



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
ACTING DIRECTOR

Windemere Real Estate LLC,
Petitioner,

MICHIGAN TAX TRIBUNAL

v

MOAHR Docket No. 20-001843

City of Warren,
Respondent.

Presiding Judge
Marcus L. Abood

FINAL OPINION AND JUDGMENT

INTRODUCTION

Petitioner, Windemere Real Estate LLC appeals ad valorem property tax assessments levied by Respondent, City of Warren, against parcel number 12-13-03-301-003 for the 2020 and 2021 tax years. An in-person hearing was held in this matter on October 12, 13, 14, 17, 18, and 19, 2022. The parties' closing arguments were held virtually on October 21, 2022. Brian E. Etzel, Attorney, appeared on behalf of Petitioner. Seth A. O'Loughlin, Attorney, appeared on behalf of Respondent. Petitioner's witnesses were Jordan London and Daniel Tomlinson. Respondent's witness was John 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 are as follows:

Parcel Number: 12-13-03-301-003

Year	TCV	SEV	TV
2020	\$12,700,000	\$6,350,000	\$5,217,280
2021	\$9,900,000	\$4,950,000	\$4,950,000

PETITIONER'S CONTENTIONS

Petitioner's contentions of TCV, SEV, and TV are as follows:

Parcel Number: 12-13-03-301-003

Year	TCV	SEV	TV
2020	\$9,300,000	\$4,650,000	\$4,650,000
2021	\$6,800,000	\$3,400,000	\$3,400,000

Petitioner contends that the subject has excess building square footage which amounts to significant functional obsolescence to the property. Similarly, the subject's 2-story atrium is functionally obsolete.

Petitioner contends the Covid pandemic impacted the 2nd year under appeal which resulted in significant external obsolescence. There was great uncertainty as of December 31, 2020, for investors, consumers and property owners alike contended with the concern of returning to business as usual.

Petitioner's appraiser relied on Marshall Valuation Service (MVS), National Investment Center for Senior Housing and Care (NIC) reports, Marcus & Millichap reports, Institute of Real Estate Management (IREM) surveys, Environmental Systems Research Institute (ESRI) data, BS&A property information, and CoStar as data sources for his analysis.

Petitioner's appraiser considered all three approaches to value. The income approach to value was not developed because the subject property's income is associated with going-concern income. In other words, the value of the property is directly related to the business and intangible business assets. Moreover, Petitioner's appraiser did not have access to the subject's financial records in order to develop an income approach to value.

The cost approach was developed because the subject is a special use property. The conversion of the subject from a hotel and conference center to a senior care facility warranted the development of the cost approach to value. The subject's inherent functional obsolescence due to an inefficient layout and excess area is noteworthy. Again, the subject's 2-story atrium is a further indication of incurable functional obsolescence. Likewise, the COVID pandemic impacted all types of commercial businesses including the subject in the form of external obsolescence. A cost analysis amply shows these forms of obsolescence; the cost approach is given primary weight in the market value determination for the subject property. With reverse engineered cost and income elements, obsolescence was proven.

Petitioner developed the sales comparison approach by analyzing four comparable sales. The analysis included comparable sales adjustments to account for differences to the subject property. Overall, there is a lack of sales similar to the subject in this market. Nonetheless, Petitioner relied on this approach but gave it only minimal weight in the final reconciliation. The sales approach was merely used as a test of reasonableness to the cost approach.

PETITIONER'S ADMITTED EXHIBITS

- P-1: Appraisal Report prepared by Daniel Tomlinson.
- P-4: Appraisal Report of Fox Run Village (MTT Docket No. 20-001669).
- P-5: Subject Property Photographs (from Tomlinson's workfile, pages 729-794).
- P-6: Market Reports (Tomlinson's workfile) - Parts A-E.
- P-8: Handwritten notes (Tomlinson's workfile, pages 951-953).

- P-10: Marshall Valuation Service (MVS) Excerpts (Tomlinson’s workfile, pages 1155-1168).
- P-11: Van Dyke Partners LLC – Occupancy Levels (Tomlinson’s workfile, pages 1246-1247).
- P-15: Windemere Park Floorplan (Tomlinson’s workfile, pages 1776-1777).
- P-16: Final Opinion and Judgment for MTT Docket No. 17-001117 (Tomlinson’s workfile, pages 1783-1823).
- P-25: Curriculum Vitae (CV) for Jordan London.
- P-26: Respondent’s Exhibit R-8 (Tomlinson’s workfile, pages 476-477).
- P-27 Respondent’s Exhibit R-8 (Tomlinson’s workfile, (pages 1108-1109).
- P-28 Respondent’s Exhibit R-8 (Tomlinson’s workfile, (pages 801-807).
- P-29: Capcon Article (from Petitioner’s Exhibit P-7, pages 43-44).
- P-30: New York Times Article (from Petitioner’s Exhibit P-7, pages 52-56).
- P-31: Crain’s Business Article (from Petitioner’s Exhibit P-7 pages 72-73).

PETITIONER’S 1ST WITNESS

Petitioner’s first witness, Jordan London, is a licensed architect in the state of Michigan. He has 30 years of experience in architectural design and planning. He has worked on numerous projects including senior care facilities. Based on his education, background, and experience, the Tribunal accepted Mr. London as an expert in architecture.

PETITIONER’S 2ND WITNESS

Petitioner’s second witness, Daniel Tomlinson, prepared an appraisal report for the subject property. He is primarily a commercial appraiser with 29 years of valuation experience and specializes in commercial properties. He is licensed in the state of Michigan as a Certified General Real Estate Appraiser. Based on his background, education, and experience, the Tribunal accepted Mr. Tomlinson as an expert real estate appraiser.

RESPONDENT’S CONTENTIONS

The property’s TCV, SEV and TV, as confirmed by the Board of Review (BOR), are as follows:

Parcel Number: 12-13-03-301-003

Year	TCV	SEV	TV
2020	\$15,039,260	\$7,519,630	\$5,217,280
2021	\$15,039,260	\$7,519,630	\$5,217,280

Respondent’s revised contentions of TCV, SEV and TV are as follows:

Parcel Number: 12-13-03-301-003

Year	TCV	SEV	TV
2020	\$13,165,000	\$6,582,500	\$5,217,280

2021	\$10,105,000	\$5,052,500	\$5,052,500
------	--------------	-------------	-------------

Respondent contends that the renovations and design of the subject building function for the purpose of independent living, assisted living, and skilled nursing residents. Each area has nursing stations, dining areas, and support offices. In addition, the subject has tenant office and medical spaces.

