STATE OF MICHIGAN
DEPARTMENT OF LICENSING & REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
MICHIGAN TAX TRIBUNAL

Plum Hollow Golf Club,
Petitioner,

v MTT Docket No. 452499

City of Southfield,
Respondents.

Tribunal Judge Presiding
Victoria L. Enyart

FINAL OPINION AND JUDGMENT

INTRODUCTION

Petitioner, Plum Hollow Golf Club, appeals ad valorem property tax assessments levied by Respondent, City of Southfield, against Parcel Nos. 76-24-33-200-001, 76-24-33-476-016, and 76-24-33-476-017 for the 2013 and 2014 tax years. Peter Ellenson, Attorney, represented Petitioner, and Laura M. Hallahan, Attorney, represented Respondent.

A hearing on this matter was held on September 24, 25, and 28, 2015. Petitioner's witness was appraiser, Michael Rende, MAI. Respondent's witnesses were Cynthia Bohun, controller for Plum Hollow Country Club, and appraiser, John R. Widmer, Jr., MAI.

The subject property is an 18-hole, non-equity, non-profit golf course and country club. The subject property is comprised of three parcels with the majority of the improvements located on 74-24-33-200-001 consisting of 152.81 acres, 18-holes, a 2-story, 35,000 square foot clubhouse constructed in 1953, with a banquet center, meeting rooms, lockers, pro shop and storage. The two smaller parcels, 76-24-33-476-016 (3.34 acres) and 76-24-33-476-017 (2.46 acres), contain portions of the driving range and tennis courts. The Rouge River bisects the golf course. This creates significant elevation changes. There are multiple bridges spanning the river. The golf course is rated more difficult than a daily fee course. The final valuation will hinge upon the appropriate appraisal technique and documentation for valuation of a golf course.

The parties' contentions are as follows:[1]

Parcel No. 76-24-33-200-001

	Petitioner			Respondent		
Year	TCV	SEV	TV	TCV	SEV	TV
2013	$342,008	$171,004	$171,004	$3,664,520	$1,832,260	$604,620
2014	$385,360	$192,680	$192,680	$4,396,680	$2,198,340	$614,290

Parcel No. 76-24-33-476-016

	Petitioner			Respondent		
Year	TCV	SEV	TV	TCV	SEV	TV
2013	$7,490	$3,745	$3,745	$436,480	$218,240	$26,990
2014	$8,440	$4,220	$4,220	$305,540	$152,770	$27,420

Parcel No. 76-24-33-476-017

	Petitioner			Respondent		
Year	TCV	SEV	TV	TCV	SEV	TV
2013	$5,502	$2,751	$2,751	$64,300	$32,150	$18,550
2014	$6,200	$3,100	$3,100	$64,300	$32,150	$18,840

Respondent's Revised Contentions:

Parcel No. 76-24-33-200-001

	Petitioner			Respondent		
Year	TCV	SEV	TV	TCV	SEV	TV
2013	$342,008	$171,004	$171,004	$1,742,000	$871,000	$604,620
2014	$385,360	$192,680	$192,680	$1,919,000	$959,500	$614,290

Parcel No. 76-24-33-476-016

	Petitioner			Respondent		
Year	TCV	SEV	TV	TCV	SEV	TV
2013	$7,490	$3,745	$3,745	$207,500	$20,850	$20,850
2014	$8,440	$4,220	$4,220	$133,000	$22,000	$22,000

Parcel No. 76-24-33-476-017

	Petitioner			Respondent		
Year	TCV	SEV	TV	TCV	SEV	TV
2013	$5,502	$2,751	$2,751	$30,500	$15,350	$15,350
2014	$6,200	$3,100	$3,100	$28,000	$16,000	$16,000

[1] TCV true cash value, SEV state equalized value, TV taxable value based on Board of Review final values.

Based on the evidence, testimony, and case file, the Tribunal finds that the true cash values ("TCV"), state equalized values ("SEV"), and taxable values ("TV") of the subject properties for the 2013 and 2014 tax years are as follows:

Parcel No. 76-24-33-200-001 152.81 Acres

Year	TCV	SEV	TV
2013	$1,907,600	$953,800	$604,620
2014	$2,004,000	$1,002,000	$614,290

Parcel No. 76-24-33-476-016 3.34 Acres

Year	TCV	SEV	TV
2013	$41,700	$20,850	$20,850
2014	$44,000	$22,000	$22,000

Parcel No. 76-24-33-476-017 2.46 Acres

Year	TCV	SEV	TV
2013	$30,700	$15,350	$15,350
2014	$32,000	$16,000	$16,000

PETITIONER'S CONTENTIONS

Petitioner contends that the highest and best use of the subject property is as a daily fee public golf course. The subject property is over-assessed, based upon an appraisal prepared by its expert witness.

PETITIONER'S ADMITTED EXHIBITS

P-1 Appraisal by Michael Rende, MAI.[2]

PETITIONER'S WITNESSES

Michael Rende, MAI, was admitted as an expert, which allowed him to opine on various topics, including Respondent's appraisal. Rende prepared an appraisal that determined the market value of the fee-simple interest of the subject property. The appraisal considered all three approaches to value: cost, market, and income. The cost approach was not used due to obsolescence, age of the subject property, and market conditions. Commercial golf courses are

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[2] Respondent objected to the admittance of P-1, it was a repeat of the September 22, 2015, Order Denying Respondent's Motion to Supplement Appraisal.

not traded based upon the cost to construct. The income approach was considered because of the revenue potential. Rende also considered sales of golf courses, but stated:

> It is extremely difficult, bordering on impossible to adequately and appropriately adjust the comparables to -- for all the differences that might exist between them and the subject. And the list of those variables is extensive. The -- the certainly, the big ones are location, clubhouse size, clubhouse age, swimming pool yes or no, tennis courts yes or no, location -- if – if I didn't say location, location.[3]

Rende testified that he appraised the subject for tax year 2011 in a previous appeal that was settled. This is the reason behind access to the operational data for the subject property for 2010 and subsequent years. An extensive data base of golf courses from prior appraisals is contained within his office. When describing the process used for determining market value, he testified that an inspection is made, financials are requested, an analysis of the current market, demographics, and competition within a 10 and 20 mile radius is researched.

The 18-hole course was designed by Donald Ross. The club house, snack bar, storage sheds, in ground swimming pool, tennis courts and golf course are contained on the main parcel ending in 200-001 with 156.07 acres as calculated by Rende.[4] The clubhouse was constructed around 1953, with renovations since construction. The subject also contains two additional, smaller parcels that are adjacent to the southeasterly portion of the larger parcel. They contain the southern end of the driving range and tennis courts. The subject's zoning is R-1 and R-2, (both are single-family residential).

