STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

GRETCHEN WHITMER
GOVERNOR

ORLENE HAWKS
DIRECTOR

Indianwood Golf & Country Club, Petitioner,	MICHIGAN TAX TRIBUNAL
v	MOAHR Docket Nos. 18-001886 & 18-001888
Orion Township, Respondent.	Presiding Judge Christine Schauer

FINAL OPINION AND JUDGMENT

INTRODUCTION

Petitioner, Indianwood Golf & Country Club, appeals ad valorem property tax assessments levied by Respondent, Orion Township, against parcel numbers O-09-03-300-001, O-09-04-300-010, O-09-04-300-011, O-09-04-300-017, O-09-04-401-012, O-09-04-401-013, and O-09-04-426-062 for the 2018 and 2019 tax years.[1] Brian E. Etzel, Attorney, represented Petitioner, and Daniel J. Kelly, Attorney, represented Respondent.

A hearing on this matter was held on January 20, 2021 through January 22, 2021. Petitioner's witnesses were Keith Aldridge and Michael Rende. Respondent's sole witness was John R. Widmer.

Based on the evidence, testimony, and case file, the Tribunal finds that the true cash value (TCV), state equalized value (SEV), and taxable value (TV) of the subject property for the 2018 and 2019 tax years are as follows:

[1] Although there are seven parcels under appeal in this matter, the Tribunal refers to them in this opinion, as "the subject property," as all seven parcels are contiguous and part of the same golf and country club.

Parcel Number: O-09-03-300-001

Year	TCV	SEV	TV
2018	$3,640,000	$1,820,000	$1,820,000
2019	$3,667,950	$1,833,975	$1,833,975

Parcel Number: O-09-04-300-010

Year	TCV	SEV	TV
2018	$70,000	$35,000	$35,000
2019	$64,350	$32,175	$32,175

Parcel Number: O-09-04-300-011

Year	TCV	SEV	TV
2018	$85,000	$42,500	$42,500
2019	$79,200	$39,600	$39,600

Parcel Number: O-09-04-300-017

Year	TCV	SEV	TV
2018	$540,000	$270,000	$270,000
2019	$495,000	$247,500	$247,500

Parcel Number: O-09-04-401-012

Year	TCV	SEV	TV
2018	$35,000	$17,500	$17,500
2019	$29,700	$14,850	$14,850

Parcel Number: O-09-04-401-013

Year	TCV	SEV	TV
2018	$200,000	$100,000	$100,000
2019	$198,000	$99,000	$99,000

Parcel Number: O-09-04-426-062

Year	TCV	SEV	TV
2018	$430,000	$215,000	$215,000
2019	$415,800	$207,900	$207,900

PETITIONER'S CONTENTIONS

Petitioner contends that the subject property is over assessed. Petitioner contends the TCV of the subject property as of December 31, 2017, for the 2018 tax year (TY), is $2,825,000, and the TCV as of December 31, 2018, for the 2019 TY, is

$2,700,000. Petitioner further contends that Respondent's income approach valuation conclusion relies on stale data from prior to 2016, while Petitioner's income approach is based on data from 2016 through 2018, resulting in a more relevant value conclusion.

PETITIONER'S ADMITTED EXHIBITS

P-1 Petitioner's Appraisal Report

P-4 Michigan Golfer News Article

P-14 2018 Rounds Played Spreadsheet

P-15 2018 T-sheets

P-16 2019 Rounds Played Spreadsheet

P-17 2019 T-sheets Spreadsheet

P-18 Crain's Detroit Business Article

P-19 Correspondence from Mr. Rende Regarding Corrected Proforma

P-20 Indianwood Driving Range Overhead Map

P-21 Cherry Creek Driving Range Overhead Map

P-22 Devil's Ridge Driving Range Overhead Map

P-23 Links at Gateway Driving Range Overhead Map

P-24 Lyon Oaks Driving Range Overhead Map

P-25 Pheasant Run Driving Range Overhead Map

P-26 Pine Trace Driving Range Overhead Map

P-27 Whitmore Lake Driving Range Overhead Map

P-41 2020 Rack Rates for Pine Trace

P-42 2020 Rack Rates for Whitmore Lake

P-43 2020 Rack Rates for Cherry Creek

P-44 2020 Rack Rates for Links at Gateway

P-45 2020 Rack Rates for Farmington Hills

P-46 2021 Rack Rates

P-47 2020 Rack Rates for White Lake Oaks

P-48 2020 Rack Rates for Lyon Oaks

P-49 2020 Rack Rates for Glen Oaks and Springfield Oaks

PETITIONER'S WITNESSES

Keith Aldridge

Keith Aldridge is the general manager of Indianwood Golf & Country Club, a position he has held since 2008. Mr. Aldridge is the son of the owner of Indianwood Golf & Country Club, Stan Aldridge. Mr. Aldridge testified that he oversees all operations of the golf course as a part of the family business but has no ownership in the business. Mr. Aldridge testified that he personally owns Canterbury Village, which is an event, shopping, and banquet center.

Mr. Aldridge testified that Indianwood Golf & Country Club is a private, non-equity club where members pay an initiation fee and dues but have no voting rights or decision-making power. Mr. Aldridge testified that all decision making lies with his father as owner. Mr. Aldridge claims that Indianwood Golf & Country Club is a unique destination and members come from all over the metro-Detroit area, but that membership has been declining over the years. Mr. Aldridge claims that membership peaked in 1994/1995, but by 2020, it had only about one-third of the number of members that it had at its peak level. Mr. Aldridge went on to describe the types of memberships available and the costs associated with membership.

Mr. Aldridge testified that there are two 18-hole courses at Indianwood Golf & Country Club, including the old course that has been around since the 1920s, and the new course that was built in the 1980s. Mr. Aldridge testified that the old course hosted tournaments and features the clubhouse, while the new course is a more difficult course to play, which results in more play on the old course than on the new course.

Mr. Aldridge described the banquet facilities at Indianwood Golf & Country Club as a historic building with rooms that are small; the largest room accommodates up to 200 people for a wedding with a dance floor.