Respondent's appraiser relied on sources including the National Investment Center for Seniors Housing and Care (NIC) reports, Coldwell Banker Real Estate Senior Housing and Car Market Insight Study (CBRE), Cushman Wakefield Capitalization Rate Study, National Apartment Association Survey of Operating Common Expenses in Rental Apartment Communities.

In addition, Respondent's appraiser has a database of competitive properties' operating statements for further consideration and analysis.¹ However, this information is held confidentially.

Respondent's appraiser determined that the highest and best use of the subject as improved is as a senior care facility. The subject's market area in terms of population, population age, and income were reviewed and analyzed. From 2021 to 2026, there is an expected growth in age categories for population (except for age category 80-84) in the radius miles.²

There has been a lack of development of competitive senior living facilities in the subject market area. However, Southeast Michigan shows significant activity in the development of such facilities.³ In this regard, Respondent does not consider the subject to be a special use property. The conversion of a property to a senior living facility does not necessarily result in a special use. For example, The Fountains on Franklin was converted from an apartment complex to a senior living facility.

Respondent's appraiser considered all three approaches to value. However, the cost approach to value was not developed due to the difficulty in quantifying depreciation for the subject. The subject was originally constructed as a hotel and conference center. Given the subject's conversion and numerous renovations, the cost approach is not meaningful in rendering an indication of value. Moreover, investors would not look to this approach to value for the subject as an investment property.

Respondent's appraiser developed a sales comparison approach to value the subject property. This approach was used as a test of reasonableness to the income approach to value. Respondent's appraiser selected six sales for comparison to the subject property. From those six sales, Respondent's appraiser appraised four of the sales (sale 1 – The Fountains on Franklin, sale 3 – Brighton Manor, sale 4 - Independence

¹ Vol 6, 62-63.

² Vol 5, 60-61.

³ Vol 5, 67.

Village in Brighton, and sale 5 – University Living in Ann Arbor). This approach to value was considered but was not applied as a separate indication of value. Petitioner's appraiser reasoned that there is a lack of reliable comparable sale properties.

Respondent's appraiser developed an income approach of the subject property. The subject is an income producing property which justifies the development of this approach to value. Market investors and participants will rely on this approach for their decision-making investment decisions. The direct income capitalization methodology takes into account a property's historical and future income on a 12-month basis. The subject's independent living units, assisted living units, and skilled nursing units generate income. Likewise, the leased office and medical spaces generate income to Petitioner. The financial information that the appraiser received was sufficient to properly develop an income analysis. Within this analysis, Respondent contends that relying just on number of rooms in a continuing care retirement community (CCRC) is not appropriate. The number of beds per room as well as the rooms themselves are important units of comparison in the income analysis.⁴

Respondent asserts that the income approach is based on the subject's real estate only and not the going-concern value of the property. The subject's revenue and expense information was reviewed and applied to the market. Petitioner received rent rolls for the subject's independent and assisted living units; however, the skilled nursing rents were difficult to reconcile.⁵ Petitioner's appraiser reviewed the subject's profit and loss statements (P & L) to gain an understanding for the skilled nursing revenues.

Next, Respondent's appraiser compared allocated rents to the real estate. Comparisons included Cedarbrook of Northville, Notting Hill, and West Bloomfield Rehab.⁶ Respondent's appraiser analyzed National Investment Center (NIC) Map Vision as a source for senior housing properties.⁷ Further, Respondent relied on Coldwell Banker Richard Ellis (CBRE) for senior housing surveyed information. Discussions were also conducted with Balfour, a senior housing developer and from Fox Run (Erickson).⁸

Respondent's appraiser's income analysis is predicated on economic units. Meaning, assisted living and skilled nursing were analyzed per bed. Independent living was based on the actual room. This is how income is earned and expenses are applied consistently.⁹

⁴ Vol 5, 54. Respondent's appraiser identified senior care facilities that offer semi-private rooms located in West Bloomfield and Livonia under the name of Provision. Vol 6, 68.

⁵ Vol 6, 95.

⁶ Vol 5, 119.

⁷ Vol 5, 121-122.

⁸ Vol 5, 127 and 129.

⁹ Vol 6, 75-78.

Respondent contends that the determination of functional obsolescence has to be market driven.¹⁰ The subject was renovated for readaptation from a hotel to a senior living facility. The subject does not suffer from functional obsolescence. Likewise, the subject is not impacted by external obsolescence. Respondent does not consider the impact of the pandemic to be external obsolescence.¹¹

RESPONDENT'S ADMITTED EXHIBITS

- R-1: Appraisal Report prepared by John Widmer.
- R-5: Petitioner's Answers to Requests for Production.
- R-6: Petitioner's Supplemental Discovery Answers.
- R-10: MVS Calculator Method dated November 20, 2020 (Rebuttal).
- R-11: MVS Calculator Method dated August 20, 2020 (Rebuttal).

RESPONDENT'S WITNESS

Petitioner's witness, John Widmer, MAI, prepared an appraisal report for the subject property. He is primarily a commercial appraiser with 36 years of valuation experience, specializing in all types of commercial producing properties. He is licensed in the state of Michigan and is designated through the Appraisal Institute. Based on his background, education, and experience, the Tribunal accepted Mr. Widmer as an expert real estate appraiser.

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 piece of evidence or every inference that might lead to conflicting conclusions and has rejected evidence contrary to those findings.

1. The subject property is located at 31800 Van Dyke Road, in the City of Warren and within Macomb County.
2. The subject property was originally developed and constructed as a hotel and conference center in 1979.
3. The subject was converted to a senior care facility in 2005 with an initial remodeling cost of \$4,280,000. The subject has been utilized as a CCRC facility since 2014.
4. The subject property is comprised of 7 acres and is improved with a multi-sectional building including a one-story, two-story, six-story and three-story building interconnected by walkways and a 2-story atrium.
5. The subject has 96 independent living units, 90 assisted living units, and 92 skilled nursing units.
6. The subject has gross building area (GBA) of 243,132 square feet.

