



March 17, 2016

Governor Rick Snyder
P.O. Box 30013
Lansing, MI 48909

RE: Michigan Tax Tribunal Re-appointment of Marcus Abood

Dear Governor Snyder:

We were surprised and alarmed to have learned that you recently announced the re-appointment of Mr. Marcus Abood to the Michigan Tax Tribunal. For the reasons discussed below, we strongly oppose this appointment and ask that you withdraw the appointment.

Mr. Abood has been the principal author of a range of "Dark Store" decisions, in which the Tribunal has used deed restricted sales of vacant property to value brand new operating stores that do not have a deed restriction. This comparison has caused Mr. Abood to reach valuation for big box stores and other stores of national retail chains that are anywhere from 100% to 300% lower than any surrounding states, and indeed, any state in the United States.

Mr. Abood is the author of several decisions claiming that seller-imposed deed restrictions do not affect marketing of the property or its sale price. The deed restrictions in these cases are anti-competitive. The restrictions are imposed after a big box retailer decides to leave a property and seek to prevent any local business from purchasing it preventing any commercial use property. One of those decisions is the *Menards vs. City of Escanaba* case that is currently on appeal. Mr. Abood is the only tax adjudicator nationally to have adopted this point of view.

Mr. Abood is also notable for his categorical rejection of State Tax Commission mandated valuation methodologies.

These decisions reflect his experience. Mr. Abood had no legal background as an expert in tax cases before his appointment to the Tribunal. He has neither assessing certification nor assessing experience and lacks attendance at any assessing classes. Significantly, his nearly exclusive experience has been as a *residential property appraiser in the Lansing area*. He brings no significant known past experiences as a *commercial or industrial* appraiser to the Tribunal.

We are concerned that Mr. Abood will continue to write in those areas in which he lacks education and experience, namely in complex commercial and industrial cases.

Though we do not know what criteria you and your administration used to select Mr. Abood, we would suggest that many other options continue to exist particularly given the Tribunal's rather public opposition to local units and its disparagement of its current assessor member. We are not alone in viewing the Tribunal's many statements and its current practices as reflecting bias. Part of the proof is in values that were determined with respect to national big box retailers. They are not within the range of reason but remain the lowest in the United States by over 100%. They are aberrant. They reflect either bias or incompetence.

Mission Statement:



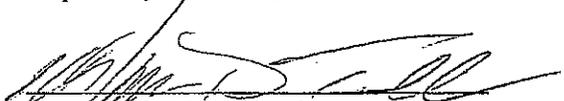
Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.
The City of Escanaba is an equal opportunity employer and provider.

To correct a perception that the Administration disparages local units of government, and with respect to the Tribunal, actually discriminates against local units, we believe that there are many options for you and your Administration to consider. There are highly qualified assessors who are attorneys. There are many highly qualified assessors who are appraisers – with the same or higher certification than Mr. Abood, and all with vastly greater experience in commercial and industrial appraisals. Some of these assessors are retired. Similarly there are many experienced and qualified municipal attorneys, some with assessment qualifications that could assist. That these options appear to have been uniformly excluded for a leading proponent of the Dark Store Theory is, whether intended or not, biased.

Particularly given the national discussion of the Michigan Tax Tribunal's singular and dramatic valuation of national big box retailers, we believe that this appointment was a mistake and that you should withdraw Mr. Abood's appointment immediately. We further request that you and your Administration continue to search for a qualified, neutral Tribunal member, with appropriate litigation experience and temperament and in that context should consider the appointment of an assessor to the "At-Large" position. We have reached out to various organizations representing local units of government and will be reaching out to various Legislators to request that the Senate hold a hearing on this appointment.

We need your support on this and other issues and we would like to have the confidence in knowing that you share our desire. Mr. Abood's appointment is an important test of that desire.

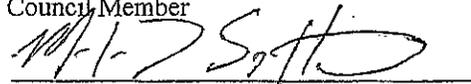
Respectfully Submitted,



Marc D. Tall
Mayor



Patricia A. Baribeau
Council Member



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Ralph B. Blasier
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