



Since then, the FSTC and the municipality have worked with each other to move Fairhope forward.

The FSTC uses a simple formula to set lease rentals. Rent is comprised of the Demonstration Fee of 0.2% (currently) of the appraised land value, an Administration Fee, and the property taxes. The FSTC pays the property taxes, and the Demonstration Fees support improvement projects, thereby fulfilling the original Single Taxers' communitarian Georgist objectives to directly benefit the community.

In 2003, the Fairhope Single Tax Corporation was granted 501(c)4 tax-exempt status, which recognized the Corporation as an organization for the promotion of social welfare, common good, and civic improvements – all attributes espoused by Fairhope's founders, the original single taxers.

Visit our Online Archives

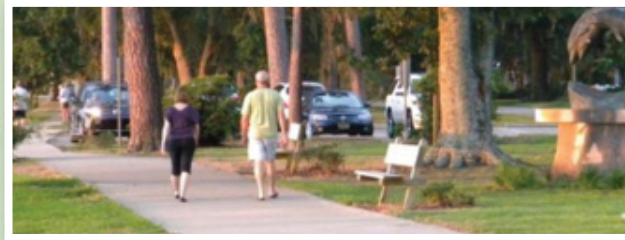
<http://fairhopesingletax.pastperfectonline.com>

### SINGLE TAX / LAND VALUE TAXATION

A single tax is a system of taxation based mainly or exclusively on one tax, typically chosen for its special properties, often being a tax on land value. As land cannot be hidden or carried off, a tax on land values can be assessed with more certainty and collected with greater ease and less expense than any other tax. It is a tax only in form, being in nature a rent – a taking for the use of the community of a value that arises not from individual exertion, but from the growth of the community.

## FAIRHOPE SINGLE TAX TODAY

The Single Tax demonstration, though modified, has survived. The lasting benefit of the Single Tax demonstration to Fairhope is that the Fairhope Single Tax Corporation (FSTC) continues to thrive and devotes its income and resources to improving the community. It is now a corporate non-profit land trust that owns and leases some 4,500 acres of land in and around Fairhope with over 3,600 leases. Each lease is for ninety-nine years, which is as secure as a deed for the lessee.



Parks are one of the most visible benefits provided to the City of Fairhope for use by the community. There are 20 different nature and sporting parks in Fairhope. The parks were deeded by the Fairhope Single Tax Corporation to the City in the 1930's with the stipulation that they would be kept for the benefit of all as parkland.

Major funding of the Fairhope Public Library, the Fairhope Museum of History, Thomas Hospital, and Coastal Alabama Community College's Performing Arts Pavilion are some examples of building projects. The Corporation has also provided sidewalks in many areas of Fairhope, funding projects that benefit local schools, as well as many other projects that enhance the community.



Those who live on Colony land take pride in being there. They are living in a community that was founded as an experiment with "Single Tax" principles. Fairhope has become a very unique community and many feel the spirit of 1894 remains.

# Fairhope

## THE OLDEST SINGLE TAX COLONY IN THE UNITED STATES



Much is owed to the tenacious Populist reformers who founded Fairhope in 1894. The Fairhope Single Tax Corporation continues to apply their principles in the 21st Century. For more information, contact FSTC or visit our website or Facebook page.



**FAIRHOPE SINGLE TAX CORPORATION**

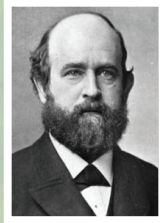
336 Fairhope Avenue, Fairhope AL 36532

251-928-8162

[www.fairhopesingletax.com](http://www.fairhopesingletax.com)

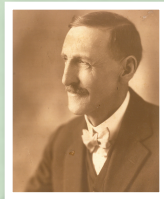
## WHAT IS FAIRHOPE SINGLE TAX?

“What is Single Tax?” is the most common question asked by visitors and residents. The answer is that the slogan “Single Tax” refers to an economic principle in which the government taxes only land – a single tax. Fairhope was founded as a Single Tax demonstration.



The modern single tax movement in the United States developed from the ideas expounded by economist Henry George in his book *Progress and Poverty*, published in 1879. Reform-minded people were searching for solutions to the economic and social problems of the late nineteenth century, and some saw George’s ideas as the foundation for the solution. Newspapers, journals, clubs, colonies and other organizations were established to address these issues.

In Des Moines, Iowa, in 1889, a young Ernest B. Gaston and his fellow reformers organized the Des Moines Investigating Club to discuss these problems. They studied George’s theories as well as those of Edward Bellamy and others, and closely followed the fortunes of the cooperative colonies which had been established (most particularly the Topolobampo Colony in Mexico and the Kaweah Cooperative Colony in California).