¹⁰ Vol 5, 196.

¹¹ Vol 5, 205.

7. The subject property was re-adapted as a full-service CCRC.
8. The subject property is zoned C-2, Commercial District.
9. Petitioner submitted valuation evidence in the form of an appraisal report which included the cost approach and sales comparison approach to value.
10. Petitioner's appraiser did not develop an income approach to value for the subject property.
11. Petitioner's sales comparison approach included three sales for the comparative analysis.
12. Petitioner's appraiser determined functional obsolescence by calculating an average room size based on the subject's GBA. Petitioner's appraiser relied on MVS for a typical room size of 745 square feet.
13. Petitioner's functional obsolescence calculations were based on the subject's room size of 1,053 square feet.
14. Petitioner's appraiser determined external obsolescence by reverse engineering income approach elements.
15. Petitioner's architect did not perform a functional use study of the subject property.
16. Petitioner's architect was involved in the development of The Rivers senior care facility in Grosse Pointe.
17. There are senior care facilities in southeast Michigan with large atriums similar to the subject located at The Rivers (Grosse Pointe), Blossom Ridge (Oakland Township), Cedarbrook, and Independence Village (Oxford Township).¹²
18. Respondent submitted valuation evidence in the form of an appraisal report which included a sales comparison approach and an income approach.
19. Respondent's appraiser did not develop a cost approach to value for the subject property.
20. Respondent's appraiser placed his sales comparison approach within the Scope of Work section of his appraisal report.
21. Respondent's appraiser selected 6 sales for comparison to the subject property. From those 6 sales, Respondent's appraiser appraised four of the sales (sale 1 – The Fountains on Franklin, sale 3 – Brighton Manor, sale 4 - Independence Village in Brighton, and sale 5 – University Living in Ann Arbor).¹³
22. Respondent's appraiser cited an additional sale in his comparative analysis. This cited sale is located at 12250 East Twelve Mile Road, Warren, Michigan. This is a skilled nursing and rehab facility with 76 units and a total of 144 beds.
23. Respondent's appraiser analyzed the subject's 2018-2020 rent rolls as well as P & L statements for his income analysis.
24. Respondent's appraiser inspected and appraised 28301 Franklin Road (The Fountains on Franklin) for a previous valuation assignment.
25. Respondent's appraiser inspected and appraised The Rivers senior care facility for a previous valuation assignment.
26. The Rivers senior care living facility has a 2-story atrium.¹⁴

¹² Vol 5, 54.

¹³ Respondent's appraiser's intimate knowledge of these specific comparable sales would otherwise justify their analysis in the sales comparison and income approaches to value.

¹⁴ Vol 1, 118.

27. Respondent's appraiser inspected and appraised The Fox Run Village senior care facility for a previous valuation assignment.
28. Respondent's appraiser analyzed The Fox Run Village senior care facility for the purpose of a revenue allocation and a ratio.¹⁵
29. The parties' appraisers utilized and analyzed a common comparable sale located at 28301 Franklin Road known as The Fountains on Franklin.
30. The parties' appraisers utilized and analyzed the common data source National Investment Center for Seniors Housing & Care (NIC).
31. Petitioner's 2020 TCV is \$9,300,000 and 2021 TCV is \$6,800,000 for a decline of 27%.
32. Respondent's 2020 TCV is \$13,165,000 and 2021 TCV is \$10,105,000 for a decline of 25%.

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.¹⁶

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.¹⁷

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.¹⁸

The Michigan Supreme Court has determined that "[t]he concepts of 'true cash value' and 'fair market value' . . . are synonymous."¹⁹

"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."²⁰ The Tribunal is not bound to accept either of the parties' theories of valuation.²¹ "It is the Tax Tribunal's duty to determine which approaches are useful in

¹⁵ Vol 6, 169-172.

¹⁶ See MCL 211.27a.

¹⁷ Const 1963, art 9, sec 3.

¹⁸ MCL 211.27(1).

¹⁹ *CAF Investment Co v Michigan State Tax Comm*, 392 Mich 442, 450; 221 NW2d 588 (1974).

²⁰ *Alhi Dev Co v Orion Twp*, 110 Mich App 764, 767; 314 NW2d 479 (1981).

²¹ *Teledyne Continental Motors v Muskegon Twp*, 145 Mich App 749, 754; 378 NW2d 590 (1985).

providing the most accurate valuation under the individual circumstances of each case.”²² 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.”²³

A proceeding before the Tax Tribunal is original, independent, and de novo.²⁴ The Tribunal's factual findings must be supported “by competent, material, and substantial evidence.”²⁵ “Substantial evidence must be more than a scintilla of evidence, although it may be substantially less than a preponderance of the evidence.”²⁶

“The petitioner has the burden of proof in establishing the true cash value of the property.”²⁷ “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.”²⁸ 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.”²⁹

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.³⁰ “The market approach is the only valuation method that directly reflects the balance of supply and demand for property in marketplace trading.”³¹ 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.³² Regardless of the valuation approach employed, the final valuation determined must represent the usual price for which the subject would sell.³³

²² *Meadowlanes Ltd Dividend Housing Ass’n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

²³ *Jones & Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 356; 483 NW2d 416 (1992).

²⁴ MCL 205.735a(2).

²⁵ *Dow Chemical Co v Dep’t of Treasury*, 185 Mich App 458, 462-463; 462 NW2d 765 (1990).

²⁶ *Jones & Laughlin Steel Corp*, *supra* at 352-353.

²⁷ MCL 205.737(3).

²⁸ *Jones & Laughlin Steel Corp*, *supra* at 354-355.

²⁹ MCL 205.737(3).

³⁰ *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).

³¹ *Jones & Laughlin Steel Corp*, *supra* at 353 (citing *Antisdale v City of Galesburg*, 420 Mich 265; 362 NW2d 632 (1984) at 276 n 1).

³² *Antisdale*, *supra* at 277.

³³ See *Meadowlanes Ltd Dividend Housing Ass’n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

SALES COMPARISON APPROACH

As noted, both appraisers developed a sales comparison approach to value the subject property. Each appraiser's sales comparison approach is a conventional framework for a comparative analysis to derive an indication of value for the subject.

