

CITY MANAGER'S OFFICE

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September 2, 2008

Mr. Chuck Starrett, Director
P.O.I.N.T.
4244 W. Demming Rd.
Piqua, Ohio 45356

Re: Funding of Land Bank Properties and the Hotel

Dear Mr. Starrett:

This letter is in response to your August 12, 2008, correspondence to the City Commissioners regarding funding of land banked properties and the Hotel, now named the Fort Piqua Plaza. On August 18, 2008, the City Commission accepted your correspondence and directed me to prepare a response for their approval and on their behalf.

Your first issue questions how the City of Piqua can compete with the private business sector by using public funds. The City Commission approved the Property Renewal and Land Bank Program, which is overseen by the Piqua Improvement Corporation ("PIC"). This program is funded by a revolving line of credit through the community banks and led by Unity Bank. PIC is the borrower of any funds and *not* the City of Piqua. The City is only the guarantor of the funds should PIC not be able to make payment. No public funds are being spent as you have alleged for the Property Renewal and Land Bank Program unless there is a default.

The Property Renewal and Land Bank Program was created as one of the ways by which the City and the community can work together to resolve the problem of deteriorating houses in our neighborhoods. The foreclosure problem is a national problem and all communities are working towards helping their communities, which is evident by the federal government recently approving millions of dollars for helping those in foreclosure. The homes that the City has purchased, or will be purchasing, are those where the owner has either let the building deteriorate or the home has been foreclosed on and had no successful buyer at Sheriff's sale. The City and PIC are not depriving any private investor of an opportunity. Every investor can attend a sheriff's sale and acquire the property. The City has purchased only one home recently, 652 S. Main St. This property was listed for sale by a realtor and the City put in an offer like any other

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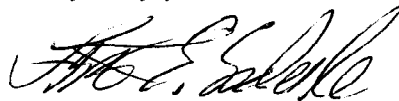
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person or entity would do by contacting the realtor. This property sat vacant for many months after fire damage. The property had been listed for sale for many months without a buyer. It is these types of homes that the City and PIC are examining; those homes that remain in a deteriorated state when the private market has passed them over.

Your proposition that the City is competing with the private sector is incorrect. These homes have been allowed to deteriorate and/or permitted to go into foreclosure and the private sector has not purchased the homes with the opportunity for renovation at a sale. It is at this point that the City and PIC determine whether there is an opportunity worth pursuing with many factors being considered, including how the property fits into the City's comprehensive planning.

As to the hotel, any public record is always available to the public. No one document is going to answer the questions any citizen may have about the project. The best solution to get questions answered is to ask staff specific questions and they will provide any documentation necessary to address the question. In addition, there have been many Work Sessions and City Hall in the Parks that are all open to the public where hotel financing has been discussed. Also, periodic financial updates on the project are available upon request. As to the liquor issue, the library is a tenant in the building as is the restaurant and a proposed coffee shop. The other building occupant is the banquet/conference center on the top floor. There is no prohibition against serving alcohol in any of the leased spaces, just because the library is a tenant. For the library's policies and finances, you will need to contact the library.

Very truly yours,



Frederick E. Enderle
City Manager for
The Mayor & City Commission

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