detached homes out of the market, and old homes lost 15-20 per cent of their resale value. ? The vim reappeared in ~~It was replaced by~~ an apartment boom that could bear high land prices. Many of these apartments are walkups in units of 4 - 20, scattered almost as widely as the detached dwellings, where zoning permits, usually along arterial streets. But elevator apartments and some walkups can bear the cost of demolishing old houses and so have revived building near the central city. New high-rise apartments on the near north-east side and the near west side give those neighborhoods the city's highest per acre population densities and residential land values, reversing the trend toward lower

densities [and belying any correlation of density with poverty.] By 1963 the expressway system, which was built from the outside in, began to reach downtown and acquire land to loop it, while downtown was beginning more new office space than in any year since the 1920's, clearing large acreages under Urban Renewal and Public Housing, experimenting with assessment freezes to spark renewal, enlarging its utility line capacities, and in general ~~going through~~ enjoying a second childhood. Recentralization has not quite reached the center; ~~as~~ the CBD grows north, south, east, and west, while the old 100 per cent location around Third Street and Wisconsin Avenue ~~sleeps on~~ remains dormant. There is even some incipient revival of central area industry, in the "lower Third Ward" renewal project on the southeast of the CBD, although industry is reviving only weakly, and storage and wholesaling not at all.

B. ~~Idiosyncracies~~ — heavy mortgage debt. As everywhere in the nation, low-equity home-ownership (over) Some distinctive localisms.

Abbreviate -- this is too relaxed and discursive

While Milwaukee County obviously has been following national trends, it has its ~~peculiarities~~ localisms. Let us note some of them that bear on our subject.

---strong county. Revival of county government to provide metropolitan government, so often advocated, has quietly occurred in Milwaukee. The County presides over parks, recreation and culture, sewerage, airports, health and welfare, expressways, etc. It budgets nearly one-third of local spending and levies nearly one-third of the real estate tax. That ~~This~~ creates a motive towards competitive underassessment, which is controlled by county-level equalization of Local assessments. ~~are equalized at the county level, but~~ Zoning, however, is locally controlled, and competitive underassessment takes the hidden form of competitive underzoning and delayed subdivision, whereby landowners ~~municipalities~~ sacrifice immediate resale values in return for lower county taxes, making a sort of community project out

ership has become common in Mke. City. Altho tax liens are legally senior to mortgage liens, heavy mortgaging ~~generally~~ tends to put a *de facto* ~~upper~~ political limit on property tax increases. This limit has been weak in recent years because the rise of real estate values has persistently strengthened the tax base, and the leverage enjoyed by low equity owners has made them tempting targets for taxation. But the present levelling and threatening drop of values squeezes low equity owners and develops a growing resistance to property tax increases.

Dubious

The traditional opposition of the very wealthy to property taxes has been weakened, & still is, by the ~~excess~~ deductibility of local taxes ~~& interest~~ from federal income tax. The deductibility of interest has increased the tax-paying capacity of low equity buyers.

of land speculation. The strong county permits of an ample park and recreation system, free from the ~~usual~~ restraint of municipalities fearing exploitation by outsiders. ~~amounting to~~ There are 4.1 acres of park land per 1000 population in the city, and 23.1 acres in the suburbs. Most of the lake front in the city and southwards to the Oak Creek line is publicly owned, ~~so that~~ therefore private riparian rights are not as great a factor in land value ~~there~~ as in ~~Chicago~~, for example, Chicago.

---complete incorporation. Every square foot of land in Milwaukee County is now in an incorporated municipality, ~~a circumstance not unique but a little unusual.~~ Some of the suburban jurisdictions are primarily ~~to be regarded as~~ preclusive or defensive incorporations, however, to fend off the city, its compulsory services, its people, its zoning, and its taxes. Forty-six per cent of the county area is vacant or in "farms." Much incorporation and annexation is so recent that the areas' development has gotten well started without benefit of municipal services, and shows it, by the scatter of settlement, the non-coordination of private & public investment.

---strong central city. Milwaukee, with 750,000 population, is indisputably the central city, eleven times more populous than its nearest rival, West Allis, and with eight times more land area. Blocked on most boundaries by suburbs, it has broken through to the northwest and annexed a vast ~~empty territories~~ new domain, in the line of fastest growth. Despite its liability of aged ~~central~~ buildings ~~and~~ deficit fiscal areas, which make for per capita tax base is higher than several suburbs. Its city schools have managed to remain well above the blackboard jungle level, with per pupil expenditures of $____, better than the blue collar suburbs of Cudahy, South Milwaukee, and rich West Allis, and 2/3 as high as the "lighthouse school" districts of Shorewood and northwards. The lion's share of new industry is being built inside Milwaukee, in spite of its

high tax rate, because of its superior services, superior land, and receptive zoning. The city contains the two major higher educational institutions, Marquette University and UW-M, the latter in a stage of extremely fast growth, and the former renewing itself and its neighborhood. It contains the stronger two of four postwar regional shopping centers, and most of the smaller ones. Rail, water, and highway routes focus unambiguously on its CBD, around which the Interstate Expressway system ~~will~~ is forming a loop with many local access ramps. [In contrast, ~~to the sterility of~~ limited access ~~at~~ has sterilized some other junctions.] [The city has a history of building inspection stricter than the national norm, which has helped limit blight and release sites for renewal.] - list separately.