Petitioner's appraiser analyzed three sales for comparison to the subject. Sale 2 is located in Grand Rapids and sale 3 is located in Holland. Both sales are located in west Michigan and are dissimilar to the subject's southeast Michigan location. Both sales were vacant at the time of sale but were previously utilized as senior type facilities. Both properties are zoned residential. Each sale has gross building area of less than 45,000 square feet and is dissimilar to the subject in gross building area. Petitioner's appraiser had concerns over 40% and 50% adjustments to these comparable sales.³⁴ The larger adjustments appear to be a result of the appraiser's inclusion of the medical offices and pharmacy for the subject's GBA. Petitioner's sales 2 and 3 do not have this kind of additional office space. For these reasons, Petitioner's sales 2 and 3 are given no weight and credibility in the independent determination of market value for the subject property.

Respondent's appraiser analyzed six sales for comparison to the subject. Respondent's sales comparison adjustment grid is a conventional framework for a comparative analysis.³⁵ All of the sales are located in southeast Michigan. Respondent's appraiser previously appraised four out of the six properties (sales 1, 3, 4, and 5). The six sales bracket the subject in gross building area. In other words, sale 1 has greater gross building area and sales 2, 3, 4, 5, and 6 have smaller gross building area than the subject. Sale 1 occurred in 2018; sales 2, 3, 4, and 5 occurred in 2019; and sale 6 occurred in 2020. Sales 2, 3, 4, 5, and 6 were considered, but as discussed below, sale 1 (The Fountains on Franklin) is given further analysis and consideration.³⁶

The parties' common comparable sale, The Fountains on Franklin, provides the most reliable and credible valuation evidence for an indication of value from the sales comparison approach. This property is the most similar in gross building area and

³⁴ Vol 5, 20 and 22.

³⁵ Respondent's appraiser's rationale for placing a sales comparison approach within the Scope of Work section of the appraisal report is nonsensical. Respectfully, a developed comparative analysis is noteworthy to be placed as a standalone section within Respondent's appraisal report. An attempt to hide or minimize the relevance of such an approach by placing it within the Scope of Work section is misleading and unpersuasive. Respondent's appraiser's intimate working knowledge of his comparable sales further warrants the placement of the sales comparison approach outside of his Scope of Work section of the report.

³⁶ As a format issue, Respondent's presentation and illustration for its sales comparison adjustment grids are not understandable or readable. First, the adjustment grids do not include the subject property's line-item entries. The purpose of the comparative grid is to show the subject and comparable sales side by side. Second, the comparable sales are only identified by number; the comparable sales are not identified by their address or location. The purpose of the comparative adjustment grid analysis is to illustrate and allow the reader to easily understand side by side comparisons for the identified subject and comparable properties.

number of units as the subject. Both appraisers adjusted this common comparable upward to the subject based in general on transactional and characteristic line-item differences. However, the appraisers' level of description and analysis for this common comparable sale differ. Specifically, Petitioner's appraiser noted that there are no other levels of care for this facility. Respondent's appraiser noted that this facility has 200 independent living units, 72 assisted living units, and 72 skilled nursing units. Respondent's information and comparative analysis is more persuasive as Respondent's appraiser personally inspected and previously appraised this property. Respondent's appraiser has firsthand knowledge in analyzing this common comparable sale. Regarding the units of comparison applied to this common comparable sale, Petitioner analyzed this common comparable sale in terms of gross building area and adjusted price per square foot at \$46.63/SF (subject's GBA of 243,132 x 46.63 = \$11,337,245). Respondent analyzed this common comparable sale at price per unit at \$44,852/unit (subject's 278 units x \$12,468,856). Respondent's appraiser analyzed the subject on the basis of units without the inclusion of subject's medical offices and pharmacy square feet. From the analytical comparison, a reasoned and reconciled indication places greater weight and credibility on Respondent's description, analysis, and adjustments to the common comparable sale The Fountains on Franklin at \$12,400,000. With this rational and cogent analysis, the sales comparison approach is a legitimate check of reasonableness to other approaches to value.

COST APPROACH

Generally, a cost approach is most applicable for new or newer properties. As reasoned, a newly constructed property would have minimal depreciation. On the other hand, a cost analysis is more problematic for older properties in quantifying all forms of depreciation. The elements for a cost analysis include the determination of land value, the replacement cost new (RCN) for building improvements, a calculation of depreciation (physical, functional, and external), and site improvements. Petitioner's cost approach is a conventional framework for the cost analysis of the subject property. However, Petitioner's application and reasoning for alleged functional and external obsolescence is unpersuasive.

Petitioner's determination of a land value for the subject property is reasonably supported. Further, the cost of the subject's improvements is greater than the determination of land value. Petitioner's reasoning for the subject's highest and best use conclusion (as improved) is for the continued use as a senior care facility. However, as discussed below, certain cost elements do not support Petitioner's claims of functional and external obsolescence to the subject property.

First, Petitioner derived base costs for the medical office space, the senior care facility, the basement, and the canopy. The costs were taken from the MVS. Petitioner separately costed each section of the subject building; however, Petitioner's appraiser combined the senior care units and medical offices into a total GBA. Petitioner failed to give a rationale for combining all areas of the subject building. Petitioner's claim of functional obsolescence was based solely on excess square feet. Yet, Petitioner's

appraiser stated, “There - - there was other elements of functional obsolescence, but I didn’t quantify it.” He would have qualified other elements of functional obsolescence but that would have required professional judgment and he didn’t want to go there.³⁷ Logically, the subject’s senior living areas (independent, assisted, and skilled nursing) are analyzed based on \$/unit, \$/bed, or \$/SF. The medical offices and pharmacy are leased out but are not reasonably included in the senior care facility as a unit of comparison. Different occupants, leases, and uses warrant separate treatment and analysis. Moreover, Petitioner’s appraiser’s proclivity in combining the total gross building area appears to have manifested its claim of excess area resulting in functional obsolescence. Petitioner’s appraiser asserted the subject has 40% wasted space.³⁸ However, Tomlinson did not have any analysis for units per square feet from any competing facilities within his appraisal report.³⁹ Moreover, he did not apply the MVS space planning guide to the subject’s units based on number of actual beds.⁴⁰

