

Following received by : "web-ster"@capecoralwatchdogs.org 10-29-06 3:16 PM
Subject : City Tax Revenues and Spending

An open letter to the Mayor and City Council:

Mayor and members of the City Council.

In this Business Week article, a person who was described as "one very smart economist", (his name is Zandi), is predicting Cape Coral home prices will be dropping 18.6% next year. That is the biggest drop in prices in all of the 379 housing markets he has studied throughout the United States.

If I were you, I would be very worried about that because it means there will be a major drop in the value of taxable property in our city next year. Property tax revenues rose from \$34.1 million in 2003 to \$69.6 million in 2006. It is more than likely there will be a sharp drop in those revenues in 2007 and you should ask yourselves if the very sharp increase in Sewer and Water expansion costs had anything to do with making us number one in the collapse in home prices. Also ask yourselves if your planned spending for expansion of the system via sharply increased Sewer and Water rates is causing people to say they would rather live somewhere else. And finally, ask yourselves if the sharp increase in spending over the past two years was justified.

Sal Grosso