The zoning analysis and alternative uses are part of the highest and best use of the subject property. The highest and best use was defined as:

> That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.
>
> Alternatively, that use from among reasonable, probable and legal alternative uses found to be possible, appropriately supported, financially feasible, and which results in the highest land value.[5]

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[3] Tr. 1 at 40.
[4] P-1 at 17.
[5] P-1 at 747.

Land value is analyzed as vacant, to determine if the improved value is greater than the vacant site. Prior to 2005, golf courses were developed with the intent of redevelopment into residential housing. There were thousands of developed single family lots in the area. The credit crisis of 2008 left a large over supply of vacant land. Residential housing in southeast Michigan has improved and new construction is beginning to develop. However, in the past five years, only fifteen residential building permits were issued. The financial feasibility for single-family residential is low. The zoning is legally possible; however, the highest and best use of the subject property, as vacant, is to remain vacant until it is financially viable.

Highest and best use "as improved" was considered next. The subject is suitable for either a private or public golf property and is appropriately zoned for residential and as a recreational area. Golf courses are a permitted legal use. Financially, the private country club is like many other similar clubs facing declining membership. Initiation fees have decreased as monthly membership dues have dropped or remained the same over the past few years. Payment of the membership dues are critical to the successful operation and management of the country club. When membership dues lag, an assessment is levied to make up the loss.

Private country clubs need a steady influx of younger members. The trend is downward for number of available golfers due to time, less discretionary income and the loss of popularity with golf. Rende opined that the continued operation as a private country club is unlikely to be financially sustainable.

Rende determined that the maximally productive highest and best use of the subject property, as improved, is as a daily fee public golf course. Sales of private courses, at low rates and declining membership, indicate that the continued use as a private country club is not viable.

Rende explained that in the last ten years, the golf industry in Southeast Michigan has suffered and paralleled the national golf industry. Golf courses were overbuilt, the participants declined, and then the 2008 economy crash did not help with a recovery. Private country clubs are turning to a combination of dropping initiation dues, using special assessment levies on existing members, and/or allowing some public play to generate some income.

Michigan ranked 4th in the country with 837 courses in 2006, 3rd in 2013 with 798 courses, and 4th place again in 2014 with 790 courses. Golf courses within the state are clearly declining.

In summary, residential is permitted under existing zoning; however, due to low demand and oversupply of residential property, was not considered as appropriate. The highest and best use of the subject property, as vacant, is to remain vacant for future development when it can demonstrate financial viability. As improved, the subject's private, for profit use is waning. The property, at its current membership, may not be sustainable in the future. The maximally productive use of the subject and the highest and best use of the private non-equity golf course was determined to be as a daily fee public course. The subject's amenities would be a benefit and the banquet facility could be a profit center for a public daily fee course.

The subject property is structured to accommodate a maximum membership of 350. There were 180 members in 2014, reduced from 229 in 2013, and 247 in 2012.[6] As a private non-equity club, the owner would like to make a profit.

Rende considered the three approaches and determined that the income approach was significant, as most purchasers would be investors interested in making a profitable business venture. The income potential of the existing income is dependent upon the efficient operation of the business. The cost approach is not used by purchasers, and in addition, is difficult to estimate obsolescence due to the inability to quantify the physical, functional or economic losses.

The sales comparison approach is weighted in Rende's analysis as a check on the income approach. He stays informed with sales of golf courses and requests the financial data to determine if a sale was profitable before it was listed for sale. Sales in the general range of $20,000 to $25,000 per hole are considered at the low end with profitability.

Income Approach

The income is a procedure that converts the income to be derived from the ownership of the income producing property. The profit centers are identified and gross income is estimated. Normal expenses are estimated and the difference between the gross income and expenses is the net operating income. The value is calculated by projecting the market income and expenses for each year and capitalizing the net operating income by an appropriate capitalization rate.

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[6] P-1 at 140.

Rende surveyed competing courses to determine reasonable green fees with a cart. There are 39 golf courses within a 10-mile radius of the subject, which is 621 golf holes.[7] Not all of the courses are in competition with the subject property. A secondary list of 13 "premier" courses within a 20 mile radius were considered as competition.

Rende began with projecting the rack rate for 18-hole equivalent rounds, utilizing "premier" public courses located throughout southeast Michigan that would compete with the subject. Thirteen upper end public courses assisted Rende in finding the green fee for the subject. The highest rate is $65 at Shepherd's Hollow in Clarkston, and the lowest is $34 at Captain's Club in Grand Blanc. The following grid indicates Rende's selection:

	2012		2013		2014	
$/Round	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend
Northville Hills	$55	$60	$52	$62	$57	
Fox Hills	$50	$60			$50	$62
Coyote Preserve	$40	$65	$55	$65	$55	$65
The Majestic	$50	$59			$50	$59
Dunham Hills	$40	$58	$40	$58	$40	$58
Moose Ridge	$46	$66			$48	$68
Captain's Club	$34	$43			$32	$34
Pine Knob	$42	$57			$44	$57
Shepherd's Hollow	$65	$80	$68	$80		
Mystic Creek	$45	$49			$45	$49
Twin Lakes	$50	$60	$50	$60	$50	$60
Pine Trace	$48	$65				
Timber Trace	$38	$48	$38	$48	$38	$48

The rates above are "rack" rates, or the maximum rate during prime time. The subject's rate was reported at $60 (for guests) with a cart for 18-holes.[8] Rende found that $60 is not achievable during the weekend, or $50 for weekday. This is due to the substantial discounts offered for the public courses. Greens fees for 18-holes are estimated at $45, and weekend rate of $55. Rende reduced the greens fees by 33.3% due to discounts for seniors, juniors, twilight, replays, non-peak and off-season rates. The final rate is $30 weekday, and $36.67 for weekend.

[7] P-1 at 86.
[8] P-1 at 98.

Rende used 60/40 percentage of 9-hole to 18-hole equivalents based on "golf professionals."[9] The blended rate between weekday and weekends was $45 rack rate, discounted one-third to equal $32 for 18-holes, and $19.97 for 9-holes.

Rende used seventeen golf courses to determine the 18-hole equivalent rounds. Four golf courses provided information for 2012 and 2013. The following is an excerpt from Rende's report for the golf courses that included information for the appropriate years.[10]

Equivalent Rounds	2012	2013
Hartland Glen	26,419	
Coyote Preserve	23,979	21,092
Jewel/Grand Blanc	50,000	
Willow Brook		15,000
Subject	19,228	17,165

The 18-hole equivalent rounds were noted by Rende, who utilized 20,700 rounds, for both tax years at issue. Revenue from the Pro Shop was determined to be $2.00 per round,[11] with a discussion on the negative influence of the discount golf retailers. Miscellaneous revenue was from the practice range, merchandise sales, and food and beverage are included. Several local golf courses were utilized for a determination of $1.25 per round. The next estimate was food and beverage revenue. The grill and restaurant revenue from golf was extracted from sales at daily fee courses. The revenue is estimated at $10.00 per round of golf.