On the other hand, Petitioner’s appraiser pointed out that subject property owner believed the additional office spaces are a plus to the senior units.⁴¹ The appraiser’s belief of excess space is undermined by the property owner of the subject property. Through cross examination, Petitioner’s appraiser admitted that his comparative analysis only applied a 5% adjustment for the differences in additional space. The appraiser’s assertion for excess space and functional obsolescence do not square with Petitioner’s intention and use of the subject’s office spaces and pharmacy. Tomlinson says the medical offices and pharmacy are within walking distance of tenants.⁴² Petitioner’s appraiser believes that including the offices in the total GBA makes sense. Again, Petitioner’s appraiser calculated separate base costs for the office spaces separately identified from the assisted living, independent living and skilled care sections of the building. The purpose of a unit of comparison (i.e., \$/unit) is germane to those spaces designated as units for senior tenants. Said differently, the medical offices and pharmacy would be analyzed on a \$/SF basis and not on a \$/unit or SF/Unit basis. Petitioner’s total GBA by combining senior care units with the medical offices and pharmacy is unpersuasive.

In parallel fashion, Petitioner’s appraiser assumed that the entire building had a total heating/cooling system (HVAC). However, as pointed out in cross-examination, only the office and medical office portions were heated and cooled. The remainder of the building utilizes a heat pump system. While Tomlinson claimed that this correction would only change his cost figures nominally, the oversight does not bolster his overall cost analysis.⁴³

³⁷ Vol 5, 5.

³⁸ Pet’s Exh P-1, 9.

³⁹ Vol 4, 41.

⁴⁰ Vol 4, 59.

⁴¹ Vol 5, 22-23.

⁴² Vol 4, 216.

⁴³ Vol 4, 197.

Second, Petitioner's appraiser's testimony regarding site improvements and their respective effective ages was equally confusing. Similar to the effective ages for the subject building, Petitioner's site improvements analysis and determinations are not cogent. The actual age and effective age of each site improvement was challenged by Respondent's counsel. Petitioner's determination of 50% depreciation based on his knowledge and experience was also questioned. Petitioner's appraiser admitted no support for the concluded physical depreciation for the subject's site improvements. Overall, the testimony was not meaningful to the overall cost analysis. Petitioner's depreciation for site improvements is given no weight or credibility in the cost analysis.

Third, the determination of depreciation applied to the subject is baffling. Petitioner's appraiser utilized an *age/life method*⁴⁴ for depreciation on a straight-line basis which was claimed to only account for physical depreciation. In fact, this method accounts for a lump sum depreciation. In other words, this method does not single out or isolate just physical depreciation from functional and external obsolescence. Petitioner's appraiser's separate determination for the other forms of depreciation appears to be contradictory. Petitioner's 64.5% physical depreciation calculation appears to overlap (a.k.a., double count, double dip) the functional and external obsolescence. The lack of articulation in delineating the methods and forms of depreciation is not meaningful.⁴⁵ For these reasons, Petitioner's age/life method of depreciation is given no weight or credibility in Petitioner's cost analysis.

Finally, regarding Petitioner's determination of functional obsolescence, the calculations are devoid of support and rationale. Petitioner's "average room size based on the subject's GBA" is problematic. As previously mentioned, the combination of patients' living areas with medical office and pharmacy increased the subject's GBA. In turn, the average room size of 1,053 square feet included the subject's medical offices and pharmacy. The average room size must be based on the subject's beds, rooms, and living units. As challenged by Respondent, Petitioner's rationale for the average room size versus the MVS typical room size of 745 square feet is unreasonable. In other words, Petitioner's conflated GBA is not meaningful to the analysis of obsolescence. For these reasons, Petitioner's contrived GBA, units of comparison, and assumed inputs for a functional obsolescence are given no weight or credibility in the independent determination of market value for the subject property.

Next, in similar fashion, Petitioner's inputs and calculations for external obsolescence are not meaningful. The reversed engineered calculation structure included several admitted assumptions which were not supported by market data. The overall lack of explanatory narration and articulation for the various elements does not bolster Petitioner's methodology.

⁴⁴ Appraisal Institute, *The Appraisal of Real Estate* (Chicago: 15th ed, 2020), 572.

⁴⁵ Petitioner's appraiser relied on the assessor's depreciation for the subject improvements when Petitioner otherwise contested all other elements of the assessment.

First, Petitioner's calculation for building depreciated value of \$7,488,567 (RCN \$13,377,194 minus functional obsolescence of \$5,888,628) appears to include double counting. As previously discussed, Petitioner's age/life depreciation was depicted as just physical depreciation from a lump sum depreciation (for physical, functional, external). Petitioner's appraiser failed to delineate the portion of physical depreciation from this lump sum methodology. The Tribunal is unable to follow Petitioner's assumptions and calculations for the building depreciation value. This calculated element is given no weight or credibility in Petitioner's cost analysis for external obsolescence.

Second, Petitioner's estimated expenses in the reverse engineered calculation for external obsolescence were also challenged by Respondent. Petitioner's premise of excess expenses to the alleged excess building area is not logical. Again, as previously discussed in the functional obsolescence analysis, Petitioner's contrived GBA is not reasonably supported. Petitioner failed to articulate or support its assumed expenses in the external obsolescence methodology. Petitioner failed to analyze separate expenses to the senior units versus the office expenses beyond alleged overall excess expenses. Therefore, Petitioner's assumed expenses for the calculation of external obsolescence is given no weight or credibility in Petitioner's cost approach analysis.

Third, Petitioner's appraiser based his effective gross income (EGI) on "*economic rent*"⁴⁶ and not "*market rent*"^{47, 48}. In casual parlance, the two types of rent may be construed synonymously. However, a closer look between the two definitions points to economic rent as contract rent. Petitioner's appraiser attempted to distinguish between the two terms. The larger issue that escaped Petitioner's appraiser's reasoning is that a tax appeal matter is focused on *market value*⁴⁹. With parallel logic, market rent is sought in an income analysis for a tax appeal matter as well. Alas, Petitioner's appraiser did not develop an income approach to value claiming he did not receive financial information from Petitioner until after his appraisal report was submitted. The Tribunal is not persuaded that efforts to garner income elements outside of an income approach or outside of market support is meaningful. Therefore, Petitioner's premise for economic rent and its determination of EGI is given no weight or credibility in Petitioner's cost approach analysis.

