

August 12, 2008

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Piqua City Commissioners
201 W. Water St.
Piqua, Ohio 45356

RE: Legality of Using Tax Dollars to Compete with Private Enterprise

Dear Piqua City Commissioners:

As members of Property Owners Improving Neighborhoods Together (P.O.I.N.T.) and private investors in the City of Piqua and the business community, we have a viable interest in the city, its economics and potential. P.O.I.N.T. investors are concerned that the City of Piqua is using tax payer's dollars and competing in the open and free market of private enterprise in competition with our business community. We believe this practice undermines Piqua's economics, private businesses' success, employment activity, tax base and healthy community spirit.

As you know, we are in a depressed housing market and general economy. It is much cheaper to rent than to own your own home. In cities where yearly rents are less than 3% of the purchase price and mortgage rates are 6.5%, it costs more than twice as much to borrow money to buy a house than it does to rent the same dwelling. Total owner costs including taxes, maintenance and insurance are about 9%, which is three times the cost of renting. Currently, buying a house is a very bad deal for the buyer.

Nevertheless, the City of Piqua is currently purchasing properties and

razing structures for “green space” without concern for the loss of real estate tax base or loss of utilities, income etc. especially if the vacant land created doesn't have a zoning or building compliance use. This practice causes economic loss and generates no income for the city. Additionally, the City of Piqua is using tax payer's dollars to purchase private homes in order to bring the entire estate up to code for resale purposes. It has not been explained who will be doing the work or how the city will recoup its investment with public funds in a depressed housing market and depressed economy. Using public funds to bring dwellings up to code would be cost prohibitive to the average selling price of homes in those neighborhoods.

In other real estate ventures on behalf of the City of Piqua, the citizens are in need of an explanation concerning who will oversee and be responsible for the finances of the new library/hotel complex. Tax payers need to know how the complex will be maintained and if public money will be involved and what kind of return on investment to expect with the maintenance and operation costs of the facility, which will house both public and private businesses. The city's proposed budget should be made public before the opening of the structure.

Additionally, Piqua citizens need to see a published city budget for the new library/hotel complex. Residents, who may be asked to pay for part or all of its operation, need to know who is responsible for maintenance, costs and operations of the renovation project. Also, questions need to be answered concerning the placement of any banquet hall, restaurants or food services with liquor sales, within building or complex that is a partially state funded library complex.

Finally, we would like to know if you believe using public tax payer's funds and competing with private enterprise within our city is legal, ethical and beneficial to our current business environment. It is the private property owners, businessmen and women who generate a tax base for Piqua. Also, we would like to know if the City of Piqua intends to incorporate any other private business endeavors using tax payer's dollars, thereby, of putting the city in competition with any other private businesses in the community. As tax payers we believe the city has an obligation and responsibility to let its citizens know where our tax dollars will be used to compete against ourselves in private enterprise.

Thank you for your time and consideration. A speedy reply would be appreciated.

Sincerely,

Chuck Starrett, Director

for **P.O.I.N.T.** (Property Owners Improving Neighborhood Together)

Cc: Nancy H. Rogers, Attorney General of Ohio

Jennifer Brunner, Ohio Secretary of State