The banquet center is a separate profit center. Rende indicated that banquet centers are valued based on seating capacity. The subject has a capacity of 220, which is deemed low capacity. The revenue per seat is $4,460.[12] This was compared with revenue from other banquet venues. The revenue from public "for hire" facilities is lower, based on the comparable banquet facilities. The finalized revenue for the banquet room is $2,500 per seat, or $550,000.

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9 P-1 at 103.
10 P-1 at 100, 101.
11 P-1 at 104.
12 P-1 at 106. Golf food and beverage attributable to golf was deducted in the amount of $192,280.

Swim revenue, fitness center and tennis courts would be available on a public membership basis, and the revenue and expenses were break-even, which is considered revenue neutral.

The cost of goods sold deduction is based on other daily fee golf courses on a percentage basis. The National Golf Foundation data was included for percentage and estimated revenues and cost of goods. In addition, Rende has a list of 20 golf courses where income and expense statements were reviewed. The following are the three courses that have data applicable for the tax years at issue:[13]

Operating Expense Ratio	2012	2013	2014
Coyote Preserve	89.9%	83.7%	
Jewel/Grand Blanc	88.7%		
Greystone Pro Forma		73.3%	

Rende, using the statistical data, estimated the major expense items found in the Pro Forma utilizing the percentages found in the courses above.

Expenses for administrative, insurance, and reserves for replacement (and golf carts), were estimated utilizing expense information from similar golf operations.

The gross revenues are considered with the cost of goods sold and operating income, deducted from the gross revenue, for a net operating income. The following is the Pro Forma income statement for tax year 2013 and 2014:

	2013	2014
18-hole Equiv	$20,700	$20,700
40% 9-hole	$10,350	$10,350
60% 18-hole	$15,525	$15,525
Stabilized 9-hole	$19.97	$19.97
Stabilized 18-hole	$32.00	$32.00
Revenue	$703,490	$703,490
Pro Shop	$41,400	$41,400
Food & Beverage	$207,000	$207,000
Driving Range	$25,875	$25,875
Banquet	$550,000	$550,000
Gross Revenue	$1,527,765	$1,527,765

[13] P-1 at 111.

Cost of Goods Sold		
85% Pro Shop	-$35,190	-$35,190
35% Food & Beverage	-$72,450	-$72,450
47.5% Banquet	-$261,250	-$261,250
Total Cost of Goods	-$368,890	-$368,890
Expenses Operating		
Payroll 45%	$463,550	$463,550
Maintenance & Equ Reserves	$50,248	$50,248
Course Maintenance 15%	$173,831	$173,831
Utilities 12%	$139,065	$139,065
Administration 6%	$69,533	$69,533
Cart Reserve	$68,250	$68,250
Insurance 2.5%	$28,972	$28,972
Replacement Reserves 2%	$23,178	$23,178
Total Operating Expenses	$1,016,627	$1,016,627
Net Operating Income NOI	$142,248	$142,248

The next step in the income approach was the selection of the overall capitalization rate. Ten sales of golf courses in Michigan and Ohio that took place in March 2007 to July 2009 were considered with a range of overall rates from 7.53% to 18.49%. Rende opined that higher capitalization rates are an indication of some distress, with a higher degree of risk for potential buyers. RealtyRates.com is an investor's survey and publishes a quarterly survey. Rende included the surveys for the public and private golf course.

Rende considered the specialized use of the subject and RealtyRates.com equity dividend rates for public golf courses, which averaged 11.46%, and selected 14% as the amount an investor would require as the rate of return on the investment. The mortgage component included commercial loans, a survey from the National Golf Foundation, and conversations with investors. The calculation for the mortgage component considers a 7.25% interest rate for 15 year amortization, which equals 10.95%, at 65% loan to value ratio. The calculation is:

2013 & 2014	Loan to Value	Cash Flow Rate	Weighted Rate
Mortgage Component	65%	10.95%	0.0712
Equity Component	35%	14.00%	0.049
Total Rounded			12.00

Rende increased the risk associated with the subject because the alternative uses for the underlying site is unlikely. The market demand for the subject, as vacant, is extremely limited, as well as the impact of the flood plain are associated with the Rouge River that bisects the subject site. The impact of the decline in golf participation was considered to reflect the overall rate of 12.0% as reasonable.

The last component to be considered is the purpose of the calculation to determine true cash value for purposes of appropriate property taxes. Therefore, a tax neutral rate (or "loaded" capitalization rate) is considered, instead of actual property taxes included as an expense, the effective tax rate, which is 50% of the tax rate, is applied and added to the overall rate. The $63.1155 mills multiplied by 50% is $31.557, or 3.156% is added to the overall rate for 2013, and 3.148% is added for 2014. The last portion of the income component is dividing the net operating income by the overall capitalization rate. This results in the value of the subject property as a going concern of $940,000 for both tax years at issue. The furniture, fixtures and equipment are deducted from the going concern value for just the real estate value. The value found on the personal property statements is $583,660 as of December 31, 2012, and $540,860 as of December 31, 2013, deducted to result in a final value of, via the income approach, of $355,000 as of December 31, 2012, and $400,000 as of December 31, 2013.

Sales Comparison Approach

Rende discussed the application of the sales comparison approach. The individuality of the golf courses make comparisons on a size, quality, and age difficult. Income capabilities cannot be accurately adjusted as it would be misleading. The variables, and attaching a dollar amount or a percentage for adjustments, could be substantial and do not lend themselves to be quantified. Therefore, the sales were used in a cursory manner with no adjustments. The sales that were more recent were listed, and based on a range, the value per hole was selected. While this was not Rende's primary approach, it was independent and supported the income approach.

Rende listed thirty sales that took place from December 2000 to May 2014.[14] The sales from 2000 indicate an average sale price per hole of $222,222, and declined in 2014. The sales were narrowed to sales taking place in 2010 to May 2014. The resale of some courses was considered in determining that the resale value of golf courses has declined.[15] The golf courses

[14] P-1 at 130, 131.
[15] P-1 at 82.

are struggling for increased revenue and decreased expenses. Many discounts are noted from the "rack" rate, or maximum rate during prime time for 18-holes of golf with a cart.