Mr. Aldridge testified that Indianwood Golf & Country Club doesn't track rounds played because they track dollars of revenue instead, but explained that members are billed using T-sheets which he described as, " a T-sheet is the way the starter keeps track of Member X, Y, Z, what course they played, how many guests or not guests they brought out, did they walk, did they take a cart."[2] Mr. Aldridge claims that from these T-sheets, he was able to ascertain that the total number of 18-hole equivalent rounds that were played in 2018 on the old course was 9,564 and on the new course 7,940 were played for a total of 17,504. For 2019, Mr. Aldridge claims that 10,406 18-hole equivalent rounds were played on the old course and 9,282 were played on the new course for a total of 19,688.

Mr. Aldridge testified that golf revenues at Indianwood Golf & Country Club and the number of rounds played have been consistent over the past six years. Mr. Aldridge testified that banquet revenues are tracked on a yearly basis and have never approached the $1,700,000 estimate used by Respondent's appraiser for banquet

[2] Transcript (Tr.) Day 1 at 29.

revenue. Regarding the driving range at the subject property, Mr. Aldridge described it as follows:

> The driving range is extremely small as -- as many historic old golf courses, their driving ranges are small. The courses that were built in the '80s and '90s, obviously, practice was a big part of the revenue stream, but we can't fit enough people on our driving range to even come close to these numbers.[3]

Mr. Aldridge claims that the driving range is 150 feet in width and 300 yards in depth, which accommodates only about 20 people at a time, resulting in the inability to create volume of use and produce revenue such as at the newer public courses.

On cross examination, Mr. Aldridge testified that Indianwood Golf & Country Club is unique and attracts good golfers and that the number of rounds played there would not be significantly different if it were a public golf course. Mr. Aldridge went on to describe the fees for Class B memberships that allow for use of the new course only and the cost for golf guests of members. Regarding the banquet facilities, Mr. Aldridge acknowledged that more than 200 could be accommodated in the largest room if there were no dance floor and that a second, smaller room accommodates roughly 150 people. Mr. Aldridge testified that the two rooms are not rented together to the same wedding party because they are far away from each other.

Michael Rende

As stipulated to by the parties, the Tribunal admitted Michael Rende as an expert in the appraisal of real estate based on his education and experience. Mr. Rende prepared Petitioner's valuation disclosure, an appraisal, which presented both an income approach and a sales approach, but relied upon the income approach to reach

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[3] Tr. Day 1 at 44.

conclusions of the TCV for the subject property as of December 31, 2017, for the 2018 TY, and on December 31, 2018, for the 2019 TY. Petitioner's appraisal was admitted as exhibit P-1.

Mr. Rende testified that after considering the value of the subject property as if it were vacant and available, he concluded that this alternative was not financially feasible before concluding a highest and best use as a public daily fee golf course. Mr. Rende testified that he developed an income approach but discovered an error in Petitioner's valuation disclosure submitted as P-1 which affected his final conclusion of value for the subject property. "I discovered an error in this analysis in that I inadvertently omitted or failed to include range revenue."[4] The correction of this error increased Mr. Rende's conclusions of TCV to $2,825,000 for the 2018 TY and $2,700,000 for the 2019 TY as illustrated in Petitioner's exhibit P-19.

Mr. Rende described the subject property as being in good or very good condition, with a beautiful clubhouse. Mr. Rende described the topography of the two 18-hole courses, when they were developed, and the degree of difficulty to play each. Mr. Rende testified that the new course is intermingled with residential development resulting in an irregular shape and was built as a part of a Planned Use Development (PUD), making it difficult to consider alternate uses for the property. The old course is on the largest parcel of the subject property which also contains a clubhouse of approximately 63,000 square feet. Mr. Rende went on to testify regarding the banquet capacity and other features of the clubhouse. Mr. Rende testified that there are also other buildings on this parcel with the old course including a pro shop, a cart storage

[4] Tr. Day 1 at 89.

building, and two maintenance buildings. Mr. Rende testified that a one-story office building exists near the entrance to the new course and sits on a parcel that also includes some of the new course.

Mr. Rende testified to the population demographics of the area within a 20-mile radius of the subject property and claims that 85% of the golf rounds played would come from within this area.

Mr. Rende testified regarding the process he went through to conclude the highest and best use of the subject property as improved and, more specifically, as a public daily fee golf course. As part of that analysis, Mr. Rende claims that he considered use as vacant for a single-family residential development but rejected that use because of the questionable financial feasibility. Mr. Rende also rejected continued use a private club due to the decline in membership numbers since their peak and the market indications that private golf clubs are not as desirable as they once were.

Mr. Rende testified that he developed both an income approach and a sales approach in the appraisal of the subject property that he prepared for Petitioner. Mr. Rende testified that he relied on the income approach and used the sales comparison approach "primarily to provide support for the conclusions of the income approach."[5]

For his income approach, Mr. Rende identified sources of revenue and estimated revenue amounts from each source and then deducted expenses to determine a net operating income (NOI). He then converted the NOI to a value indication using a capitalization technique to reach a going concern value for the subject property. Finally,

[5] Tr., Day 1, at 136.

he deducted non-realty components from this going concern value to reach his ultimate conclusion of the TCV for the subject property.

RESPONDENT'S CONTENTIONS

Respondent contends that its income approach accurately values the subject property with a TCV of $6,700,000 as of December 31, 2017, for the 2018 TY, and a TCV of $6,900,000 as of December 31, 2018, for the 2019 TY. Respondent contends that its conclusions are substantiated by the data, while Petitioner's appraiser applied unsubstantiated conclusions, discounts, and assumptions to the data. Respondent contends that Petitioner did not meet its burden of proof.

RESPONDENT'S ADMITTED EXHIBITS

R-1 Respondent's Valuation Disclosure

R-18 Oakhurst Country Club Appraisal Prepared June 9, 2017

R-25 Rende Discount Rebuttal Document

RESPONDENT'S WITNESS

John R. Widmer

As stipulated to by the parties, the Tribunal admitted John R. Widmer as an expert in the appraisal of real estate based on his education and experience. Mr. Widmer prepared Respondent's valuation disclosure, an appraisal, which presented both an income approach and a sales approach, but relied upon the income approach to reach conclusions of the TCV for the subject property as of December 31, 2017, for the 2018 TY, and on December 31, 2018, for the 2019 TY. Respondent's appraisal was admitted as exhibit R-1.

Mr. Widmer testified that on September 11, 2019, he inspected the subject property and spoke with its owner, Stan Aldridge, and was taken around the property by both Stan and Keith Aldridge. Mr. Widmer testified that he subsequently requested and received profit and loss statements and membership summaries for the subject property.

