

File No. 7383.

CORRESPONDENCE.

CITY OF BALTIMORE
WATER DEPARTMENT.

Baltimore, January 23, 1908.

Hon. W. Cabell Bruce,
City Solicitor.

Dear Sir:-

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Mr. E. N. Rich, representing the Warren Mfg. Co., and I have been for some time estimating and conferring with the purpose of trying to agree on a value for the company's holdings at Warren. We have not yet agreed on a value. I have made the company a written offer of \$600,000.00, but so far the company has refused to state what they value the property at. However, such figures as I have been able to obtain from Mr. Rich as to the value they claim for their machinery, land and buildings, and such claims as he has intimated but not stated in writing as to the amount and value of their power, indicate that their idea as to the total value of their property varies from about \$875,000.00 to about \$1,200,000.00.

If Mr. Rich had stated that the Directors of the company would positively not consider an offer below the lowest figure of \$875,000.00, I would not have bothered you with this communication but would simply have advised you that it was utterly impossible for the company and the City to agree on a valuation. He has, however, intimated that, if we should make an offer of something between \$725,000.00 and \$800,000.00, the company probably might accept it. In view of that possibility I am going to give you a statement of the case with the claims of each side, and the basis for those claims, and ask your opinion as to certain questions involved.

There are three elements in the value of their holdings: the land and buildings; the machinery; and the water power.

1. As to the land and buildings, Mr. Rich gave me an itemized list of all buildings owned by the company with the value they put on each. I took his valuation for all buildings except the mill buildings proper. From plans of the mill buildings which he gave me I had our architectural draughtsman estimate their value. Allowing \$100.00 an acre for the 244 acres of land which they own, which is a value that I believe the company will agree to, I made the total value of land and buildings \$168,000.00; from which I deduct only \$18,000.00