He testified to several of the recent sales and their considerations. Sale 24 is Northville Hills, adjacent to a residential development was designed by Arnold Palmer. This is a prestigious course that is 10-15 years old. It was a foreclosure, but it had a $2,000,000 positive cash flow at the time of the sale. Sale 16, Jewel of Grand Blanc, sold in 2009; the owner is not able to achieve the revenue that they forecasted at the time of sale. The property has a 24,000 square foot clubhouse, extensive night club and banquet facilities, in a declining market indicates that this 36-hole facility, purchased for $2,755,000, was overpriced for this foreclosure sale. Sale 18 is the Washtenaw Country Club, that was private, but membership fell and was not able to meet expenses. It was a nice facility with a 20,000 square foot clubhouse. It sold in March 2010 for $1,000,000, to an owner of a golf course in the vicinity, with an estimated 50% allocated for furniture, fixtures and equipment. The following sales were considered:

Course	Sale Date	Sale Price	Acres	Holes	SP per Hole	SP per Acre	Comments
Washtenaw CC	10-Mar	$1,000,000		18	$55,556		Private country club
Tru North	10-Mar	$1,600,000	229	18	$88,889	6987	Private CC Open 1964
Chemung Hills	10-Dec	$835,400	150	18	$46,411	$5,573	Daily fee, 16,824 sf clubhouse
Lenawee	11-Mar	$900,000	140	18	$50,000	$6,433	Private country club real estate only
Antrim Dells	Neg	$750,000	185	18	$41,667	$4,054	1971 Michigan Amateur
Forest Dunes	11-Oct	$800,000	239	18	$44,444	$3,347	Part of mixed use development with over 1,000 acres
Northville Hills	12-Jan	$3,650,000	218	18	$202,778	$16,743	Premium daily fee with banquet 200, REO sale, in PUD
Rattle Run	12-Apr	$550,000	178	18	$30,556	$3,090	Opened 1990 7,929 sf newer clubhouse well/septic
Four Lakes	13-Mar	$2,000,000	207	18	$111,111	$9,962	1998
Gateway	13-Aug	$650,000	187	18	$36,111	$3,476	Opened 1999, 14,100 sf / storage, maintenance, utilities.
Pleasant Hills	14-Apr	$1,000,000	121	18	$55,556	$8,264	Open 1962 Older clubhouse 3,275 sf well/septic
TCP	14-Apr	$3,000,000	194	18	$166,667	$15,464	1989 Jack Nicklaus

Genesee Valley	14-May	$510,000	124	18	$28,333	$4,120	1965 Sm Clubhouse
Subject			158	18			1953

Rende, excluded sales at the high end, as the subject is less desirable. Northville Hills and TCP courses were at the high end of the range. Rende opined that both courses are newer, in upscale neighborhoods, and the courses were designed by Arnold Palmer and Jack Nicklaus. The third course, determined not to be comparative, is Four Lakes in Kimball; less than seven miles from Port Huron, with a banquet/wedding capacity up to 750 guests. Rende opined that the acquisition was more than a quality 18-hole golf course.

The subject was constructed in the 1950's and is located at the south end of Southfield; Rende opined that its location is significantly inferior. The value would favor the lower end of the sales, excluding the three highest sales. The average of the lower end of the sales is $50,986, rounded to $51,000 per hole, concluding to $918,000. A gross income multiplier was also considered; however, Rende determined that this technique is unreliable, in this instance.

Rende, in the final reconciliation, determined the income approach is the representation of the highest and best use of the subject property as a daily fee, public 18-hole golf course. The sales comparison approach supported the income approach by the use of the lower range of value. Rende concluded that the subject would also include the banquet operation "for hire;" the final value is $940,000 for both tax years. The value is as an operating going concern; therefore, the contributing value of the furniture, fixtures and equipment, business value, and good will are deducted. The 2012 $583,660, and 2013 $540,860 true cash value of the personal property on the roll are deducted from the value as a going concern to result in the true cash value of the real estate at $355,000 as of December 31, 2012, for tax year 2013, and $400,000 as of December 31, 2013, for tax year 2014, via the sales comparison approach.

Rende testified on cross-examination that he considered other courses, including Pine Trace Golf Course when referencing $40 per round, which was based on a 2012 discussion with the manager, Mike Bylen. Rende considered Pine Trace Golf Course a more desirable suburban location. While it is not a difficult course, Rende considered it a more desirable course and it generates green fees above the mid-point of the range to the upper range. The difference between the subject's revenue of $703,490, and Pine Trace's revenue, is $1.2 to $1.3 million dollars. The difference exceeds $500,000. The number of rounds played at Pine Trace, based on $42 rate, is

31,247 and 28,879 for tax years 2012 and 2013. The indication is that Rende under-estimated the rate and number of rounds for the subject property, based on unsubstantiated information. Respondent's line of questions also indicated that the information gleaned from prior appraisals was not updated to reflect the current tax dates at issue.

RESPONDENTS' CONTENTION'S

Respondent City of Southfield contends that the subject property is over-assessed based on the appraisal by its expert witness.

RESPONDENT'S ADMITTED EXHIBITS

R-1Appraisal by John Widmer.
R-2 Petitioner's work file.
R-4 Bohun excel spreadsheet.
R-5 Widmer's recalculation of Petitioner's data.
R-6 Listing of sales.

RESPONDENT'S WITNESSES

Cynthia Bohun, controller at Plum Hollow Country Club, testified that she is responsible for preparing financial statements. She was responsible for determining whether or not to challenge the assessment.

Bohun was aware that information was requested regarding the historical rounds played at Plum Hollow for 2011 through 2014, and provided the financial information when requested.

John Widmer, MAI, was Respondent's valuation witness and prepared an appraisal of the subject property. He was admitted as an expert witness.

Widmer testified that the subject property has four tee-boxes, at different distances from the golf hole, for the varying ability of golfers, from the scratch golfer to the once or twice a year player. The floodplain is described as influencing the attractive features of the course, with views, and the playability of the course for all levels of golfers. The clubhouse has been renovated and updated throughout its existence. It was considered desirable for banquet functions. The remainder of the structures were found to be in average condition, with no noticeable deferred maintenance.

The cost approach was considered; however, was not applied due to the age of the structures and quantifying depreciation. The sales comparison approach was applied, but not weighed as heavily as the income approach. The highest and best use of the subject property determined that the continued use as a golf course, albeit public as an interim use, until the residential market recovers and the underlying market value for the land exceeds that of the subject, as improved.

The premise for the appraisal is the determination of the highest and best use. The interim use as a daily fee golf course with a for-hire banquet center. Widmer testified that the highest and best use is the foundation for how the true cash value is determined.