Mr. Widmer concluded that based on the income approach of his appraisal, the TCV for the subject property as of December 31, 2017, for the 2018 TY was $6,700,000, and as of December 31, 2018, for the 2019 TY was $6,900,000.

Mr. Widmer testified to the relative difficulty of the two 18-hole courses at the subject property and the level of golfers it attracts and testified , "I consider this course as, basically, its condition, its layout, and its playability, a positive factor, because you can draw from a myriad of golfers that want to play out there, want to play a beautiful course -- well groomed, beautiful course."[6] Mr. Widmer went on to testify that the 2012 Senior U.S. Open was played at the subject property and that, "there are a number of reviews and commentaries on Indianwood as one of the top 100 ranked courses in the country."[7]

Mr. Widmer testified that he did not agree with Mr. Rende's method of determining a discount from a set rack rate as the best way to determine the achievable revenue per 18HEQ round at the subject property. Rather, Mr. Widmer relied on the result of the calculation of an achievable rate based on dividing the number of actual 18HEQ rounds played at competing courses by the total golf revenue received to get an

[6] Tr., Day 2, at 198.
[7] Tr., Day 2, at 199.

average revenue rate per 18HEQ round for each course, creating a range on which he relied to contend his $45 per 18HEQ round revenue estimate. Mr. Widmer testified that he did not contend any specific rack rate for the subject property.

Mr. Widmer testified regarding inconsistencies he identified in Mr. Rende's data, specifically in relation to Mr. Rende's conclusions regarding the number of 18HEQ rounds attainable at the subject property.

Mr. Widmer described the layout of the new course at the subject property as being intermingled with residential development but that the old course had no such residential development. Mr. Widmer agreed that the buildings at the subject property were in good or very good condition and of high quality, with the clubhouse having classic architecture with high-end, elaborate finishes of a unique nature.

Mr. Widmer testified about population demographics of the area around the subject property in relation to the ability to attract golfers from close proximity and established a participation percentage from 10 mile, 15-mile, and 20-mile radii, and the number of competing courses available within those radii.

Mr. Widmer testified that he developed a sales comparison approach to valuation for the subject property but put no credibility on the sales approach because of the difficulty in accurately valuing the different features. Mr. Widmer specifically testified regarding the recent sale of Oakhurst Golf & Country Club. Mr. Widmer claims that his sales comparison approach served as a reasonableness test for his income approach.

Regarding his income approach, Mr. Widmer described the various profit centers and how he reached his estimates of attainable revenue in each. Mr. Widmer testified that he came up with his expectation for number of rounds as follows:

> Q. All right. As a result of your taking a look at the comparables and looking at the participation rates, did you ultimately come up with, first of all, an expectation of rounds?
> A. Yes.
> Q. All right. And where is that, and what did you arrive at?
> A. I arrived at 20,420 18 equivalents for each course. The averages range from 39,000 to 41,000, so I concluded within that range in my forecast at -- I believe it was 40,840.[8]

Mr. Widmer testified that he concluded golf revenue by multiplying this number of rounds by his concluded attainable rate per 18HEQ round to reach his golf revenue estimate. Mr. Widmer then testified to how he concluded revenue for the driving range, the golf pro shop, food and beverage, and banquet, and the associated cost of goods sold (COGS) for these different areas of operation. Mr. Widmer also explained his methods for reaching his estimates for cart reserve, building reserve, and equipment reserve amounts.

Mr. Widmer testified to how he reached his capitalization rate conclusion, his going concern value, and finally, the TCV of the real estate portion of the subject property.

FINDINGS OF FACT

The Tribunal's Findings of Fact concern only evidence and inferences found to be significantly relevant to the legal issues involved; the Tribunal has not addressed every pice of evidence or every inference that might lead to conflicting conclusion and has rejected evidence contrary to those findings.

1. The subject property's highest and best use for the years at issue here is as a public daily fee golf course.

[8] Tr., Day 3, at 44-45.

2. Both parties submitted valuation disclosures valuing the subject property pursuant to the sales comparison and income approaches but relied upon the income approach to conclude their TCVs for the subject property.
3. The facts listed below, as stipulated to by the parties, are accurate.

STIPULATIONS OF FACT SUBMITTED

1. The subject property is located at 1081 Indianwood Road, Lake Orion, Michigan.
2. The subject property operates as a private country club with two 18-hole courses (the "Old Course" and "New Course"), clubhouse, banquet center, swimming pool, and other amenities.
3. The subject property consists of seven separate parcels with a combined 395.57 acres.
   a. Parcel 09-03-300-001 is 168.28 acres.
   b. Parcel 09-04-300-010 is 14.32 acres.
   c. Parcel 09-04-300-011 is 17.13 acres.
   d. Parcel 09-04-300-017 is 111.57 acres.
   e. Parcel 09-04-401-012 is 7.02 acres.
   f. Parcel 09-04-401-013 is 3.44 acres.
   g. Parcel 09-04-426-062 is 73.81 acres.
4. The Old Course and clubhouse are on the 168.28 acre parcel (09-03-300-001) which is zoned Recreation 2.
5. The site encompassing the New Course is a Planned Unit Development District that includes underlying zoning of R-1 (single family residential), SE (suburban estates district), and SF (suburban farms).
6. The current use of the subject property as a private country club is a legal, conforming use.

7. Both parties have concluded that the subject property's highest and best use for purposes of determining its TCV is conversion to a public daily fee course.

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 TCV.[9]

> 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.[10]

The Michigan Legislature has defined TCV 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.[11]

The Michigan Supreme Court has determined that "[t]he concepts of 'true cash value' and 'fair market value' . . . are synonymous."[12]

"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."[13] The Tribunal is not bound to accept either of the parties' theories of valuation.[14] "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

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[9] See MCL 211.27a.
[10] Const 1963, art 9, sec 3.
[11] MCL 211.27(1).
[12] *CAF Investment Co v Michigan State Tax Comm*, 392 Mich 442, 450; 221 NW2d 588 (1974).
[13] *Alhi Dev Co v Orion Twp*, 110 Mich App 764, 767; 314 NW2d 479 (1981).
[14] *Teledyne Continental Motors v Muskegon Twp,* 145 Mich App 749, 754; 378 NW2d 590 (1985).

case."[15] In that regard, the 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."[16]

A proceeding before the Tax Tribunal is original, independent, and de novo.[17] The Tribunal's factual findings must be supported "by competent, material, and substantial evidence."[18] "Substantial evidence must be more than a scintilla of evidence, although it may be substantially less than a preponderance of the evidence."[19]