Fourth, through exhaustive cross examination, Tomlinson was minimally able to locate support for his 15% vacancy and credit loss.⁵⁰ Tomlinson's testimony regarding actual and stabilized occupancy was unpersuasive.⁵¹ Overall, the assumed inputs, testimony, and appraisal report narrative were not consistent. Cited data sources were inconsistent for Tomlinson's determination of 15% for external occupancy.⁵² In other

⁴⁶ Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Chicago: 7th ed, 2022), p 60.

⁴⁷ *Id.*, 116-117.

⁴⁸ Vol 4, 158 and 211-212.

⁴⁹ Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Chicago: 7th ed, 2022), p 118.

⁵⁰ Vol 4, 209-210 and Pet's Exh P-1, 10.

⁵¹ Vol 4, 102-115, Exhibits P-8 and R-6.

⁵² Vol 4, 154-155.

words, several of Petitioner's data sources indicated a vacancy and credit loss different than 15%. Therefore, Petitioner's determination for its vacancy and credit loss determination is given no weight or credibility in the consideration of Petitioner's cost approach analysis.

Fifth, the 50% allocation of \$2,003,593.25 from the total external depreciation discount of \$4,007,186.50 was not presented with cogent testimony from Petitioner's appraiser.⁵³ An allocation derived from judgment and experience was void of market support. Once again, the Tribunal is unable to accept the premise for this element in Petitioner's cost analysis. This allocation percentage was not supported by any market evidence other than Petitioner's appraiser's own judgment. Therefore, the allocation percentage utilized to derive an applied external obsolescence is given no weight or credibility in the consideration of Petitioner's cost approach analysis.

Overall, Petitioner's assertion for functional and external obsolescence was not supported by any market standards research. In other words, Tomlinson did not research the market for senior care facilities to prove the subject's functional obsolescence. Conclusory statements contending that the subject suffers from functional obsolescence is not meaningful to Petitioner's cost analysis. Further, Respondent appraiser's knowledge of The Rivers senior care facility undermines the claim of functional obsolescence for the subject. Similar to the subject, The Rivers facility has a 2-story atrium entry way. In fact, Petitioner's appraiser's position on obsolescence is contradicted by Petitioner's architect's resume (a.k.a., curriculum vitae) which identified The Rivers as a new senior care facility. Petitioner's reliance on the functional analysis of the subject by an expert architect was not meaningful. The architect did not perform a functionality study for the subject. The architect's testimony appeared to be more focused on the subject's operations rather than the layout and structure. The readaptation of the subject hotel and conference center to a senior care facility involved several renovations. The subject owner's intended use was not deterred by the original layout of the building. Petitioner found more advantage than disadvantage in the conversion of the building.

The subject has continuously run as a care facility since 2005. As part of continued renovations, the skilled nursing was added to the facility. The conversion of the hotel to a CCRC does not suggest functional obsolescence when compared to The Rivers facility which has a similar 2-story atrium/entry way. The Rivers senior care facility (as well as The Fountains on Franklin) is market evidence refuting the claim of functional obsolescence to the subject property. Petitioner's conclusion of highest and best use as a continued senior care facility does not square with the asserted obsolescence to the subject property.⁵⁴

⁵³ Vol 4, 142-146.

⁵⁴ Petitioner's appraiser concluded that the subject's highest and best use is as its continued use as a senior care facility. This infers that the alleged functional and external obsolescence is not as significant as described by Tomlinson in testimony.

In summary, Petitioner's cost elements including building/site cost calculations, effective/actual ages, all forms of depreciation, and reversed engineered assumed inputs are not meaningful and are misleading. As a noted fact, the subject was constructed in 1976 and remodeled in 2007. The application of a cost approach for an older building having had updates and renovations is unpersuasive. For these reasons, Petitioner's cost components, elements and analysis are given no weight or credibility in the independent determination of market value for the subject property.

INCOME APPROACH

The parties' respective analyses considered the subject's viability as an income producing property. Again, the subject property is a going-concern senior care facility which includes independent living units, assisted living units, skilled nursing units and medical offices. As noted, Petitioner did not develop this approach to value. However, Respondent's appraiser developed an income analysis as a basis of value for the subject property.

Petitioner agreed that a general income analysis is based on revenue, expenses, capitalization rates, and value. While Petitioner did not develop this approach, the appraiser was confident in developing income components for functional and external obsolescence within its cost approach to value. The Tribunal does not accept Petitioner's determinations in its valuation decisions given the circumstances surrounding the attainment of the subject's financial information.

First, Petitioner's appraiser claimed that he was not given sufficient financial information in time to develop an income approach. Petitioner's appraiser only completed an income approach after the submission of his appraisal report in this tax appeal matter. Petitioner's efforts to lodge the income approach within the appraiser's workfile after the fact is disingenuous.⁵⁵ The point of having a subject's financial information means the appraiser is going to perform due diligence in carrying out the research and analysis. Applying the subject's income data in commensurate fashion to the market is commonplace in valuation practice. Respondent's appraiser was able to obtain the subject's financial information, but Petitioner's appraiser was unable to get this information in a timely fashion. The Tribunal is not persuaded that Petitioner's appraiser genuinely attempted to follow through with the subject's financial information applied to the market.

⁵⁵ Petitioner's appraiser admitted that he only received the subject's financial information the day before he submitted his appraisal report. Nonetheless, Petitioner's appraiser opted to perform an income approach (after the valuation report submission) and placed this analysis within the appraiser's work file. At hearing, Petitioner's counsel attempted to offer its appraiser's work file containing the income approach. The appraiser's attempt to develop an analysis after the report is not acceptable by valuation standards and ethics. "***A work file must be in existence prior to the issuance of any report or other communication of assignment results.***" [bold and italics added.] The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (Washington D.C., 2020-2021 edition), p. 10. Attempts to offer such evidence after the fact (in the midst of the hearing) is equally inappropriate.