Excerpts from National Golf Foundation indicate that golf in Michigan is up 1%, despite unfavorable weather conditions from 2013. "Yet all things considered, 2014 may well be remembered as the year golf found its post-recession footing and turned a corner toward a future at least a little brighter than its recent past."[16]

Sales Comparison Approach

Widmer states that an important premise of the sales approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. Sales data is gathered, verified and analyzed. The difficulty with golf courses is the lack of sales with similar characteristics, condition, age, and amenities. Golf courses are typically not adjusted for differences in individual amenities, as adjustments are generally extracted using a paired sales basis. Each golf course has an individual design, amenities, and location, as well as quality of the course, indicating that market based adjustments are difficult.

The market sales for golf courses are limited, with the majority representing acquisition of underlying mortgages and/or resale of the same property for multiple years. The data selected was utilized as a means in testing the reliability of conclusion in the income approach. The following sales were considered:[17]

Sale No.	Course	Sale Date	Sale Price	Acres	Holes	SP per Hole	SP per Acre	GIM
1	Fountains	8-May	$1,400,000	104	18	$77,778	$13,377	1.03
2	Brentwood	9-Mar	$480,000	108	18	$26,667	$4,449	0.97
3	Washtenaw CC	10-Mar	$500,000	122	18	$27,778	$4,105	

[16] R-1 at 66. Note incorrectly cited Tr. 3 at 118.
[17] The sale prices are for real property only, requiring no non-realty adjustment. R-1 at 77.

4	Tam O'Shanter	11-Feb	$1,000,000	161	18	$55,556	$6,207	
5	Northville Hills	12-Jan	$3,135,000	213	18	$174,167	$14,381	1.14
6	Fore Lakes	13-Mar	$1,746,750	207	18	$97,042	$8,802	0.71
7	TCP	14-Apr	$3,000,000	194	18	$166,667	$14,151	1.22
	Subject			158	18			

Widmer included a general overview paragraph for each sale. Sale 1 was sold by Comerica Bank, Sale 2 was listed for $2.5 million, and at the time of sale had a gross revenue of $495,000. Sale 3, a private country club, was purchased by an owner of a golf course in the area. Sale 4, remained private, after the sale by a group of members. It was promulgated after its debt could not be met. Sale 5 was acquired in the foreclosure process with gross revenue of $2,750,000. Sale 6 was a lender-directed sale, with a listing of $6.3 million. Sale 7 was court-ordered, with a gross revenue of $2,450,000.

The variables in the golf course make adjustments unreliable, with the limited amount of sales available. Therefore, Widmer utilized a gross income multiplier ("GIM"). Five of the sales provided sufficient information to produce a GIM, and "pricing noted for each property was for real property only, and the conclusion of value will require no non-realty adjustment."[18]
The range of GIM is 0.71 to 1.22, with the average of 1.01. Widmer selected 1.00 GIM. The potential gross income for the subject is $2,013,750 and $2,064,094 for the two tax years at issue and multiplied by 1.00, equals the same value as the gross income. Widmer indicated that the indicated value per hole is $111,889 and $114,444, and value per acre is $12,700 and $12,990, as of December 31, 2012, and December 31, 2013.

Income Approach

[18] R-1 at 77. Sales 1, 2, 5, 6, and 7.

Widmer discussed the process utilized in the income approach. He considered the number of rounds at the subject property and compared it with forecasted rounds from similar competitive courses. The subject has rounds between 16,000 to 17,793 in 2012 and 2013, as a private golf club with a limited membership of approximately 240 members.

Widmer determined that as a public golf course, 25,000 18-hole equivalent round would be achievable. Twenty-eight golf courses were considered, as well as the two 9-hole public courses: Beech Woods (14,000 9-hole rounds), and Evergreen Hills (15,000 9-hole rounds) in Southfield. Evergreen Hills is a well-manicured course, while Beech Woods is shorter and tighter.

Widmer considered the subject property to be an upscale, high quality golf course. Lower quality courses were considered, but not given weight. The Orchards and Shepherd's Hollow set the upper limit for weekend rounds and cost. Four upscale public courses in Oakland and Macomb Counties were reviewed and determined that Shepherd's Hollow was at the upper limit, and Boulder Point, which has an inferior population, but a high income level.

The variance in the manner in which the subject's actual rounds were reported, between the two expert witnesses, is in contention. Widmer testified that the 2012 rounds that were reported were 16,426, but 19,228 rounds were reported by Rende. [19] "That would very well have an influence on – on my conclusions because it is significantly more play. So if I would have gotten the other set of round data I may very well have concluded to something different in terms of rounds played."[20] Widmer opined that the difference between the equivalent rounds was his ranking the subject as more desirable, better quality, higher quality, upper tier property.

Widmer utilized 25,000 rounds of golf at the subject and estimated that public courses receive 30-50% more play than private courses. That supports 23,000 to 27,000 rounds of golf, with 25,000 rounds midpoint.

The cost of an 18-hole equivalent round of golf was the next area that Widmer calculated. He did not take the rack rate for weekday/weekends and apply a discount. He looked at the average of the rack rates, and discounted rates for 28 courses, and determined that the quality of the course affected the rate. The average revenue per round was determined to be $38.50, which includes the cart. Widmer used actual revenues divided by the total number of 18-hole

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[19] P-1 at 85.
[20] Tr. 3 at 124, 125.

equivalents. This calculation used one rate which averaged 9-holes, 18-holes, and weekday and weekend rates.

Widmer testified that the expenses are based on trends and average ratios from the National Golf Foundation. The income and expenses found in the ProForma are:

	2013	2014
Revenue	$962,500	$986,563
Pro Shop	$56,250	$57,656
Food & Beverage	$137,500	$140,938
Driving Range	$25,000	$25,625
Banquet	$832,500	$853,313
Gross Revenue	$2,013,750	$2,064,095
Cost of Goods Sold		
75% Pro Shop	$42,188	$43,242
35% Food & Beverage	$48,125	$49,328
50% Banquet	$416,250	$426,656
Total Cost of Goods	-$506,563	-$519,227
Gross Operating	$1,507,188	$1,544,867
Expenses Operating		
Payroll 35%	$527,516	$540,704
Equ. Reserves 2%	$30,785	$31,939
Course Maintenance 20%	$197,500	$202,438
Utilities 11%	$165,791	$169,935
Administration 5%	$100,688	$103,205
Insurance 2.5%	$50,344	$51,602
Replacement Reserves 0.7%	$10,283	$10,283
Cart Reserve 4.1%	$61,070	$63,005
Total Operating Expenses	-$1,143,975	-$1,173,110
Net Operating Income NOI	$363,213	$371,758

Capitalization rates were reviewed by Widmer with sales of similar properties, broker reports and national investor surveys. RealtyRates.com (public daily fee golf courses) was considered from 2010 to 2013. The National Golf Foundation's March 2013 issue of Dashboard which included a study from the Society of Golf Appraisers, as well as a sampling of sales within Michigan were reviewed. Widmer concluded to a capitalization rate of 11% for both tax years at issue. The 3.15% effective tax rate is added for a final overall capitalization rate of 14.16%.