"The petitioner has the burden of proof in establishing the true cash value of the property."[20] "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."[21] 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."[22]

The three most common approaches to valuation are the capitalization of income approach, the sales comparison, or market, approach, and the cost-less-depreciation

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[15] *Meadowlanes Ltd Dividend Housing Ass'n v Holland,* 437 Mich 473, 485; 473 NW2d 636 (1991).
[16] *Jones & Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 356; 483 NW2d 416 (1992).
[17] MCL 205.735a(2).
[18] *Dow Chemical Co v Dep't of Treasury*, 185 Mich App 458, 462-463; 462 NW2d 765 (1990).
[19] *Jones & Laughlin Steel Corp, supra* at 352-353.
[20] MCL 205.737(3).
[21] *Jones & Laughlin Steel Corp, supra* at 354-355.
[22] MCL 205.737(3).

approach.[23] "The market approach is the only valuation method that directly reflects the balance of supply and demand for property in marketplace trading."[24] 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 TCV of the property, utilizing an approach that provides the most accurate valuation under the circumstances.[25] Regardless of the valuation approach employed, the final valuation determined must represent the usual price for which the subject would sell.[26]

The subject property consists of seven parcels that make up Indianwood Golf and Country Club, a private non-equity club featuring two 18-hole golf courses, a driving range, a swimming pool, locker rooms, a restaurant and bar, and banquet facilities. The parties agree that the highest and best use of the subject property is as improved as a golf course, but its maximum productivity is as a public daily fee golf course rather than a private golf and country club. The Tribunal agrees with this conclusion by the parties. Further, both parties agree that the income approach produces an accurate TCV for the subject property and both relied upon the income approach for their value conclusions. While both parties developed a sales comparison approach, neither relied upon it because of the small number of recent sales of golf courses resulting in lack of sufficient sales data for properties similar to the subject property. Both parties used the sales comparison approach simply as a check of reasonableness of their conclusions reached using the income approach. As such, the Tribunal gives no weight to either Petitioner's

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[23] *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).
[24] *Jones & Laughlin Steel Corp, supra* at 353 (citing *Antisdale v City of Galesburg*, 420 Mich 265; 362 NW2d 632 (1984) at 276 n 1).
[25] *Antisdale, supra* at 277.
[26] See *Meadowlanes Ltd Dividend Housing Ass'n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

or Respondent's sales comparison approaches in determining the TCV for the subject property.

In each of their income approaches, both Petitioner's appraiser, Mr. Rende, and Respondent's appraiser, Mr. Widmer, applied credible methods in estimating revenues, cost of goods sold, and expenses that the subject property would experience as a public daily fee course to reach a conclusion of NOI for the subject property. Likewise, both appraisers used a logical and data supported method to reach a capitalization rate which was then used to convert the NOI to a going concern value for the subject property from which both then deducted non-realty components to reach a final contention of the TCV for the subject property. However, quite disparate TCVs were concluded, with a difference of nearly $4 million between Petitioner's contention and Respondent's contention of TCV. As such, a close examination of each of the elements used by the appraisers to reach their respective revenue, cost of goods, and operating expense estimates follows.

Number of 18-Hole Equivalent Rounds (18HEQ)

Since the golf revenue is the most significant source of revenue for the subject property, much attention was spent by both parties in determining the number of 18HEQ rounds that would likely be played at the subject property as a public daily fee course. The parties agreed that the historic data of the subject property as a private club would not be applicable for use as a public daily fee course. The Tribunal concurs with this assumption. There was also testimony around 9-hole and 18-hole starts but a consensus that equating all rounds to 18HEQ was appropriate with two 9-hole rounds equal to one 18HEQ round.

Petitioner's appraiser, Mr. Rende, developed a statistical method using demographics to determine a participation rate for the market area of the subject property and found that this method indicated projected 18HEQ rounds achievable for the subject property of 39,880. However, Mr. Rende relied upon actual data from 2015 through 2018 of rounds generated from a sample of competing golf courses throughout Michigan with heaviest reliance on the more recent data. From the rounds played at these courses and the number of holes at each course, Mr. Rende found a range of rounds played per hole. For 2016, the range of rounds per hole was 961 to 1,442 – which equates to 17,298 to 25,956 rounds for an 18-hole course, with an average of 1,184 per hole, or 21,312 rounds per 18-hole course. For 2017, the range per hole was 1,000 to 1,466 (18,000 to 26,388 rounds per 18-hole course) with an average of 1,222 rounds per hole, or 21,996 rounds per 18-hole course. Mr. Rende's data did not include the number of rounds played per hole during 2018 but instead contained "starts" which could be either 9-hole or 18-hole starts and was therefore disregarded by the Tribunal.

The high number within these ranges came from Cherry Creek Golf Course in Shelby Township, which Mr. Rende characterized as "a high quality daily fee facility that is considered similar to the subject although Cherry Creek is an 18-hole course."[27] Mr. Rende then went on to choose a projected number of rounds per hole for the subject property of 1,000 which is at the very low end of the range. Mr. Rende used the rationale that a 36-hole facility would not generate the same volume of play per hole as a more traditional 18-hole course and so this lower number was appropriate, although this opinion was not supported by any data or other source. Mr. Rende then multiplied

[27] P-1 at 98.

his 1,000 rounds per hole by the 36 holes at the subject property to reach his conclusion that 36,000 18HEQ rounds would be the attainable number of rounds for the subject property as a public daily fee course. It appears that Mr. Rende ignored his own data and his own assertion that the subject property was more like Cherry Creek which was the course at the high end of the range. For this reason, the Tribunal is not convinced that Mr. Rende's conclusion of 36,000 18HEQ rounds is supported by the evidence.

Respondent's appraiser, Mr. Widmer, also relied on a sample of 2010 through 2015 data from 9 other golf courses, three of which were privately owned public daily fee courses and six were municipally owned. As noted by Mr. Widmer, the data presented is somewhat dated; therefore, Mr. Widmer provided more recent data (2015 – 2018) from two additional courses, Links at Gateway, and Cherry Creek, which were both also included in Petitioner's data. Mr. Widmer did not calculate a number of rounds per hole as Mr. Rende did, but instead, simply used the total number of 18HEQ rounds for each of these two comparable 18-hole courses as his range of the number of rounds that each 18-hole course at the subject property could attain. The 2016 range was 23,182 to 26,021, the 2017 range was 23,055 to 28,072, and only Cherry Creek had 2018 data of 24,967 18HEQ rounds. Mr. Widmer went on to use a forecast model with demographic statistics to determine participation rates within 10-mile, 15-mile , and 20-mile radii of each of the sample course and the subject property and concluded that each 18-hole course could attain 20,420 18HEQ rounds for a total of 40,840 18HEQ rounds for the two courses of the subject property combined.

