

## An Open Letter to Bedford Township

We have sued Bedford Township (#0434106) about the tax value on our empty dealership. This trial is easy to understand financially. We sold our body shop for \$135,000 which is the most recent sale of a comparable auto repair facility. The price was based on a bank appraisal. The price per square foot for the building was \$22 per foot and the price per acre was \$51,900. We have asked for a tax valuation on our dealership of \$400,000 (\$200,000 taxable) which would give it a price per square foot of \$18 and per acre price of \$47,000. The rent also supports our \$400,000 valuation.

By the way the township answered the complaint they have picked a random value out of thin air. This trial will be about their random value versus our facts. Trials cost anywhere from a minimum of \$20,000 to \$25,000. Both sides essentially have the same costs.

Taxes can be estimated and approximated as to what each side will lose or win compared to the costs. Bedford collects taxes for a number of entities. Only Bedford township will pay the cost of this trial from the general fund. This is money that could be used for something else. Because future millages, property valuations, the exact trial cost, etc cannot be known, I can only estimate the outcome for this letter. In these estimates I have considered what I pay directly to Bedford Township including police, fire, administrative fee, etc. If I win a valuation of \$400,000 then the taxes Bedford will get from our building will be about \$700 per year. If the township wins their valuation my taxes to Bedford will be about \$1600 per year. The difference is \$900 per year. (your winter tax bill has your township taxes)

Given about \$900 per year is the gain Bedford gets for winning, we can do a benefit and cost analysis. Assume Bedford spends \$20,000 to win. At \$900 more per year the payoff from the trial will start in 22 years. ( $20,000 \div 900$ ) If the court decides on a value where I owe \$500 more per year the payoff starts in 40 years. ( $20,000 \div 500$ ). If the court agrees with my valuation, the township is out the entire \$20,000. (or the exact expense)

Our zoning trial was hard to justify the expense. Bedford officials knew in court only one of three planners was going to oppose anything and that was just one parcel out of six. Three planners on six parcels is a total of 18 recommendations and they knew we had complete support on 17 out of a possible 18. (94%) They refused to tell you, refused to settle before going to court, spent the money and lost the trial. (who goes to court at 94% testimony against them?)

Would any of you spend \$20,000 (or even \$10,000) to maybe have a \$900 per year payback, knowing you may lose it all? This is the situation in this trial. Any number or analysis in this letter can be questioned. I'm sure Bedford's lawyers will attack these at the trial. What is absolutely certain is the payback of the cost of this trial for Bedford Township, if there is one, is many years away. This trial is easy to understand financially. Whatever the final outcome Bedford taxpayers lose and the lawyers gain again. The only unknown today is how much.

Bedford's land use policy on Lewis Ave creates lower commercial values then they fight the lower values they created. Do you believe the Township spends your money wisely?

Jon Whitman