The net operating income divided by the overall capitalization rate, equals the true cash value of $2,565,000 and $2,625,000, respectively.

Widmer reconciles the true cash value and deducts the non-realty components:

> For each valuation period, a deduction is required for non-realty components, namely any intangible or goodwill associated with the business operation and any tangible but separately assessed personal property. For this valuation, given market influences that existed as of each retrospective valuation period, it has been determined there is no goodwill to the business concern. For personal property, the actual in-place assessment for the personal property as of each retrospective valuation date will be deducted at face value presented on the Assessment Rolls.[21]

Widmer opined that the true cash value of the subject property is $1,980,000 as of December 31, 2012, and $2,080,000 as of December 31, 2013.

FINDINGS OF FACT

1. The subject property is located at 21631 Lahser Road, City of Southfield, Oakland County.
2. The subject property is identified as Parcel Numbers: 24-33-200-001; 24-33-476-016; 24-33-476-017.
3. Parcel 24-33-200-001 contains 152.81acres, the 18-hole golf course, the clubhouse, pool house and the remainder of the ancillary buildings.[22]
4. Parcel 24-33-476-016 contains 3.34 acres.
5. Parcel 24-33-476-017 contains 2.46 acres.
6. The subject property is an 18-hole, not for profit, non-equity Country Club and Golf Course.
7. The subject's main parcel is zoned R-2, the two smaller parcels are zoned R-1; both are single-family residential.
8. The current use as a golf course meets zoning regulations.
9. The entire golf course and country club is 158.61 acres.
10. Both parties determined that the highest and best use, as improved, is as a daily-fee public golf course and for-hire banquet center.
11. Petitioner's appraiser considered all three approaches to value and relied upon the income and sales comparison approaches.
12. Petitioner considered, but did not use, the cost approach due to the age of the subject property.
13. Petitioner's sales comparison approach did not adjust for differences in amenities, due to the variety of differences.
14. Petitioner's income approach included an explanation for the adjustments in each category for the subject property.

[21] R-1 at 93.
[22] R-1 at addendum. Acreage is taken from the individual property assessment records.

15. Petitioner allocated the final value for the three parcels based on each parcel's percentage of the total site area.
16. Respondent's appraiser also considered all three approaches to value.
17. Respondent found the cost approach not applicable due to age and obsolescence, as well as investor's nonconsideration of the cost approach.
18. Respondent's sales comparison approach extracted a gross income multiplier.
19. Respondent's income approach was based on local and national indications; an explanation for the adjustments in each category was included.
20. Respondent's final value allocated the true cash value between the parcels, utilizing the ratio of SEV for 2013 and 2014 tax years.

CONCLUSIONS OF LAW

The assessment of real and personal property in Michigan is governed by the constitutional standard that such property shall not be assessed in excess of 50% of its true cash value.[23]

> The legislature shall provide for the uniform general ad valorem taxation of real and tangible personal property not exempt by law except for taxes levied for school operating purposes. The legislature shall provide for the determination of true cash value of such property; the proportion of true cash value at which such property shall be uniformly assessed, which shall not . . . exceed 50 percent. . . .[24]

The Michigan Legislature has defined "true cash value" to mean:

> The usual selling price at the place where the property to which the term is applied is at the time of assessment, being the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale.[25]

The Michigan Supreme Court has determined that "[t]he concepts of 'true cash value' and 'fair market value' . . . are synonymous."[26]

"By provisions of [MCL] 205.737(1) . . . , the Legislature requires the Tax Tribunal to make a finding of true cash value in arriving at its determination of a lawful property assessment."[27] The Tribunal is not bound to accept either of the parties' theories of valuation.[28] "It is the Tax Tribunal's duty to determine which approaches are useful in providing the most accurate valuation under the individual circumstances of each case."[29] In that regard, the

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[23] See MCL 211.27a.
[24] Const 1963, art 9, sec 3.
[25] MCL 211.27(1).
[26] *CAF Investment Co v Michigan State Tax Comm*, 392 Mich 442, 450; 221 NW2d 588 (1974).
[27] *Alhi Dev Co v Orion Twp*, 110 Mich App 764, 767; 314 NW2d 479 (1981).
[28] *Teledyne Continental Motors v Muskegon Twp,* 145 Mich App 749, 754; 378 NW2d 590 (1985).
[29] *Meadowlanes Ltd Dividend Housing Ass'n v Holland,* 437 Mich 473, 485; 473 NW2d 636 (1991).

Tribunal “may accept one theory and reject the other, it may reject both theories, or it may utilize a combination of both in arriving at its determination.”[30]

A proceeding before the Tax Tribunal is original, independent, and de novo.[31] The Tribunal's factual findings must be supported “by competent, material, and substantial evidence.”[32] “Substantial evidence must be more than a scintilla of evidence, although it may be substantially less than a preponderance of the evidence.”[33]

“The petitioner has the burden of proof in establishing the true cash value of the property.”[34] “This burden encompasses two separate concepts: (1) the burden of persuasion, which does not shift during the course of the hearing, and (2) the burden of going forward with the evidence, which may shift to the opposing party.”[35] However, “[t]he assessing agency has the burden of proof in establishing the ratio of the average level of assessments in relation to true cash values in the assessment district and the equalization factor that was uniformly applied in the assessment district for the year in question.”[36]

The three most common approaches to valuation are the capitalization of income approach, the sales comparison, or market, approach, and the cost-less-depreciation approach.[37] “The market approach is the only valuation method that directly reflects the balance of supply and demand for property in marketplace trading.”[38] The Tribunal is under a duty to apply its own expertise to the facts of the case to determine the appropriate method of arriving at the true cash value of the property, utilizing an approach that provides the most accurate valuation under the circumstances.[39]

Regardless of the valuation approach employed, the final valuation determined must represent the usual price for which the subject would sell.[40]

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[30] *Jones & Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 356; 483 NW2d 416 (1992).
[31] MCL 205.735a(2).
[32] *Dow Chemical Co v Dep’t of Treasury*, 185 Mich App 458, 462-463; 462 NW2d 765 (1990).
[33] *Jones & Laughlin Steel Corp, supra* at 352-353.
[34] MCL 205.737(3).
[35] *Jones & Laughlin Steel Corp, supra* at 354-355.
[36] MCL 205.737(3).
[37] *Meadowlanes, supra* at 484-485; *Pantlind Hotel Co v State Tax Comm*, 3 Mich App 170, 176; 141 NW2d 699 (1966), aff’d 380 Mich 390 (1968).
[38] *Jones & Laughlin Steel Corp, supra* at 353 (citing *Antisdale v City of Galesburg*, 420 Mich 265; 362 NW2d 632 (1984) at 276 n 1).
[39] *Antisdale, supra* at 277.
[40] See *Meadowlanes Ltd Dividend Housing Ass’n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

TRUE CASH VALUE

Both appraisers considered the three approaches to value, but found the cost approach not applicable. This Tribunal agrees the cost approach is not appropriate for the 35,146 square foot clubhouse constructed in 1953, with renovations. The subject is not a specialty property, or newly constructed. It is an income producing property that can be valued by an income approach. Golf courses do sell on the open market, indicating a sales approach may also be applicable, therefore, it is appropriate to exclude the cost approach in this instance. The sales and income approaches to value will be discussed individually.