Gaston and his associates were involved with the Des Moines Single Tax Club early on and became interested in the reform platform of the Populist Party. In January of 1894, Gaston read his essay “True Cooperative Individualism” to twelve of his long time associates, and they voted unanimously to put his ideas into practical operation at once.

The founders of Fairhope studied the theories of Henry George and made a practical application through the experiment of a single tax colony. Four individuals were tasked to write a constitution to govern the colony. The name Fairhope came from a member’s comment that the plan had a ‘fair hope’ of success. The Fairhope Industrial Association was formed to run the colony.

The Fairhope Plan incorporated George’s recommendation that land should be common property, a natural monopoly, and also included the Populist principle of economic cooperation. In Fairhope, land was owned by the Fairhope Industrial Association (renamed the Fairhope Single Tax Corporation in 1904), and leased for ninety-nine years to individuals who in turn paid a single annual tax (also termed ‘rent’) on the economic value of the land. Taxes were not levied on one’s labor/wages or capital, hence the term single tax. The revenue collected from the single tax was used to pay for property taxes as well as running the community.

*The Fairhope Courier*, with Gaston serving as editor, was initially a single tax newspaper with subscribers worldwide. The first edition was published in August of 1894 and contained the plan for the new community, the constitution, and an invitation to join the Fairhope Industrial Association. For \$200, one could become a member, have the opportunity to lease Colony-owned land, and participate in the running of the new community.



With the plan for the community in place, Fairhope Industrial Association members and staunch Fairhope supporters James Bellangee and Shuah S. Mann formed the Locating Committee to secure a place for Fairhope. By late summer in 1894, the location on the eastern shore of the Mobile Bay was selected, and the call for all settlers to “round up” was set for November 15th

of that year. Twenty-eight people arrived and started to build the model community.

The colonists’ initial purchase of land was limited by their modest resources. This purchase included the beachfront, bluff area, and some of the current downtown area. Within a short while, the colonists were building houses and began work on the first wharf. The Fairhope Wharf was owned by the single-taxers, and provided a steady stream of revenue for the Colony.

It was very important to secure more land for the Colony, but with limited funds, the Fairhoppers relied on benefactors, most notably wealthy Philadelphia soap manufacturer Joseph Fels, Shuah S. Mann and others. Fels, a committed single-taxer and land-use advocate, kept close tabs on Fairhope’s progress, and also gave generously to future Fairhope ventures including the library, The *Fairhope* bay boat, and the Marietta Johnson School of Organic Education.



Articles in *The Fairhope Courier* about the progress of the Single Tax experiment were published regularly, and people started to come to the Colony. They were intellectuals, eccentrics, entrepreneurs, educators and others who were Single Tax supporters, all wanting to be part of this model community on the shores of Mobile Bay.

Many newcomers were not single-taxers and did not wish to join the Corporation or lease Colony land. They bought deeded land and took advantage of the community services provided by the Colony. By 1908, the best solution determined for growth was to share the financial burden of the town’s utilities and infrastructure by forming a municipality, the Town of Fairhope.





## THE LEASE PROCESS

After a Buy/Sell Contract Has Been Signed

After signing a buy/sell contract, you will need to initiate a Fairhope Single Tax Corporation Lease Transfer. Local real estate organizations and banks understand our lease process and will assist lessees. Our transfer procedures are on our website.

The procedure is as follows:

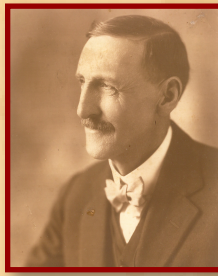
- Provide a Transfer Request Letter (Seller)
- Provide the Transfer Fee
- Schedule a Lease Orientation session at the Fairhope Single Tax Corporation Office in order to understand how our leaseholds are managed and the buyer's role in the process.

The Fairhope Single Tax staff will be happy to answer any questions the lessee may have and assist through the lease transfer process.

