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Worth-A-Look

INTERESTING ARTICLES ON THE FRONTIER OF PUBLIC POLICY

September 18, 2006

The Un-built City

Steve Cohlmeier, September 3, 2006

A recent article in this newspaper bemoaned Winnipeggers' lack of pride, and our embarrassment about our city as a place to visit. There is a lot about the city which makes it well worth the visit, and we have, for years, enjoyed showing surprised visitors how large, varied and rich Winnipeg is. Many years ago we gave a short tour to famed urbanist and thinker Jane Jacobs whose comment was that Winnipeg was remarkably urban (the ultimate compliment) – and much more urban than bigger and faster-growing Vancouver.

However, there is one overriding reality in Winnipeg that makes it very difficult to convince those who love to experience good cities that Winnipeg is anything more than an overgrown town. That reality is the immense amount of un-built space in our downtown.

Just 40 years ago this un-built space was full of four- and five-storey buildings, and the lack of those buildings in today's downtown has resulted in a distressing range of problems for our city. The most obvious of these problems is aesthetic. The wide-open spaces between Broadway and Portage Avenue are the epitome of un-inviting space. With little to attract residents or visitors, and with little to attract exploration or buying of goods, it is very difficult to introduce the small-scale and incremental commerce that is the hallmark of the world's great cities.

If the problem were only aesthetic, an unattractive place can be simply ignored, and we can all go to the park, or explore the Exchange District, or stroll our tree-lined residential streets, or go to the mall. After all, every city has its less-than-perfect underbelly, and what's the big deal if we have one too? The big deal, of course, is that a downtown is not a place to be hidden away and forgotten. It is the symbolic and very real face we present to ourselves and to others.

The costs of a wind-blown downtown are great. Winnipeggers themselves are embarrassed by our downtown. We are surprised that someone might want to visit, and we appear to feel that there is nothing worth seeing. The most rapidly growing sector in the world's economy is tourism, and we shut out our share of the world's market because of the downtown we show the world. The costs of having a city no one wants to visit are real and large. The attractiveness of Winnipeg is so low that even our children leave for the bright lights of the romantic cities in remarkable numbers, and not many come here looking for our bright lights.

Costs are not just aesthetic and social. The streets of downtown were built and equipped at great expense to service many times the demands which are put on them. Sewer, water and road systems are capable of serving at least 10 times their current load at no additional expense. And those under-used systems continue to cost money simply to be kept operational – even though they remain under-used. Public moneys have been and continue to be spent, and literally wasted, because of our development history. (Another side of this under-use is that additional serviced lands "have to" be constructed on the city's outskirts, even though there is a supply of underused serviced land lying fallow downtown.)

When tourists and residents stay away in droves, the snowball effect of inaction is costly. Businesses are less successful, and either fail, or, at best, pay less tax. The under-used serviced lands downtown generate some tax revenue from surface parking lots, but the tax that is generated is minuscule compared to that which can be generated by successful continuous urban development.

Winnipeg is not the only city to have this problem. Cities like Dallas and Houston make Winnipeg look downright dense. But no one wants to visit downtown Dallas or Houston, either. Because these problems are not limited to Winnipeg, there is a tremendous resource out there in the rest of the world – of planners, architects, politicians, policy wonks and citizen activists who have been struggling to get rid of the holes in their city centres. Some of the tools used in other places have worked, and some have not. Some of the tools which have been successful in other places would not be appropriate here. But there are lessons to be learned, and a real problem to be solved.

In Des Moines, Iowa, the city expropriated abandoned or under-used lands, cleared debris and empty buildings, and installed topsoil and sod – creating so-called greenfield sites in brownfield locations. The result has been new investment and revitalization. Montreal passed a law two years ago with a blanket prohibition of surface parking lots. In Lisbon, landowners in an older section of the city showed no interest in investing – waiting until some magic day in the future when everything would be rosy. They resisted the city's efforts to encourage development, and the city expropriated their lands, built what they had been trying to encourage, and, in many cases, re-sold the improved lands to the original landowners – who are now making handsome returns on the entire affair.

In Winnipeg we have a problem similar to that in Lisbon. Landowners are able to operate surface parking lots at a reasonable level of profit, and pay taxes based on low use of their lands. The framework is ideal for sitting still until some far-off day when real profits can be made. And the inertia is killing us: the true civic cost of having to build more serviced streets while the streets downtown remain underused, and the true civic cost of choking a vital and robust downtown are not borne by those who sit on their vacant lands. Those costs are borne by the rest of us – as we literally subsidize the long-term interests of the wait-and-see landowners.

In response to this problem, there is a growing movement to re-consider the way urban land and property are taxed.

The traditional means of establishing tax rates is to determine the value and earning potential of commercial property, and to tax the land and buildings based on those earnings. Under this system, land with a building on it attracts high taxes, while an empty parcel attracts low taxes. This is an ideal framework for wait-and-see owners of vacant land, who can sit back while those who develop and own buildings pay the nearly full share of downtown subsistence.

The concept of taxing the land, rather than the buildings on the land, is gaining support as a tool to counter all of the ill effects of wait-and-see vacant-land ownership. In a land-tax system, building owners must still pay significant taxes. The difference is that vacant-land owners must pay taxes based on the real value of their lands, and they quickly find that "sitting" on vacant land is not such an attractive proposition. They are forced to sell their lands to those who are prepared to build and truly use their lands, or they are forced to build and become real participants in the economic life of downtown. With a successful cycle of re-birth, land values rise, and gross tax revenues rise, and people do not avoid the formerly empty places, and commercial enterprises can thrive. It is a pretty attractive picture, and one which makes a lot of sense for Winnipeg.

Steve Cohlmeier is a Winnipeg architect.

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ALL

Search



- Saskatchewan First Nation leads on accountability
- Taxing Height?
- Hugh Segal, Guaranteed Incomes and Trade-offs



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January 20, 2011 — Winnipeg

When Can I Retire? Planning Your Financial Life After Work with Andrew Allentuck, Author and Journalist
January 31, 2011 — Winnipeg

Drill, Baby, Drill! Why Canada Needs its Offshore Oil with Henry Lyatsky, Geophysical and Geological Consultant
February 3, 2011 — Calgary

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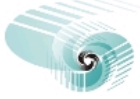
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