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January 25, 2007

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President & CEO
Joy Madison

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Stanislaus County Board of Supervisors
The Honorable Bill O'Brien, Chairman
1010 Tenth Street.
Modesto, CA 95354

Chairman O'Brien and members of the Board of Supervisors:

The mission of the Modesto Chamber of Commerce is to promote the region's economic strengths and vitality; identify and promote services that are valuable to our members; advocate for public policy that is advantageous to the business community; and fully participate and partner in activities to improve quality of life. The Modesto Chamber of Commerce writes in concern about property rights and the free enterprise system in Stanislaus County.

From Aristotle to today, the rights of property ownership play a major role in economic viability and vitality of communities worldwide. Our founding fathers believed so strongly in it that it is part of the 5th amendment of the US Constitution.

Property ownership and the right to transfer, sell, gift, dower and bequeath are part of the daily course of commerce. We lease, mortgage and encumber our property willingly and with the knowledge of self-assumed risk. We forgo portions of our property knowingly for easements and zoning requirements because we know it will increase it in value. We separate mineral from surface and we are tenants in common or hold in joint tenancy. We sell in fee simple absolute or by quitclaim deed. We are subject to property taxation on the value of our ownership. In California, we hold property so dear that we set groundbreaking history with Proposition 13. And if the government takes our property by eminent domain, the 5th amendment of the US Constitution states we have the right to be compensated fairly for that taking.

The law allows us to use our property as we see fit. Commerce is an integral part of property. We farm it. We mine it. We set up shop on it. We even live on it. We are expected to keep it neat and in a safe condition. We fence and keep it free from trespassers. We have the right to reasonably defend it from strangers. And we have the right to profit from it.

We know all of this up front. It's not a surprise. We know our limits, our boundaries not only acre and foot, but by law. Today in Stanislaus County property rights discussions are taking place to erode some of the fundamental rights we take for granted.



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A thorough and vigorous debate should be happening. Yet only one side is controlling the discussion. The county has been approached by unhappy land lessees or tenants in mobile home parks. The circumstances, we agree, are heart wrenching. Escalating land use costs are quickly outstripping social security checks. Those affected are articulate, smart and obviously are feeling the strain.

But the proposal of rent control is devastating to the free market system. By force, the proposal would usurp the rights and diminish the value of property without regard to compensation to the owners who have invested in the property. It is not up to government to assign value. It is up to the marketplace.

Commerce is the lifeblood of our economy. Rent control is the antithesis of a strong and vital economy. Our concern is that an important piece of the commerce equation is being forgotten – competition. Competition not government controls the free market system.

As elected officials, you stand on the precipice of a slippery slope. Once government steps in, where does it stop? Will government regulate condominium and gated community association fees? Will it progress to multi family rental, individual home rental, and commercial rental caps? What about residential, farm and commercial property sales? Will the county step in and set price caps on goods and services?

Unfortunately, our position, though sound, will be construed as unsympathetic. Nothing could be further from the truth. The high costs of property purchase and maintenance are ugly but real. No one is immune. But a government stranglehold on the free market system is worse.

Sincerely,

Joy P. Madison, President and CEO

Cc: Rick Robinson, Stanislaus County CEO

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