



paulbeard @paulbeard

19 Nov · 10 tweets · [paulbeard/status/1329237739456237569](https://twitter.com/paulbeard/status/1329237739456237569)



This argument will never make any sense, that vast resources of the productive wealth — cities — are somehow going to be put under austerity budgets. In today's post-industrial/knowledge economy, land/location is the means of production... 1/



...the store of value that creates wealth and attracts investment of money and energy. We were told the Internet would make it possible to work anywhere, hollowing out the expensive cities. Anyone who has looked at Seattle or SF home prices know didn't pencil out. 2/

People want to be where the action is, to make connections, to build things, and no amount of high-quality video conferencing or fat bandwidth is going to replace that, not even in the Pandemic. So why would you starve the source of your wealth at a time like this? 3/

Cities should be taxing the wealth created by that investment of productive energy/money, imposing ground rents on commercial land that recoups the value of that investment. Contrary to conventional wisdom, Seattle doesn't have a spending problem: it has a collection problem. 4/

Property taxes (on commercial property) are too low, based on the value of the land:

the value of the natural monopoly (land) rises year on year faster than it can be taxed, creating a windfall for speculators at the expense of the investors, the people who built it. 5/

A split rate on commercial property that lowers the tax on improvements — buildings — while raising it on the land, to both encourage development of land and recoup the value for reinvestment makes much more sense than austerity. If Seattle collected the value of what it has... 6/

...millions of dollars a year in ground rents/leasehold payments, it would see more development, more cranes, and more/better services for those who invest their time and energy in their city. But how to tax a natural monopoly with distributed ownership? 7/

I think that's just a matter of political will: the tax records exist, and we know that commercial land in downtown should pay more than a residential parcel. Why do we incentivize vacant or underused land (parking lots downtown) while disincentivizing large developments? 8/

Between better zoning (more density, removing parking minimums) and taxing away the speculative windfall while lowering tax rates on those denser developments, we would see many changes in how land is used, both commercial and residential. 9/

This is a moment to rework how we use land in our cities, especially those that are under so much pressure to sustain their economies due to poor housing/land policies and the effects of the pandemic. We have all we need: we just need to value it properly. 10/

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