Since Mr. Widmer's statistical forecast was based only on the courses with the old data from 2010 – 2015, the Tribunal is not convinced that his analysis is totally

relevant to the years at issue here for the subject property. However, the 2016 through 2018 raw data he provided of rounds attained at competing courses, combined with Mr. Rende's similar raw data, point to a number of attainable 18HEQ rounds for 2016 in the range of from 17,298 to 26,028 rounds and for 2017 in the range from 18,000 to 28,072. For the subject property, which has been characterized by both parties as a high quality course, the Tribunal finds that the data from both parties supports Mr. Widmer's higher estimate that 20,420 18HEQ rounds per each 18-hole course of the subject property are attainable for each of the years at issue here, for a total of 40,840 rounds per year, or in Mr. Rende's parlance, approximately 1,134 rounds per hole.

Gross Revenue Per Round (Golf Revenue)

There was also much testimony from both parties regarding what the appropriate full rates, or "rack rates", should be both on week-days and week-ends, and the various discounts offered by golf courses on their full price rates for non-prime-time play. Mr. Rende concluded that the rack rate for week-ends should be $70 and the week-day rate should be $55, while Mr. Widmer did not conclude any specific rack rates for the subject property.

Mr. Rende went on to describe, and then calculate, various discounts to his concluded rack rates, allocated play between week-end and week-day, considered both the number of 18-hole starts and nine hole starts, and ultimately concluded a discount to the rack rates of 33%. He applied this to conclude average "stabilized rates" of $40.17 per 18-hole round and $24.50 per nine-hole round for the subject property. The Tribunal finds this method rife with assumptions and finds it difficult to understand the steps undertaken by Mr. Rende to reach his conclusions.

In Respondent's approach, Mr. Widmer simply took the revenue generated at the competing courses and divided it by the number of 18HEQ rounds obtained to reach a range of rates and an average rate achieved per 18HEQ round. Just focusing on the two courses with the most recent data, that range was $34.54 to $43.88 between 2015 and 2018 with the larger, older sample producing a range of $26.25 to $44.32. Mr. Widmer made a final conclusion of $45 per 18HEQ round, which is above both of his ranges claiming that his sample contained courses of lesser quality than the subject property.

The Tribunal finds Mr. Widmer's method a much more straight-forward, understandable method. However, by Mr. Widmer's own words, "the most comparable property is considered to be Cherry Creek, which offers an average rate between 2016 and 2018 of ±$42.00 per 18HEQ."[28] The Tribunal finds that a conclusion solidly based on the data provided for the rate achievable per round would not be higher than the data ranges but more likely near that achieved by Cherry Creek, which is a course used by both parties in their competing or comparable course sample data. It should further be noted that in Petitioner's proforma, Mr. Rende used 36,000 18HEQ rounds and applied a formula that resulted in $1,481,440 in golf revenue from greens fees and cart revenue. Using Mr. Widmer's approach of dividing the number of 18HEQ rounds into revenue, this results in a rate per 18HEQ round of $41.15. Based on the above facts, the Tribunal finds that the attainable rate per 18HEQ round for the subject property for both the 2018 TY and 2019 TY is $42.00.

<u>Driving Range Revenue</u>

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[28] R-1 at 97.

The driving range at the subject property is considered small in comparison to those of other nearby golf courses. Petitioner argued that this would result in a lower amount of revenue per 18HEQ round of golf played at the facility because it cannot accommodate the volume enjoyed by most of the other area golf courses that attract golfers to their range to not only warm up prior to a round but also to just practice their hitting. Respondent argued that the size of the driving range would have no bearing because it would primarily be used by golfers warming up to play their round at the subject property and would not be used much by the golfers simply to practice.

Mr. Rende relied on the same sample of seven competitive courses to conclude an estimate for this revenue item was between $0.08 and $5.20 per 18HEQ round and ultimately contends that revenue of $2.50 per 18HEQ round is attainable at the subject property. Only three courses in Mr. Rende's seven course sample contained any amount of driving range revenue; Cherry Creek was noted at $5.20 per 18HEQ round for 2017, Tanglewood had $0.08 per 18HEQ round for 2017, and Whitmore Lake Golf Links had $0.35 per start for 2016. Because the data from Whitmore Lake Golf Links was expressed in starts instead of per 18HEQ round, the Tribunal finds that it taints Mr. Rende's sample and is not reliable. By excluding Whitmore Lake Golf Links data, only two data points remain which are vastly different from one another. Further, Mr. Rende testified as follows in relation to the driving range at Cherry Creek:

> It has an equal depth of about 300 yards. It has, among other things, you can see a concrete pad with mats, so it can accommodate play even when the ground is soaking wet -- I'm sorry, not play, but practice. And then of equal importance, and unfortunately you can't see it very well in this overhead, but in the lower right corner of that photo are practice bunkers and a practice green. So, essentially, this course is widely utilized for practice purposes. People come here to hit golf balls, not necessarily to golf, and that is primarily why it's able to generate the volume of revenue

> that it does at $5.20 per round. Which, by the way, is at the top end of the range of all of the comparables that I have.[29]

The Tribunal finds that through his testimony, Mr. Rende has argued that Cherry Creek is not comparable to the subject property as far as driving range revenue is concerned and the Tribunal agrees that Cherry Creek's driving range offers more amenities than does the driving range at the subject property. Therefore, the driving range data from Cherry Creek is unreliable in predicting the driving range revenue for the subject property. However, Mr. Rende did not rely on the sample he provided in his report to determine his $2.50 per 18HEQ round revenue estimate but testified that his estimate was based on other data and experience as follows:

> Q. How did you choose $2.50?
> A. Well, it is based on the information that I have from courses over the years, the majority of which is not summarized in this report. The driving range revenue I have found, typically, falls within a fairly narrow range, and I thought $2.50 was a realistic estimate given the deficiencies of the subject's range.[30]

Therefore, the Tribunal finds that Mr. Rende's contention of driving range revenue achievable for the subject property is unsupported by any data provided and is therefore unreliable.

