



Saint Louis Agency May Be Hindering Development by Hoarding Vacant Land

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By: Brenda Talent

[A new study by the Show-Me Institute](#) trains a spotlight on the largest Saint Louis landholder. This is not any one individual or developer, but the Land Reutilization Authority (LRA), a joint creation of the city of Saint Louis and the state of Missouri, which was set up in 1971 for the purpose of putting abandoned, tax-delinquent properties back into productive use.

The problem is, the LRA seems to have done more to thwart development than to encourage it. During the past four decades, the LRA has accumulated a larger and larger inventory of vacant properties in Saint Louis, while rejecting many offers from private individuals and small businesses to purchase selected properties from the agency.

The agency's most frequently stated reason for turning down so many offers has been that the property in question is "being held for future development" — as if some unknown savior will come along at a future date to undertake a massive development that will require scores of vacant parcels in a single swoop.

In acting in this way, the agency has ignored a basic rule of thumb: When you are in a hole,

stop digging. The LRA's holdings of vacant properties have climbed from 2,000 in the early 1970s to more than 9,000 today. It has turned the derelict status of much of the city's housing stock into an unchanging and seemingly permanent condition. Remarkably, more than half of the parcels that are now owned by the LRA have been in the agency's possession for well over a decade.

If you want to know the full story of how this happened, I urge you to [visit showmeinstitute.org](http://showmeinstitute.org) and read our study of the LRA, "[Standstill: Is St. Louis Hinderling Development by Waiting for Large-Scale Miracles?](#)" It illustrates the fallacy that a public agency can work miracles by substituting its judgment for the far more detailed knowledge of the marketplace.

The LRA now works in relative obscurity, seldom attracting much attention. Still, though, it wields the same extraordinary powers originally granted to it by the Missouri legislature 40 years ago. We believe that a review of both the practices of the LRA and the authorizing statute are in order.

The LRA's actions spring from the same impulse that has led to the abuse of eminent domain laws: a lack of regard for the rights and interests of small landowners, and the assumption that government officials know better than private citizens how best to use or dispose of their property. Action by the Legislature is needed to help address this problem, with a view toward reversing the LRA's longstanding practice of hoarding land and toward establishing standards for disposal of property that will ensure its availability for private use.

To better serve the public interest, the LRA should stop trying to pick winners and losers in the market for vacant land. It should accelerate the sale of tax-delinquent properties to private individuals and businesses who are willing to purchase it.

By making it more difficult for people to buy land in the city, the government discourages city living. It is little wonder that the city is still hemorrhaging residents.

Brenda Talent is the executive director for the Show-Me Institute, an independent think tank promoting free-market solutions for Missouri public policy.

About the Author



Brenda Talent
CEO

Before joining the Show-Me Institute, Brenda Talent served as counsel

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[2] <http://www.showmeinstitute.org/publications/policy-study/red-tape/507-standstill.html>

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|-----------------------|-----------------------|
| 5297 Washington Place | 3645 Troost Avenue |
| Saint Louis, MO 63108 | Kansas City, MO 64109 |
| Phone: (314) 454-0647 | Phone: (816) 287-0370 |
| Fax: (314) 454-0667 | |

Email: info@showmeinstitute.org

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