Expert witness status is based on the appraiser's education, experience, skill and training. Both appraisers were designated as an expert in the appraisal field. The expert witness status does not automatically grant the witness or exhibits credibility or weight.

The sales comparison approach, as utilized by both parties, was given some consideration in their final reconciliation, but was not entirely relied upon for true cash value. The parties disagreed as to how to best estimate the true cash value based on sales. Petitioner used the sales as reported and did not utilize a Gross Income Multiplier ("GIM"). Respondent's sale prices are real estate only; to calculate the GIM, Widmer utilized 1.00.

This Tribunal will concentrate on the four golf courses in common.

Sale No.	Course	Sale Date	Sale Price	Acres	Holes	SP per Hole	SP per Acre	GIM
P-1	Washtenaw CC	10-Mar	$1,000,000	122	18	$55,556	$8,197	
R-3	Washtenaw CC	10-Mar	$500,000	122	18	$27,778	$4,105	
P-7	Northville Hills	12-Jan	$3,865,000	213	18	$214,722	$18,146	
R-5	Northville Hills	12-Jan	$3,135,000	213	18	$174,167	$14,381	1.14
P-9	Four Lakes	13-Mar	$2,000,000	207	18	$111,111	$9,962	
R-6	Fore Lakes	13-Mar	$1,746,750	207	18	$97,042	$8,802	0.71
P-12	TCP	14-Apr	$3,000,000	194	18	$166,667	$15,464	
R-7	TCP	14-Apr	$3,000,000	194	18	$166,667	$14,151	1.22

Petitioner discussed the GIM, but due to differences in properties and variables that affect the sales, undermine the reliability of the conclusion through this technique. "The purchase price is then compared to either trailing or projected annual revenue so as to calculate a gross income multiplier. In other words, the multiplier is a consequence of the transaction rather than the guiding factor behind the transaction."[41] Petitioner's appraiser had 26 sales ranging from early 2000 to March 2014. Petitioner considered Northville, Four Lakes and TCP as superior courses to the subject, and did not consider them as comparable to the subject. Ten sales from 2010 forward were utilized by Petitioner's appraiser, with ranges in sale prices from $28,333 to $88,889 per hole. The subject would favor the lower end of the range of sale prices, due to the subject's location and lower discretionary income. Petitioner's indicated value was $51,000 per hole, or $918,000 for 2013. 2014 is an indicated value of $59,000 per hole, or $1,062,000. Petitioner's appraiser testified that adjustments for the variables in location, number of holes, amenities, quality of the course and demographics is difficult to adjust for differences.

Respondent, opposite of Petitioner, utilized the GIM, which included the three sales excluded by Petitioner, to result in a value of $111,900 and $114,400 per hole.

The Gross Income Multiplier is based on a relationship between the sale price and gross income at time of sale. "The application of income multipliers is a direct capitalization procedure. In developing an income or rent multiplier, it is essential that the income or rent of the properties used to derive the multiplier be comparable to that of the subject and that the specific multiplier derived be applied to the same income base."[42] Utilization of gross income as a basis is consistent, versus the net income multiplier. The net income multiplier contains multiple deductions that may or may not reflect the same in all of the properties. Gross income is preferred as it is consistent without deductions.

The GIM is also labeled as Total Revenue Multiplier ("TRM").

> The advantage of the TRM is that revenue production is directly related to the sale price. The multipliers vary from property to property depending on the mix of departmental revenues and the relative profitability of each revenue source.[43]

The GRM was extracted in the Sales Comparison Approach. Deductions for personal property as well as the business assets were subtracted from the true cash value.

> A going concern is an established and operating business with an indefinite future life. For certain types of properties (e.g., hotels and motels, restaurants, bowling alleys, manufacturing enterprises, athletic clubs, landfills), the physical real estate assets are integral parts of an ongoing business. The market value of such a

[41] P-1 at 135.
[42] The Appraisal of Real Estate, supra at 507.
[43] Appraisal Institute, Analysis and Valuation of Golf Courses and Country Clubs (Chicago: 2005) at 144.

> property (including all the tangible and intangible assets of the going concern, as if sold in aggregate) is often referred to as business value or business enterprise value, but in reality it is market value of the going concern including real property, personal property, financial assets, and the intangible assets of the business.[44]

The Tribunal finds that the exclusion of sales by Petitioner leads to the conclusion of a much lower true cash value, based partially on the close proximity to Wayne County, with lower discretionary income to use on recreation, the quality of the subject and its age. Respondent's consideration of the GIM transcends location and is a straight forward calculation that resulted in a 1.00 GIM, which is equal to one year of gross income. The Tribunal agrees that a golf property has many variables including location, number of holes, amenities, quality, demographics, etc. that make typical market adjustments difficult, if not impossible. The Tribunal finds this is an appropriate method, based on the inability to make adjustments for differences in personal preferences in golf courses, and the individual amenities and locational deviations.

The income approach was utilized by both parties. The initial step is determining the cost of an 18-hole round of golf as a daily-fee golf course. The rack rate (or advertised rate) with discounts for spring and fall, seniors, juniors and leagues is also considered. The number of rounds achievable for the subject as an 18-hole public course was the second step of determining income. The number of rounds is influenced by weather, competition, and the economy, while the rate is influenced by similar properties that offer discounted rates. The largest differences in the two income approaches is number and cost of equivalent 18-hole rounds.

Petitioner's appraiser utilized a survey of thirteen courses in a 20-mile radius for the rate, discounted it 33.3%, and then blended the rate of $45.00 with 70% 18-hole, and 30%-9 holes. This resulted in $32.00 and $19.97 that was utilized for the 20,700 rounds of golf. Seventeen comparables were found, with five in Oakland County, as well as the subject's actual rounds being considered, to result in 1,150 rounds per hole multiplied by 18-holes, or 20,700 achievable rounds.