Mr. Widmer concluded that $6.50 per 18HEQ round was attainable as range revenue for the subject property, although his 2010 to 2015 data from his five golf course sample produced an average range revenue of $1.78 per 18HEQ round and his two-golf course sample from 2015 through 2018 produced a range of revenue from $0.98 to $7.39 per 18HEQ round. The Tribunal notes that the only course producing

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[29] Tr., Day 1, at 159.
[30] Tr., Day 1, at 161-162.

anything over $2.95 per 18HEQ round between 2015 and 2018 was Cherry Creek which Mr. Widmer noted at $4.94 for 2016, $6.05 for 2017, and $7.39 for 2018. In his appraisal report, Mr. Widmer stated in reference to the data produced by the seven courses in his samples, "Based on a review if the above statistics, revenue for this source is considered to be achievable at a level above the noted average, and has been forecasted at $6.50 per 18HEQ."[31] No further explanation was provided and it is clear that Mr. Widmer based his conclusion only on the average of Cherry Creek for 2016 through 2018 as not only the average of the other courses, but also the high end of the range for the other courses was far below his $6.50 conclusion. During testimony, Mr. Widmer did not clarify any other method used to reach his conclusion except as follows:

> Q. Okay. But yet, the numbers that you came up with for the average revenue per round is -- for 18-hole equivalent round for the driving range revenue, that is based upon your supposition that core golfers would be more inclined to use the driving range than would at courses that you deem would not have as many core golfers, correct?
> A. Yes.[32]

Inasmuch as the Tribunal has found that the driving range at Cherry Creek is not reliable in predicting the driving range revenue for the subject property, the Tribunal finds that Mr. Widmer has also not based his revenue contention for driving range revenue on data presented in this case but has based it on his opinion of other factors not contained in the data provided. Therefore, the Tribunal finds that Mr. Widmer's estimate for this revenue bucket is unreliable.

Taking all 2015 to 2018 data provided and reportedly used by both Mr. Rende and Mr. Widmer in determining this source of revenue, with the exclusion of Cherry

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[31] R-1 at 99.
[32] Tr., Day 2, at 161-162.

Creek, the Tribunal finds that it lies between $0.08 and $2.95 per 18HEQ round. As a higher end course, the Tribunal agrees with Mr. Widmer that the subject property would favor the high end of this range. Therefore, the Tribunal finds that attainable driving range revenue is $2.95 per 18HEQ round for both tax years at issue here.

Pro Shop Revenue and COGS

Pro shop revenue was expressed by both parties as a dollar amount achievable per the number of 18HEQ rounds played at the subject property. Comparable income ratios from other courses were used by both parties. Mr. Rende relied on 2016 to 2017 data from seven courses and Mr. Widmer used 2010 to 2015 data from six courses and 2016 to 2018 data from two courses. There were three courses in common between the parties, Whitmore Lake Golf Links, Devil's Ridge, and Cherry Creek, although Mr. Widmer only used the older data for the first two of these courses, while Mr. Rende's data was more recent. The Tribunal also notes, however, that the parties provided different Cherry Creek data for 18HEQ rounds attained in 2017 at Cherry Creek with Mr. Rende's number 1,683 rounds lower than Mr. Widmer's.

Focusing on the range of rates achieved during 2016 to 2018 for these three properties as presented by each party, the Tribunal finds that revenue per 18HEQ round for the Pro Shop lies between $2.03 and $3.66 with an average of $2.70. Mr. Rende used an estimate of $3.00, somewhat above average, and Mr. Widmer use $3.50, near the top of the range. Because Mr. Rende based his estimate on a larger sample of more recent data, the Tribunal finds his estimate more reliable than Mr. Widmer's for this bucket of revenue. Therefore, the Tribunal finds that the appropriate rate for pro shop

revenue is $3.00 per 18HEQ round for the 2018 TY with an increase of 2.5% for the 2019 TY to $3.10 (rounded).

Regarding the COGS for the pro shop, Mr. Rende's range of values from his sample ranged widely from 10.1% to 87.65% while Mr. Widmer's range was tighter at 55% to 92.6%. Mr. Rende concluded a percentage of 75% which is near the top of his range but provided no rationale for his conclusion. Mr. Widmer concluded 71% which falls about in the middle of his range and was the average of his sample after excluding the high and low amounts in this category. The Tribunal finds that Mr. Widmer's percentage is somewhat better supported and therefore accepts 71% as the COGS for the pro shop.

Food and Beverage Revenue and COGS

Food and beverage revenue was treated the same as pro shop revenue and was expressed by both parties as a dollar amount achievable per the number of 18HEQ rounds played at the subject property. The same competing properties were used by the parties with a range for food and beverage based on the same parameter as for the pro shop was $8.42 to $19.06 per 18HEQ round with an average of $14.51. Mr. Rende contends that $12.50 is attainable per round while Mr. Widmer claims that $18.00 is the attainable amount per round for food and beverage. Again, Mr. Rende based his estimate on a larger sample of more recent data; however, the Tribunal notes that the high figure in the range was for 2018 at Cherry Creek which the parties agree is similar to the subject property in quality. Therefore, the Tribunal finds that the parties contentions create a range and the revenue per round for the 2018 TY is $16.00 per 18HEQ round and will increase by 2.5% for the 2019 TY to $16.50 (rounded).

Regarding the COGS for the food and beverage component of revenue, both parties used actual cost data from a sampling of golf courses and concluded a percentage of sales that would represent the COGS at 36% and 35%, within one percentage point of each other. Petitioner's range average was 36.5% and Respondent's range average was 36.2% (with high and low excluded). The Tribunal finds that Respondent's contention of 36% is best supported as it was nearer the average put forth by both parties rather than below the average as contended by Petitioner.

Banquet Revenue and COGS

As the second largest revenue producer for the subject property, the Tribunal finds that both parties spent only a fraction of the effort to fully develop and support their contentions of attainable revenue for banquet as they did for golf revenue. Mr. Rende formed his conclusion of banquet revenue as a "sales per seat" calculation for the subject property based on data from a group of other banquet venues in Southeast Michigan. But, as noted by Mr. Rende, "the comparable sales data summarized above is somewhat dated but this represents the most current information available."[33] Mr. Rende acknowledged that the largest banquet room at the subject property seats up to 250 people and asserted that 800 could be seated throughout the facility. After going on to conclude a price of $3,000 per seat for the large banquet room of 250, he also concluded $1,500 for another 550 seats to reach his total banquet revenue of $1,575,000 for all 800 seats.