**The Fairhope Single Tax website is a great source of information.**  
[www.fairhopesingletax.com](http://www.fairhopesingletax.com)



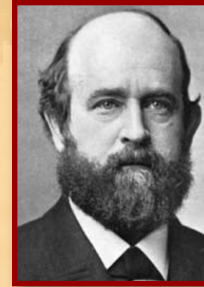
**FAIRHOPE SINGLE TAX CORPORATION**  
336 Fairhope Avenue, Fairhope AL 36532  
251-928-8162  
[transfers@fairhopesingletax.com](mailto:transfers@fairhopesingletax.com)



Fairhope can trace its founding to Des Moines, Iowa, in 1894 and to an idealistic young man, Ernest Berry Gaston, who wanted to form a model community as a Colony where people could isolate themselves from

exploitation and enjoy the full benefits of their labor. He was in a circle of other populist reformists who were anxious to join him. They agreed to form a corporation which would own the colony land to demonstrate the Single Tax principle based on the ideas set forth by economist and politician, Henry George, in his book *Progress and Poverty*.

Paid membership in the corporation (\$100) gave members the right to lease Colony land for an annual rent. The corporation would be run by directors and officers, and by vote of the members. All members (men and women) had the right to vote. Soon, non-members were also able to lease Colony land.



The work to build Fairhope was hard, but the founders were intelligent and dedicated and made progress quickly. In 1904, the corporation was reincorporated in Alabama as the Fairhope Single Tax Corporation and continued to thrive.

People living on non-Colony land increased, so a Fairhope municipality was formed in 1908. Today, Fairhope is a growing community that attracts people from across the nation.



# INFORMATION FOR PROSPECTIVE LESSEES



## THE LEGACY OF THE FAIRHOPE SINGLE TAX CORPORATION

FOUNDED 1894

## WHAT IS A SINGLE TAX LEASE?



This pamphlet has been prepared for those who are considering leasing a lot owned by the Fairhope Single Tax Corporation. Your realtor will let you know if the lot you are considering is on FSTC lands (also known as “Colony” lands). There are over 3,600 Single Tax leases in Fairhope.

The Corporation is a 501(c)(4), nonprofit, tax-exempt corporation, administering approximately 4,400 acres in Fairhope. Lots are leased for 99 years and the lease can be renewed or inherited. The FSTC holds title to the land; the lessee owns all the improvements on the land. When the improvements on the land are sold, the FSTC processes the transfer of the lease between the buyer and seller, thus initiating a new 99-year lease.

Lessees pay annual rent to the FSTC which includes all property taxes due on the land and improvements. An administration fee (currently \$105\*) is also included in the rent each year, plus a reasonable demonstration fee (currently 0.2%\* of the land value).

The latter of the fees enables the FSTC to continue to adhere to its founding principles of the Single Tax Colony by using the fees collected to invest in projects that benefit the entire community.

\* The FSTC reserves the right to make changes without notice.

## CONTRIBUTIONS OF THE FAIRHOPE SINGLE TAX CORPORATION

Parks are one of the most visible benefits provided to the City of Fairhope for the community. There are twenty different nature and sporting parks in Fairhope. Most of the parks were deeded by the Fairhope Single Tax Corporation to the City in the 1930s with the stipulation that they would be kept for the benefit of all. Over the years, additional parks have been deeded with the same stipulation. Major funding of the Fairhope Public Library, the Fairhope Museum of History, Thomas Hospital, the Coastal Alabama Community College’s Performance Arts Pavilion, and the Fairhope Soccer Complex are good examples of building projects. The Corporation has also provided sidewalks in many areas of Fairhope, projects that benefit local schools, and many other projects that provide financial assistance that make a difference. A large part of Fairhope’s character is built on the principles and contributions of the Fairhope Single Tax Corporation.



## LIVING ON COLONY LAND

Those who live on Colony land take pride in being there. They are living in a community that was founded as an experiment with “Single Tax” principles. Fairhope has become a very unique community and many feel the spirit of 1894 remains. The 99-year lease on the land is as secure as a deed.

Buying and selling a house on leased land is the same process as a standard real estate transaction, except that the lessee receives a 99 year lease on the land and bill of sale for the improvements rather than a deed. Transfer of the lease to a new owner is a routine administrative process through the Fairhope Single Tax Corporation office. Mortgage work just as well as with deeded property.

All aspects of paying your rent and being a lessee are fully explained on our website ([www.fairhopesingletax.com](http://www.fairhopesingletax.com)) and during a short orientation at the Single Tax office when you complete the lease process.

## WANT TO BECOME A MEMBER OF THE SINGLE TAX CORPORATION?

The Fairhope Single Tax Corporation welcomes new members to participate in all corporate activities just as it did in 1894, and the cost is still \$100. Prospective members are expected to be knowledgeable and support the Single Tax theory and the history of Fairhope as a Single Tax experiment by completing an 11-week class on those topics. After completing the course, the prospective member must apply for membership, interview with the membership committee, and then be considered and accepted by the Board of Directors.