Second, Petitioner's appraiser's concerns about the limitations for developing an income analysis are unconvincing. The Tribunal fails to see what prevented Petitioner from reviewing other senior care facilities to derive general revenue for senior care dues (as posted on public websites). Arriving at stated conclusions was quite telling as Petitioner's workfile included the financial statements for an income analysis. However, Petitioner's appraiser claimed that market income data was difficult to obtain as such owners (and most commercial property owners) are reluctant to share such information. Yet, Petitioner's architect presented a curriculum vitae (CV) that included several senior care facilities which would appear to be a starting point for market information. Further, Petitioner's appraiser admitted to having appraised senior care facilities in his extensive valuation career. Extolling an appraiser's experience and knowledge does not give credence to the indication of value when the report does not display any support other than the appraiser's knowledge, judgment, and experience. A report must carry support and persuasion beyond conclusory statements. An expert's testimony and documentary evidence must be weighed to determine credibility and reliability.

Third, Petitioner developed various income elements to determine external and functional obsolescence were supported only by various assumptions. Petitioner's reliance on assumed income elements for the development of a cost approach as opposed to applying market elements for income approach is not logical. Respondent's appraiser developed and communicated an income approach without hesitancy.

Repeatedly, an appraisal report is based on the opinions, analyses, and conclusions of the appraiser. In this instance, the Tribunal cannot place reliance on conclusory statements based on an appraiser's testified "experience and expertise" which nebulously refers to data not included in an appraisal report or workfile. "Perfection is impossible to attain, and competence does not require perfection. However, an appraiser must not render appraisal services in a careless or negligent manner. This Standards Rule requires an appraiser to use due diligence and due care."⁵⁶ Petitioner's actions belie the importance of rendering a meaningful appraisal report.⁵⁷ An appraiser's opinions, analysis and conclusions do not come before the market data is developed.

The independent determination of market value for the subject property is as a tenant-occupied commercial property with fee simple property rights. The subject is not owner-occupied. The parties' valuation disclosures acknowledge the subject in terms of fee simple property rights. A fee simple estate is defined as "Absolute ownership

⁵⁶ The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (Washington DC: 2020-2021 Edition), p 11.

⁵⁷ Petitioner's appraiser did testify to many typographical errors and mistakes within his report. See Vol 2, 4 (P-1, 34), Vol 2, 31 (P-1, 46), Vol 2, 46 (P-1, 50), Vol 3, 66 (P-1, 82), Vol 3, 72-73, Vol 3, 117, Vol 3, 120-121 (P-1, 56), Vol 3, 128-129 (P-1, 58), Vol 3, 132-133 (P-1, 53), Vol 4, 174 (P-1, 87), and Vol 4, 195-196, 198. "In developing a real property appraisal, an appraiser must: (c) not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the ***aggregate affects the credibility of those results.*** [bold and italics added.] The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (2020-2021 Edition), p 16.

unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.”⁵⁸ The full bundle of rights (in fee simple) for the subject as an economic unit is done so without encumbrances. Nonetheless, Petitioner believes that a real property value cannot be determined from the going-concern value of the subject property. Again, the rationale for Petitioner’s position is not persuasive. Leased fee interest is defined as “[t]he ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.”⁵⁹ The subject’s property rights as fee simple are not a deterrence to an income analysis.

Respondent developed the direct capitalization income approach for the subject property. Rooms and beds were analyzed in an appropriate manner to develop income. Respondent’s appraiser developed potential gross income (PGI) on the basis of membership revenue. The subject property’s income was based on market rents.

Respondent reviewed and analyzed the subject’s senior units and office leases for an overall revenue. Respondent’s ability to apply the subject’s 2018-2020 financial information is meaningful and persuasive. Further, Respondent applied the subject’s financial information to the NIC market data. More specifically, the NIC data source focused on senior care facilities rates. In essence, Respondent was able to develop PGI without hesitation. Respondent’s analysis of the subject’s revenues was supported by credible market evidence.

Respondent’s method to devise PGI is akin to an income analysis for a golf course. Rounds of golf are calculated to determine a market supported revenue. Here, Respondent applied the subject’s senior units and the medical offices square feet as income through senior facility market data through NIC surveys and reports. As noted, both parties’ appraisers acknowledged NIC Reports as a source of data and information. Therefore, Respondent’s application of NIC surveys and reports as a market data source is credible.

As a point of clarification, Respondent’s appraiser also appraised Fox Run Village senior facility.⁶⁰ From that appraisal assignment, Widmer had allocated revenue at 47.5% for independent, 30% for assisted, and 20% for skilled nursing. Respondent’s appraiser analyzed those revenue ratios (as a methodology) and not as a direct sales comparison to the subject. He did not compare Fox Run Village to the subject on a physical basis. Fox Run Village was analyzed for the purpose of an allocation and a ratio.⁶¹ Notably, Widmer’s direct comparable sales (and admitted intimate knowledge of 4 out of 6 sales) further lends credibility to his revenue allocation for the segments of the subject facility (independent, assisted, skilled nursing). Overall, Widmer’s unit analysis was clearly explained given the difference in revenue between a unit room (independent, assisted) and a unit bed (skilled nursing).

⁵⁸ Appraisal Institute, *The Appraisal of Real Estate* (Chicago, 15th ed, 2020), p 60-61.

⁵⁹ *Id.*, 61-63.

⁶⁰ MTT Docket No. 20-001669.

⁶¹ Vol 6, 169-172.

Similarly, Respondent analyzed vacancy and credit loss in a methodical fashion. Focus was given to occupancy and vacancy rates with finer emphasis on frictional vacancy.⁶² The application of the housing market segment versus traditional apartments was meaningful and straightforward.

Next, Respondent's analysis and presentation of operating expenses for the subject property from the National Apartment Association (NAA) reports is equally compelling. Again, the historical analysis from 2018-2020 was proximate to the subject's first year under appeal which was before the noted pandemic. Relevant expenses were explained and supported resulting in a net operating income for the subject. Again, the subject's financial information was applied to this market data for reasonable support and logic.