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[33] P-1 at 110.

The Tribunal finds that no other indication in documentary evidence or testimony, other than by Mr. Rende, that a capacity exists at the subject property of 800 or more for banquet purposes. Two banquet rooms were identified at the subject by the owner's representative, Mr. Aldridge, one seating 200 with a dance floor and more (250) without the dance floor, and the other seating 150 people, for a total of a 350 to 400 banquet seating capacity. In his appraisal report, Mr. Rende notes that the main dining room seats 200 and that the grill area seats 250.[34] All of these added together are near 800 seat overall capacity.

Mr. Widmer based Respondent's banquet estimate on a 425 seat capacity throughout the subject property. Mr. Widmer examined the historic actual banquet revenue at the subject property and found that it was from $1,450 to $1,550 per seat for 2017 and 2018, respectively. Mr. Widmer did not provide any supporting data from competing banquet venues, claiming it was confidential, but claims that the subject would be able to obtain much higher revenue per seat similar to that of Cherry Creek or the Suburban Collection Showplace which he previously appraised. Mr. Widmer's conclusion was $4,000 per seat for total revenue of $1,700,000 for the 2018 TY with a 2.5% increase for the 2019 TY.

The Tribunal finds that neither Petitioner nor Respondent solidly supported their contention of banquet revenue achievable at the subject property with data contemporaneous with the years at issue here, but Mr. Rende provided some supporting data albeit dated. Further, as Mr. Rende testified,

> [T]he primary reason is that old data is better than no data. Getting this information relating to sales volumes from banquet hall operators is like

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[34] See P-1 at 29.

> getting the proverbial hen's tooth. It is closely guarded. They don't like anybody knowing what their volume is, particularly their competitors. So this information was gathered over the years, primarily from appraisals done on these facilities. So yes. It is dated information. I think that the indications provided by this information is still reliable, and that's why it's included herein.[35]

The parties formed a bracket of $3,000 to $4,000 per seat for at least the large banquet room of 250 seats, or $750,000 to $1,000,000. For the remaining 200 seat banquet capacity, the parties formed a bracket of from $1,500 to $4,000 per seat, or between $300,000 and $800,000. The two portions added together result in a range of banquet revenue attainable of from $1,050,000 to $1,800,000. During testimony, Mr. Aldridge, owner's representative, testified that the subject property has historically been unable to reach the high level of banquet revenue contended by Respondent even though a banquet manager is employed, and the venue is aggressively marketed. Mr. Widmer provided 2017 and 2018 actual banquet revenue reported by the subject property as a part of his appraisal report and indicated that it "suggests potential banquet revenue would fall within a range from roughly $1,450 to $1,550 per seat."[36] If he based this estimate on the same 425 seats, this is $616,250 to $658,750.

While the historic performance as a private golf club for purposes of determining greens fees and the number of 18HEQ rounds would not be appropriate for a public daily fee course, the use of historic banquet revenue and COGS provides a reliable data point for determining the attainable banquet revenue for the years at issue here. The variable is whether opening the facility for public dining would result in higher banquet revenue than is achievable as a private club. Neither Mr. Rende nor Mr. Widmer

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[35] Tr., Day 1, at 166.
[36] R-1 at 102.

supported their banquet revenue estimate on the amounts actually achieved at the subject property but estimated more than double and nearly triple the actual amounts referenced above as reported by Mr. Widmer. However, the Tribunal finds that Mr. Rende's contention was supported by data provided to the Tribunal while Mr. Widmer's was not. Therefore, the Tribunal finds banquet revenue attainable is Mr. Rende's contention of $1,575,000 for both the 2018 TY and 2019 TY.

Regarding the banquet COGS, the parties agreed that 47% of the banquet revenue would represent the cost for the banquet function. The Tribunal concurs with this estimate.

Operating Expenses

Both parties quantified the operating expense of payroll, course maintenance, administrative/general, utilities, and insurance as a percentage of gross operating profit. Both parties established ranges for each expense; Mr. Rende used the same comparable properties for his revenue estimates and Mr. Widmer used six unnamed comparable properties. For utilities and insurance, both parties also relied on actual historic costs for the subject property.

For payroll, course maintenance and administrative/general, the parties' conclusions were only one to two percent different. The Tribunal finds that both parties supported their payroll expense percentage and that the average of the two of 39.5% is appropriate. The Tribunal finds that Respondent's 13.5% for course maintenance was better supported by the data and finds that administrative/general expense fell between the two contentions at 7%. Expenses for utilities and insurance contended by each party were likewise reasonably concluded by each; both the comparable properties and

actual experience at the subject property were considered in the parties' conclusions. As such, the Tribunal finds that the parties formed a range for these expense items. For utilities, a range of $140,648 to $150,000 for the 2018 TY was contended; for insurance, a range of $52,743 to $60,000 for the 2018 TY was contended. An increase of 2.5% over these 2018 amounts was contended by both parties for the 2019 TY. As such, the Tribunal finds that an amount within these ranges is appropriate and that utilities for 2018 TY are $145,000 with a 2.5% increase for the 2019 TY, and that insurance for the 2018 TY is $55,000 with a 2.5% increase for the 2019 TY.

Further, both parties estimated a reserve for carts and a reserve for equipment based on both ranges of the comparable properties and the actual costs experienced by the subject property. Both parties' contentions for these reserves were well supported but varied based on their underlying assumptions. Finding no superior support by either party, the Tribunal finds that amounts within the ranges created by the two parties for these two reserve expenses are appropriate and are the same for both years at issue here. Specifically, the Tribunal finds that cart reserve is $100,000, based on a range of from $91,909 to $127,500, and equipment reserve is $75,000, based on the range of $64,298 to $85,627. These amounts are consistent for both tax years at issue here.

The final expense was building/replacement reserve. Mr. Rende, on behalf of Petitioner, concluded a 2018 TY expense of $54,356 but provided no support as to how he reached this conclusion. Mr. Widmer, on behalf of respondent, concluded $24,782 based on $.035 per square foot of gross building area of the subject property, taking into account the varied uses of each building. Therefore, the Tribunal finds that Mr.