---simple jurisdictions. Milwaukee County has a simpler major jurisdictional structure than most other large metropolitan areas, most of its school districts follow~~ing~~ the lines of ~~its 19~~ the municipalities, as shown in Figures 1 and 2. The county school board can initiate district consolidations, subject to majority approval in the proposed consolidated district. Thus, West Allis has succeeded in tapping the ~~surpluses~~ tax base of the tiny industrial fiscal enclave of West Milwaukee, while posh River Hills has joined with almost-as-posh Bayside and Fox Point, and industrial-enclave Glendale, forestalling consolidation with its poor and ~~populous~~ western neighbor, Brown Deer. But those are exceptions; congruence is the rule.

It has only 19 municipalities, and

---shared state income taxes. Wisconsin municipalities receive a share of state income taxes. Many Milwaukee suburbs therefore levy only nominal real estate taxes, although Milwaukee City still requires a real rate of 1.2%, on top of another 1.3% for schools and yet another .9% for County. Since many suburban municipalities subsist mainly on shared state income taxes, school districts and the County consume the bulk of suburban real estate taxes, and so municipalities in consolidated school districts feel a strong impulse toward competitive underzoning and

forestalling of subdivisions, which may help account for the five-acre minimum residential zoning of River Hills. River Hills is in consolidated elementary and high school districts, but convenient to two excellent private day schools and parochial schools, which many of its children attend. Real estate taxes are largely an unrequited export to the County, and the municipality has every motive to minimize its tax base.

---comparable per capita tax bases. Per capita tax bases range from $3,400 in St. Francis to $18,000 in West Milwaukee, with a mean of ——— (Table 1). This is less extreme than the range of 1,030 to 19,800, found in Allegheny County, Pa., by Jerome Pickard. In terms of real tax rates, the range and dispersion is lower yet. There are no really desperate orphan areas in the County. Even the plight of St. Francis may be temporary, this being a thwarted power plant parasite, which lost its plant by a change of the state allocation formula. It could probably join Milwaukee soon. The fiscal importance of the County meliorates inequalities. The Wis. state income tax does little to equalize (over) The tax-sharing formula also helps in one way, because real estate income is shared with the municipality of the site, rather than of the owner's residence, since residents of wealthy suburbs draw (over) which helps Milwaukee City and the industrial suburbs. (more facts needed) The corporation income tax is also shared. On the other hand, in an important sense the per capita bases differ more than the Table shows, because the equalized values shown for the rich north shore suburbs with large lo[t] zoning are much below the latent values suppressed by their low-density zoning — that is, the unit values that would obtain if lots were sized to the market demand. And many recent low-equity buyers, usually in humbler new areas, are in trouble from having underestimated future development costs and bought unwisely at overinflated land prices. They are now hard-pressed to pay taxes plus debt service. Legally, tax liens are senior (over)

School Distrs., highest per cap tax: Glendale-RH = $76,700; Greenfield = 21,100

---historical decentralization. The second automobile boom did not put as great a strain on Milwaukee as on many cities, which helps account for its slow building of modern expressways. Decentralization had already preceded it. Major employers, export-oriented manufacturers with fewer local

Rewrite

No need to stress this. Not a localism

tax bases, because the sharing formula makes of it a de facto state-collected municipal income tax, with monies returned to municipalities of the taxpayers' residence. One feature of it does tend to even out the tax base:

a good deal of income from real estate in the central city, ~~that~~ and ~~industry in the~~ the industrial suburbs, this practice

to mortgage liens, but in practice a ~~tax~~ real estate tax base is politically constrained if many title-holders have low equity.

than ~~one~~ wholesale or retail traders, for example,

linkages, had led the flight out decades ago, taking their front offices with them. The Milwaukee CBD has long been weak, containing only 5% the assessed value of the city, and even today there is no terror in rush hour traffic. The shadow of Chicago, 1¼ hours away by train, hangs heavily over the CBD, inhibiting many specialized functions that would burgeon in a more isolated metropolis. The city's trade territory is perforce small, and oriented northwards, (which is also the direction of dominant growth); storage and wholesale commerce and the professions are weak. The city is a large machine shop, brewery, and insurance underwriter, in the Chicago orbit. The CBD is further weakened by its eccentric lake front location. As the center of population shifts westward, the CBD is pulled apart. Its centrality is further weakened by the predominance of northern over southern growth, which gives Capitol Court, at Fond du Lac, North 60th and Capitol Drive, a growth advantage hard to deny, the moreso as city annexations and utility extensions proceed northwestwards while most of the south is held by adamant "septic-tank suburbs." - Careful, they may be serviced now.