Respondent's appraiser considered 28 courses (private and public), reviewed the quality and determined that the method would be akin to the average daily rate for hotels. The total golf revenue was divided by the number of 18-hole equivalents. This resulted in $38.50 a round.

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[44] The Appraisal of Real Estate, Supra at 63.

Respondent's appraiser considered 28 courses and the two municipal 9-hole courses within two-miles of the subject property, as well as the subject's actual rounds, which resulted in 25,000 rounds of 18-hole equivalents that would be possible if the subject were a daily fee public golf course.

The number of actual rounds for the subject property was in controversy. Both appraisers requested and received information from Ms. Bohun, controller for Petitioner. The difference in actual rounds reported by each appraiser was not resolved. The appraisers each found the equivalent rounds for the highest and best use as a public course and valued the subject property as such. Therefore, although each considered the number of historical rounds the subject had as a private club, the difference in actual rounds did not influence the final true cash value of the subject property.

The Tribunal finds that the number of equivalent rounds for the subject as a public golf course should increase over the number of rounds played at the subject as a private country club. The highest number of rounds, as reported by Petitioner, is 19,228 in 2012, with slightly under 18,000 rounds for 2011 and 2013. As a public course, the number of rounds would exceed Petitioner's estimate of 20,700. The Tribunal accepts Respondent's estimate of 25,000 rounds as a public golf course.

The end result reached by both appraisers (albeit by different paths) is very close when considering the aggregate cost per round, based on total revenue, divided by total rounds. Petitioner is at $34.00 per round and Respondent is at $38.50 per an 18-hole equivalent round. The parties were also very similar with the percentages of expenses. However, the difference in rounds resulted in a net operating difference between the parties of over $200,000; the overall rates are 1% apart.

The Tribunal has considered the documentation provided by both parties. While Petitioner's data on the surface appears to be substantial, some of it is stale and not applicable. The Tribunal heard a series of golf course cases in which Rende was the appraiser for Petitioner. The fact that the number of rounds was exactly the same raises questions as to the reliability and credibility of Petitioner's appraiser. In this specific instance, however, Respondent's appraiser is credible, while in Plum Hollow Golf Course, Respondent's appraisal was given no weight or credibility. The Tribunal finds in this specific instance, more weight is given to Respondent's income approach than Petitioner's, which appears to have been copied from a prior report, in a Tribunal hearing the prior week.

Based upon the above analysis, this Tribunal finds that the subject property is an upscale, high quality property. Respondent's income approach is the appropriate value for the income producing subject property, as a daily fee golf course, for the two tax years at issue.

The final adjustment is to allocate the aggregate final value between the three parcel numbers. The allocation includes the three parcels, with an aggregate of 158.61 acres. The Tribunal finds that the allocation is not percentage of assessments, as that is the problem that is at issue. The total true cash value is divided by the percentage of acreage. The percentage is allocated as follows:

True Cash Value			$1,980,000	$2,080,000
Parcel No. 76-24-33-200-001	152.81	96.34%	$1,907,600	$2,004,000
Parcel No. 76-24-33-476-016	3.34	2.11%	$41,700	$44,000
Parcel No. 76-24-33-476-017	2.46	1.55%	$30,700	$32,000
100% of the Acreage	158.61	100.00%	$1,980,000	$2,080,000

The Tribunal finds, based upon the Findings of Fact and the Conclusions of Law, that the assessments are in excess of 50% of market value. The subject property's TCV, SEV, and TV for the tax years at issue are as stated in the Introduction section.

The Tribunal notes that the past four trials utilized the same electronic transcribing service. The number of inaudible and ellipses made it impossible for this Tribunal to cite the transcripts.

JUDGMENT

IT IS ORDERED that the property's state equalized and taxable values for the tax year(s) at issue are AFFIRMED/MODIFIED as set forth in the Introduction section of this Final Opinion and Judgment.

IT IS FURTHER ORDERED that the officer charged with maintaining the assessment rolls for the tax years at issue shall correct or cause the assessment rolls to be corrected to reflect the property's true cash and taxable values as finally shown in this Final Opinion and Judgment within 20 days of the entry of the Final Opinion and Judgment, subject to the processes of equalization. See MCL 205.755. To the extent that the final level of assessment for a given year has not yet been determined and published, the assessment rolls shall be corrected once the final level is published or becomes known.

IT IS FURTHER ORDERED that the officer charged with collecting or refunding the affected taxes shall collect taxes and any applicable interest or issue a refund within 28 days of entry of this Final Opinion and Judgment. If a refund is warranted, it shall include a proportionate share of any property tax administration fees paid and penalty and interest paid on delinquent taxes. The refund shall also separately indicate the amount of the taxes, fees, penalties, and interest being refunded. A sum determined by the Tribunal to have been unlawfully paid shall bear interest from the date of payment to the date of judgment, and the judgment shall bear interest to the date of its payment. A sum determined by the Tribunal to have been underpaid shall not bear interest for any time period prior to 28 days after the issuance of this Final Opinion and Judgment. Pursuant to MCL 205.737, interest shall accrue (i) after December 31, 2009, at the rate of 1.23% for calendar year 2010; (ii) after December 31, 2010, at the rate of 1.12% for calendar year 2011; (iii) after December 31, 2011, and prior to July 1, 2012, at the rate of 1.09%; and (iv) after June 30, 2012, through June 30, 2016, at the rate of 4.25%.

This Final Opinion and Judgment resolves all pending claims in this matter and closes this case.

APPEAL RIGHTS

If you disagree with the Tribunal's final decision in this case, you may either file a motion for reconsideration with the Tribunal or a claim of appeal directly to the Michigan Court of Appeals ("MCOA").

A motion for reconsideration with the Tribunal must be filed, by mail or personal service, with the $50.00 filing fee, within 21 days from the date of entry of this final decision.[45] A copy of a party's motion for reconsideration must be sent by mail or electronic service, if agreed upon by the parties, to the opposing party and proof must be submitted to the Tribunal that the motion for reconsideration was served on the opposing party.[46] However, unless otherwise provided by the Tribunal, no response to the motion may be filed, and there is no oral argument.[47]

[45] See TTR 257 and TTR 217.
[46] See TTR 225.
[47] See TTR 257.

A claim of appeal to the MCOA must be filed, with the appropriate entry fee, unless waived, within 21 days from the date of entry of this final decision.[48] If a claim of appeal is filed with the MCOA, the party filing such claim must also file a copy of that claim, or application for leave to appeal, with the Tribunal, along with the $100.00 fee for the certification of the record on appeal.[49]

By: Victoria L. Enyart

Entered: March 30, 2016

[48] See MCR 7.204.
[49] See TTR 213 and TTR 217.