Widmer's contention is better supported and is the appropriate building/replacement reserve amount for both the 2018 TY and the 2019 TY.

Capitalization Rate

Based on the discussion and conclusions above, the Tribunal finds that the NOI of the subject property for the 2018 TY is $849,914, and for the 2019 TY is $850,615. To convert this to a going concern value, a capitalization rate must be used. Petitioner contended a loaded capitalization rate of 14.61%, including a tax rate of 2.61%, while Respondent's loaded capitalization rate was 12.62%, including a tax rate of 2.62%. The difference in the tax rate is negligible and the Tribunal considers them identical. Mr. Rende based his capitalization rate of 12% on rates derived from five golf course sales between 2015 and 2017, which produced a range of 9.75% to 16% with an average of 12.14%. Mr. Rende noted that higher rates are courses that were "somewhat distressed and, in effect, turnaround situations."[37] Therefore, the Tribunal finds that favoring the lower end of this range would be more appropriate since the subject property is not in any kind of distress sale situation. Mr. Rende further referenced RealtyRates.com Investor's Survey which published a 4th quarter 2017 range of capitalization rates of 7.83% to 18.54% with an average of 12.64%. A similar result for 4th quarter 2018 was reported with an average of 12.85%. Again, the Tribunal finds that given the quality and desirability of the subject property and no distress sale situation, it would likely be subject to the lower end of this capitalization rate range.

Respondent's appraiser, Mr. Widmer, used a capitalization rate of 10% which he based on RealtyRates.com Investor Survey averages of 11.14% to 11.68% for the 1st

[37] P-1 at 121.

quarter of 2016, 2017 and 2018, the 2018 SGA Investor's Tour which averaged 10.2% – 10.6%, and a sampling of golf course sales with an average capitalization rate of 10.4%. Mr. Widmer concluded an achievable range of 10% - 11% but ultimately weighted the subject property to the lower end and utilized 10% as his capitalization rate.

The Tribunal finds that both Mr. Rende and Mr. Widmer used reliable published sources, and both used golf course sales samples with several older sales included to conclude their capitalization rates. Mr. Rende also developed a band of investment method to reach a capitalization rate. Therefore, the Tribunal finds that the appropriate capitalization rate lies between the two conclusions at 11%. After loading the tax component of 2.61%, the Tribunal finds that the fully loaded capitalization rate is 13.61% for both the 2018 TY and the 2019 TY.

Final Valuation

The calculation of the going concern value of the subject property uses the NOI of $849,914 as determined above for the 2018 TY and of $850,615 for the 2019 TY and divides it by the loaded capitalization rate of 13.61% to reach $6,244,776 and $6,249,927 as the respective going concern values for the subject property. The final step in reaching the TCV of the subject property is the removal of the non-realty components from the going concern value. Both parties and the Tribunal agree that the assessed personal property located at the subject property must be deducted. For the 2018 TY, personal property had a TCV of $1,287,020, and for the 2019 TY, personal property had a TCV of $1,317,900. Mr. Rende further contends that there are other non-realty items including the liquor license, pro shop and restaurant inventories, and start-up costs which also should be deducted from the going concern value as non-realty

items. Petitioner attached values to the liquor license and inventories "based upon actual costs and interviews with operators of special purpose properties."[38] The dollar values of these assets that resulted are purely Mr. Rende's estimates and are not supported by any data. Mr. Rende also did a calculation of start-up costs that he deducted but admitted that it was difficult to quantify. The Tribunal accepts only the deduction for the personal property TCV but does not give credence to the deductions for the other non-realty components proposed by Mr. Rende.

The Tribunal finds, based upon the Findings of Fact and the Conclusions of Law set forth herein, that the TCV of the subject property is $5,000,000 as of December 31, 2017, and is $4,950,000 as of December 31, 2018. The subject property's TCV, SEV, and TV for the tax years at issue, with a breakdown by parcel, are as stated in the Introduction section above.

JUDGMENT

IT IS ORDERED that the property's SEV and TV for the tax years at issue are 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

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[38] P-1 at 135.

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, through June 30, 2012, at the rate of 1.09%, (iv) after June 30, 2012, through June 30, 2016, at the rate of 4.25%, (v) after June 30, 2016, through December 31, 2016, at the rate of 4.40%, (vi) after December 31, 2016, through June 30, 2017, at the rate of 4.50%, (vii) after June 30, 2017, through December 31, 2017, at the rate of 4.70%, (viii) after December 31, 2017, through June 30, 2018, at the rate of 5.15%, (ix) after June 30, 2018, through December 31, 2018, at the rate of 5.41%, (x) after December 31, 2018 through June 30, 2019, at the rate of 5.9%, (xi) after June 30, 2019 through December 31, 2019, at the rate of

6.39%, (xii) after December 31, 2019, through June 30, 2020, at the rate of 6.40%, (xiii) after June 30 2020, through December 31, 2020, at the rate of 5.63%, and (xiv) after December 31, 2020, through June 30, 2021, 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 final decision in this case, you may file a motion for reconsideration with the Tribunal or a claim of appeal with the Michigan Court of Appeals.

A motion for reconsideration must be filed with the Tribunal with the required filing fee within 21 days from the date of entry of the final decision. Because the final decision closes the case, the motion cannot be filed through the Tribunal's web-based e-filing system; it must be filed by mail or personal service. The fee for the filing of such motions is $50.00 in the Entire Tribunal and $25.00 in the Small Claims Division, unless the Small Claims decision relates to the valuation of property and the property had a principal residence exemption of at least 50% at the time the petition was filed or the decision relates to the grant or denial of a poverty exemption and, if so, there is no filing fee. You are required to serve a copy of the motion on the opposing party by mail or personal service or by email if the opposing party agrees to electronic service, and proof demonstrating that service must be submitted with the motion. Responses to motions for reconsideration are prohibited and there are no oral arguments unless otherwise ordered by the Tribunal.

A claim of appeal must be filed with the Michigan Court of Appeals with the appropriate filing fee. If the claim is filed within 21 days of the entry of the final decision, it is an "appeal by right." If the claim is filed more than 21 days after the entry of the final decision, it is an "appeal by leave." You are required to file a copy of the claim of appeal with filing fee with the Tribunal in order to certify the record on appeal. The fee for certification is $100.00 in both the Entire Tribunal and the Small Claims Division, unless no Small Claims fee is required.

By

Entered: April 20, 2021
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