---linear patterns. ~~Peripheral~~ Radial retail strips developed strongly as secondary centers in the old Milwaukee: North Third Street, Mitchell Street, (Vliet Street) North Avenue, South 16th Street, Greenfield Avenue, and others, accompanied by a policy of strip commercial zoning whose excesses can only be conveyed in superlatives. Strip zones shoot out on a score of radials and cross-town section-line ~~roads.~~ avenues. The thought seems to be that anything financed at a higher level of government for through traffic will be a wider, better street and should be commercial. Even the CBD is essentially linear, evincing more strength 25 blocks west on Wisconsin Avenue than ~~one~~ two blocks north or south of its center, near Plankinton. Industrial zoning is also linear, following the rails, even ~~today when~~ though many ~~new~~ plants, both old & new, have ~~use~~ no railroad ~~service~~ connections, and ~~even~~

Fond du Lac

KK, Wisconsin,

Need detail on street freq.

many plants with sidings no longer use them. The lake front, too, exerts a strong linear influence on settlement. As far as zoning permits it, the lake front is the densest settled area. North of the high-rise zoning, it is true, density is distinctly lower along the immediate lake front, but only on a small ~~micro~~-scale ~~inside~~ within each north shore suburb. On a ~~macro~~ large scale, the north shore suburbs, taken as a whole, are denser settled than their western neighbors, Glendale and River Hills. On the south side, the shore line sector is populous while the neighboring sector to the west is ~~another~~ howling wilderness. inside the city density rises to the west from Lake Park. and part of the City.

---low range of land prices. Linear decentralization and commercial overzoning have produced a surplus of scattered commercial frontage so that few commercial areas command a premium. ~~no area has an enormous advantage over others.~~ Single family residences compete with commerce for frontage on many busy streets. ~~so low is the premium for commerce~~. Underdevelopment of many choice sites has diverted demand outwards and diffused values over wide areas rather than focusing them in well defined specialized high-intensity commercial zones. That applies as well to high-rise apartments, the next in the hierarchy of land uses, and to those still numerous industries, distributors, institutions, and functions of service and storage and supply and exchange and congregation and assembly ~~functions~~ which favor location with good general access. Sharply defined steep ~~high~~ gradients of change of land prices are found only in a few areas: around Wisconsin Avenue; on the near north-east side, declining westwards from the lake bluff back down to the river; and on the near north side, the older southern end of the negro ghetto, where deep sinks in the land-value surface are found in residential wedges among converging radials, contrasting with highs ridges on the radials themselves. Elsewhere, prices stay within a narrow range over wide areas, punctuated by special zoning or major crossroads, or the ~~importunate~~ expansion demands of a settled institution or industry. The

lake front premium one might expect is neutralized by low density zoning in the north, and County parks on the south. In general, unit values simply slope off gently with time-distance from the center in a surprisingly uncomplicated macro-relief, from $5 a square foot just off the high rent CBD, ~~district~~, down to values around 2½¢ a square foot, or $1,000 an acre, in the "farm" areas (Fig. 3). The percentage difference, to be sure, seems a large one (over) A Negative neighborhood influence is paramount in some blighted areas, but by and large is overborne by higher central densities, so there is no major trough in the grey areas. The only major ridge intruding in this gentle declivity is the secondary east-west axis of Capitol Drive, 32 blocks ~~and~~ or 4 miles north of Wisconsin Avenue. Capitol Drive is ~~the only unobstructed east-west route north of Wisconsin Ave.~~ the first unobstructed east-west artery north of North Ave. [which has become badly obsolete and congested.] and ~~as such occupies its hegemony was inevitable~~ the last until Silver Spring. [which is still new territory.] So Capitol Dr. has inevitably become something of a phenomenon, with its own major industries and commerce and offices.

---strong public transit. (Question: how reconcile with decentralization?)

a. Multiple destinations
b. Working class adherence to mass xpt.
c. Hi resid. density. See Census Table 30

... high density?

vigorous enforcement of minimum standards, with ~~demo~~ condemnation - demolition of bldgs. that wd. still pass muster in many most cities. Pattern also followed in suburbs. Thus, a city w. a good strong tradition of self-renewal. Possibly due to its uncertain location -- can't

--- galloping ghetto. Little premium on colored rents.

--- maintenance of resid. density in older areas, unlike N Y C lower east side, e.g.

between those two figures. ~~and~~ It is even larger if we compare 2½ ¢ psf with the small area along Wisc. Ave. near the Mke. R. where land values run ~~from $15~~ up to $30 psf, or 1200 times more. ~~The range is low~~ But such contrasts are an urban commonplace, and Mke.'s range is low relative both to what it used to be, and what still obtains in other cities where CBD values mount as high as $200 p.s.f.