Respondent's next step was the development of the capitalization rate analysis. Respondent's appraiser considered the band of investment method for a capitalization rate. However, Respondent's appraiser developed a capitalization rate from a Realtyrates survey, as well as extracted capitalization rates from a Cushman & Wakefield national survey for 55+ senior apartments, independent living, assisted living, skilled nursing, and CCRC facilities. Respondent reasoned that the extraction method for a capitalization rate is the easiest, simplest method to understand from the subject market. Respondent cannot be faulted for considering and applying specific methods for a capitalization rate analysis. Petitioner's arguments are not convincing in this regard. Petitioner's after-the-fact income approach (hidden within its workfile) is again nonsensical. In the absence of local income data, Respondent utilized NAA and NIC data. Petitioner's general refutation does not discredit Respondent's analysis. In fact, both appraisers relied on NIC data. Acknowledging NIC data while only performing cursory income elements does not bolster Petitioner's analysis or conclusions of value.

The extent and level of Respondent's income approach and 2020 indication of value at \$13,165,000 is logical and reasonable and is given weight and consideration in the independent determination of market value for the subject property.

2020 and 2021 TRUE CASH VALUES

As noted, Petitioner's cost approach components were considered but given no weight or credibility for the 2020 and 2021 tax years. To recap, Respondent's sales comparison approach included sales of senior care facilities in southeast Michigan which were analyzed. Moreover, the comparative analysis included a common comparable sale utilized by both parties. Respondent's income approach included the subject's financial information which was then applied to NIC and NAA data. The income analysis was presented and articulated in persuasive detail. An independent determination of \$12,400,000 was made from Respondent's comparative analysis for the 2020 tax year. The independent determination from Respondent's income analysis

⁶² Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Chicago: 2022, 7th ed), p 79.

is \$13,165,000 for 2020 tax year. A reasoned and reconciled overall conclusion of value for the 2020 tax year is attainable from these indications. Therefore, weight and credibility are placed on both indications of value which bracket the independent determination of market value for the subject property as of December 31, 2019, at \$12,700,000.

Regarding the 2021 TCV, Respondent's appraiser analyzed the effects of the COVID pandemic for the December 31, 2020, tax day. Respondent applied the subject's revenue losses with application from a direct capitalization analysis for a 2021 TCV value of \$10,105,000. Respondent's second approach to value utilized a comparative analysis for a 2021 indication of value of \$9,730,000. Again, the level and extent of Respondent's data and analysis is persuasive to the 2021 TCV for the subject property. A reasoned and reconciled overall conclusion of value for the 2021 tax year is attainable from these indications. Therefore, weight and credibility are placed on both indications of value which bracket the independent determination of market value for the subject property as of December 31, 2020, at \$9,900,000.

The parties' appraisers articulated the impact of the COVID-19 pandemic for 2021. The parties' overall market data supports a change in TCV from 2020 to 2021. Again, Respondent's appraiser acknowledged and analyzed COVID for 2021. Respondent's appraiser, under cross examination, explained that other segments (i.e., hotels and retail) were impacted more by the pandemic as teleworking from home was put into place. Nonetheless, both appraisers similarly showed a decline in value from 2020 to 2021. As noted in the Findings of Fact, the appraisers' percentage decline from 2020 to 2021 are relatively close. Petitioner's appraiser did account for the change in market conditions from 2020 to 2021. Petitioner's insistence that such a change is borne out of external obsolescence is misplaced and mischaracterized. Market conditions is not necessarily synonymous with external obsolescence. On the other hand, Respondent's appraiser testified that the market has changed due to the pandemic; the market did not change due to an alleged external obsolescence.⁶³

As a final check of reasonableness, the parties' respective 2020 and 2021 TCV values indicated a market change (decline) for the subject property. Specifically, Petitioner's 2020 and 2021 TCVs resulted in a decline of 27%. Respondent's 2020 and 2021 TCVs resulted in a decline of 25%. Therefore, a reasoned and reconciled independent determination of market value for the 2021 tax year is placed within the parties' percentages. Said differently, the parties' percentage declines bracket the decline applied to the 2021 TCV (2020 TCV \$12,700,000 x 26% = \$3,302,000; \$12,700,000 - \$3,302,000 = \$9,398,000; \$9,400,000 rounded).

The Tribunal finds, based upon the Findings of Fact and the Conclusions of Law set forth herein, that Petitioner failed to prove that the subject suffered from functional and external obsolescence. The existence of similarly constructed senior care facilities (i.e., The Rivers and The Fountains on Franklin) disprove Petitioner's claims. Respondent

⁶³ Vol 6, 160-161.

thoroughly and persuasively presented market data for its income and sales comparison approaches to value. The subject property's TCV, SEV, and TV for the tax year at issue are as stated in the Introduction section above.

JUDGMENT

IT IS ORDERED that the property's SEV and TV for the tax year(s) 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 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, 2013, through June 30, 2016, at the rate of 4.25%, (ii) after June 30, 2016, through December 31, 2016, at the rate of 4.40%, (iii) after December 31, 2016, through June 30, 2017, at the rate of 4.50%, (iv) after June 30, 2017, through December 31, 2017, at the rate of 4.70%, (v) after December 31, 2017, through June 30, 2018, at the rate of 5.15%, (vi) after June 30, 2018, through December 31, 2018, at the rate of 5.41%, (vii) after December 31, 2018 through June 30, 2019, at the rate of 5.9%, (viii) after June 30, 2019 through December 31, 2019, at the rate of 6.39%, (ix) after December 31, 2019, through June 30, 2020, at the rate of 6.40%, (x) after June 30 2020, through December 31, 2020, at the rate of 5.63%, (xi) after December 31, 2020, through June 30, 2022, at the rate of 4.25%, (xii) after June 30, 2022, through December 31, 2022, at the rate of 4.27%, (xiii) after December 31, 2022, through June 30, 2023, at the rate of 5.65%, and (xiv) after June 30, 2023, through December 31, 2023, at the rate of 8.25%.

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 or disabled veterans 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.

Alternatively, you may file a claim of appeal with the Michigan Court of Appeals. If the claim is filed within 21 days of the entry of the final decision, it is an "appeal of 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 the Tribunal in order to certify the record on appeal.

By 

Entered: October 19, 2023

PROOF OF SERVICE

I certify that a copy of the foregoing was sent on the entry date indicated above to the parties or their attorneys or authorized representatives, if any, utilizing either the mailing or email addresses on file, as provide by those parties, attorneys, or authorized representatives.