You might find by writing to us that we could help clear up some points regarding the use of these methods that may not have been made clear in this short discussion.

VIEWS OF A RAILROAD ENGINEER ON ROAD AND DITCH ASSESSMENTS

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It is with some misgiving that I present this paper to a body of men empowered by law to levy such assessments.

You are all aware of the fact that often the railroad engineer does not agree with common practice in the levying of such assessments, as to either the principle or the application of the principle.

For this reason, I rather welcome the opportunity to come here, today, and discuss with you some of the major points on which our opinions as to the proper methods of procedure usually do not agree. Perhaps first we should define the term "special assessment".

Special Assessments

A special assessment is not a tax levied against individuals or corporations, according to their income, their ability to pay, or their willingness or unwillingness to pay. It is not levied as a fine on account of any action or supposedly improper performance of the assessed, nor can its amount be determined in any way by the fact that the existence of the property of the assessed may not be welcomed in the community or may be considered to be a nuisance.

A special assessment is a special tax on real estate, and the courts have consistently held that a special assessment levied for the purpose of defraying the cost of a public improvement shall be levied against the land, or real estate, which will be benefited by the improvement, and that the amount assessed against each parcel of land shall bear the same ratio to the total cost of the improvement as the benefits derived by that parcel of land bear to the total benefits to all of the property affected.

Incidentally, it is generally held that the assessment in no instance shall exceed the amount of the benefits and, in most states, statutes provide that it shall not exceed some fixed
percentage of the benefits. We may, therefore, come to the conclusion that the basis of all special assessments for public improvements should be the amount of benefits derived by the property affected. This brings us to the subject of benefits, what they are, and how they are measured.

Benefits

Benefits are usually considered to be the increase in value that the property may acquire on account of the proposed improvement. I have seen some very large and important assessment rolls made by first determining accurately those benefits. Boards of real estate experts are engaged to make two appraisals of the property affected. One is made on the basis that the improvement does not exist, and the other on the basis that it does. By deducting one appraisal from the other, it is possible to determine the amount of the total benefits of any particular piece of real estate. Then, by adding together all the benefits and comparing the total with the total cost of the improvement, a basis is determined whereby the spreading of the assessment becomes simply a problem in arithmetic.

Benefits from Drainage. Invariably public improvements are made for the benefit of some certain use that is being made of most of the property in the vicinity. For instance, in an agricultural district, drainage is installed for the sole purpose of making the land more productive. However, there may be within the limits of the area assessed some land which is being put to some peculiar use where drainage does not benefit it as much as other property or perhaps not at all. For example, suppose there is within the area a parcel of land on which the owner is trying to impound water for some reason, such as raising gold fish. Would the owner of this land welcome and want to help pay for a drainage system which might drain his lake and dry it up so that he could not continue in the business he had been following?

Railroad use is a peculiar use which may be benefited by drainage or may not. In many instances, the benefit derived from drainage systems by railroad property is very slight, for the reason that adequate drainage for railroad use has already been provided. Railroads are largely built on filled subgrades. When in cuts, side-ditches are provided for drainage. The track structure is "high and dry" and systems of farm land drainage in the vicinity add very little, if anything, to the value of the railroad property for the use to which it is being devoted.

I have known of instances when railroad property was assessed quite a substantial sum in connection with the construction of a farm tile a mile away, regardless of the fact that the tile could be installed or taken away without the fact being
detected through any effects to be noted on the operation of the railroad or the maintenance of the track.

It is sometimes argued that the railroad is benefited through the general benefit to the community. That is true, but so are hundreds of others who have not been assessed at all, such as mail order houses, automobile dealers, and many others. For this reason, the courts generally have held that the general benefit to the community cannot be considered in determining the benefit to the affected property.

It is not my purpose to claim that no drainage is beneficial to railroad property. In some cases it may be very beneficial, but it must be such that it will prevent wash-outs of roadbeds, flooding of tracks, undermining of subgrades, and things of that kind, which can be detected and which affect the operation and maintenance of the railroad. In such cases you are very likely to find the railroad company a petitioner for the improvement and willing to do its share.

In spreading an assessment for a drainage project, careful consideration should be given to the amount of the actual benefit derived by each piece of affected property. In determining the amount of such benefits the permanent use being made of the property should be considered. For instance, a study should be made as to how much the farm land is being benefited for farming purposes, how much residential property is benefited for its use for residential purposes, how much factory property is benefited for that use, and how much railroad property is benefited for railroad use.

Benefits from Road Improvements. Benefits derived from drainage projects are confined to only that property within the drainage area, but the benefits derived from road improvements take in a much greater scope and should not be confined to property adjacent to the improvement. Improved roads are used by both owners of real estate and those who do not own real property. They are used by people living in other localities and by many who use the roads as common carriers.

For that reason I am of the opinion that special assessments levied against adjacent property for road improvements should be limited to only a small portion of the total cost of the improvement. The recent plan of obtaining government or state aid or obtaining funds from the gasoline tax is very proper. Unless a road improvement leads to a railroad station, warehouse, team tracks, or some similar facility, the actual benefit to railroad property is negligible. Again, I wish to point out that the benefits to the general community cannot be used as a basis for special assessments. Road improvements along railroad property occupied by a main track do not benefit the railroad property in any way. In fact, they furnish a right-of-way for our competitors and so decrease our earnings rather than increase them.
It may be stated that the railroad lands could be put to some other use, such as residential, in which case the presence of an improved highway in front of the property would be quite beneficial. That is true if there is any possibility that such a change is to take place. However, the use for railroad purposes is permanent, or at least as permanent as any use. Certainly, it is just as permanent as the highway.

In working as a railroad engineer over a long period of years, I have noted a general improvement in methods of spreading special assessments. Much more thought is being given to the matter of actual benefits derived by property from public improvements than was previously given. Men with better training and more engineering knowledge are charged with the duty of spreading such assessments than were those who were doing this most important work several years ago. Meetings, such as you are holding here today, where the views of all concerned may be set out and discussed have added materially to the character of such work, and for that reason remonstrances, injunctions, and other proceedings are instituted by dissatisfied property owners much more infrequently than in the past.

I hope that this general understanding continues and that more opportunities may be had for an exchange of views on this subject.

PLANNING CITY CONSTRUCTION PROJECTS

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The very mention of planning is abhorrent to some people, as they look upon it as "controlled economy" affecting our democratic mode of life. Such is not the interpretation I will place upon the word, but I will use it only as it applies to the engineer's work. There are different conceptions of what planning really is, and many steps must be taken and many interests considered before results can be expected. It is easier for the city planner to start from scratch and plan a new city, where no interests but his own are concerned, than to revamp an existing city where the interests of several thousand citizens must be considered. This latter case is our problem.

At least three phases of orderly procedure should be followed in the development of city projects.

First is the long-time planning to take care of the future growth of the city and also the revamping of existing facilities to meet changed and more modern conditions. This function can be handled best by a group of citizens who are really inter-