

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

Pine Lake Country Club,  
Petitioner,

v

MTT Docket No. 14-003247

West Bloomfield Township,  
Respondent.

Tribunal Judge Presiding  
David B. Marmon

FINAL OPINION AND JUDGMENT

INTRODUCTION

Petitioner, Pine Lake Country Club, appeals ad valorem property tax assessments levied by Respondent, West Bloomfield Township, against Parcel Nos. X-18-12-151-063 and X-18-11-276-045 for the 2014 and 2015 tax years. Peter Ellenson and Fred Gordon, Attorneys, represented Petitioner, and Derk Beckerleg, Attorney, represented Respondent.

A hearing on this matter was held on May 3, 2016, May 4, 2016, May 5, 2016, June 1, 2016 and June 28, 2016. Petitioner's sole witness was Michael Rende, MAI. Respondent's sole witness was John Widmer, MAI.

Based on the evidence, testimony, and case file, the Tribunal finds that the true cash values ("TCV"), state equalized values ("SEV"), and taxable values ("TV") of the subject property for the 2014 and 2015 tax years are as follows:

Parcel No.	Year	TCV	SEV	TV
18-12-151-063	2014	\$2,629,0050	\$1,314,525	\$1,314,525
18-11-276-045	2014	\$463,950	\$231,975	\$231,975
Total TCV	2014	\$3,093,000		
18-12-151-063	2015	\$2,597,175	\$1,298,588	\$1,298,588
18-11-276-045	2015	\$458,325	\$229,162	\$229,162
Total TCV	2015	\$3,055,500		

PETITIONER'S CONTENTIONS

Petitioner contends that the subject's TCV, SEV and TV are as follows:

Parcel No.	Year	TCV	SEV	TV
18-12-151-063	2014	\$1,500,000	\$750,000	\$750,000

18-11-276-045	2014	\$250,000	\$125,000	\$125,000
Total TCV	2014	\$1,750,000		
18-12-151-063	2015	\$246,250	\$123,125	\$123,125
18-11-276-045	2015	\$1,478,750	\$739,375	\$739,375
Total TCV	2015	\$1,725,000		

Petitioner specifically contends that the value determined by its appraiser Michael Rende is the proper value for the subject. In Ellenson's opening statement, as well as in Gordon's closing brief, Petitioner contends that the main difference between Rende's appraisal and in Widmer's appraisal for Respondent is the number of rounds projected, the driving range revenue, the estimated expenses for insurance and utilities, and the proper capitalization rate to be used to determine the subject's going concern value.

#### PETITIONER'S ADMITTED EXHIBITS

- P-1 Appraisal prepared by Michael Rende
- P-2 MTT Opinion, *Golf Course Properties v Tyrone Twp*, MTT #s319618 and 324348
- P-3 MTT Opinion *Rustic Glen Golf Club v Bridgewater Twp.*, MTT # 415005
- P-4 MTT Opinion, *Coyote II LLC v Tyrone Twp*, MTT # 451896
- P-5 MTT Opinion, *Paint Creek Development Group LLC v Oxford Twp*, MTT# 452209 and *Paint Development Group LLC v Orion Twp*, MTT# 452507
- P-6 (3) Aerial Photos of subject property
- P-7 (2) Google Earth photos of subject driving range
- P-8 West Bloomfield Twp REC District and PRD Ordinances
- P-9 Google Earth photo of Pine Trace Golf Club showing roadways
- P-10 Appraisal excerpt from Widmer's Plum Hollow appraisal report
- P-11 SEMCOG traffic count for Pine Lake Rd near subject
- P-12 SEMCOG traffic count for South Rd. near Pine Trace Golf Club
- P-13 Google Earth photo of Lyon Oaks Golf Club showing roadways

- P-14 SEMCOG traffic count for Pontiac Trail near Lyon Oaks Golf Club
- P-15 Google Earth photo of Pheasant Run Golf Club showing roadways
- P-16 Google Earth photo of Glen Oaks Golf Course
- P-17 SEMCOG traffic Count for 13 Mile Rd near Glen Oaks Golf Course
- P-18 West Bloomfield Twp parking requirement ordinance
- P-19 Google Earth photo of Pine Trace Golf Club driving range
- P-20 Google Earth photo of Pheasant Run Golf Club driving range
- P-21 Google Earth photo of Lyon Oaks driving range
- P-22 Freep.com article titled “Michigan’s golf course boom is now a painful bust,” dated April 11, 2016, authored by JC Reindl of Detroit Free Press
- P-23 Google Earth photo of northwest portion of subject

#### PETITIONER’S WITNESS

Petitioner’s sole witness is its appraiser Michael Rende, MAI. As to qualifications, Rende testified that he has been appraising real estate for 30 years, and over the prior ten years, been involved in more than 60 appraisal assignments involving golf courses.<sup>1</sup> Four Tribunal decisions were introduced into evidence,<sup>2</sup> and Rende agreed that the Tribunal accepted his methodology and data.<sup>3</sup>

Rende discussed the overbuilt number of golf courses in Michigan. He stated:

I think I mentioned earlier that within a 10 mile radius there are about 41 courses. If you expand that to a 20 mile radius, the number is in excess of 100 golf courses. Clearly, some of those are private and they would not compete, but the majority are public and would compete to varying degrees.<sup>4</sup>

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<sup>1</sup> May 3, 2016 transcript, (“T. 1”) p. 23-24

<sup>2</sup> Exhibits P-2, P-3, P-4 and P-5

<sup>3</sup> T.1 p. 26-31

<sup>4</sup> T.1 p. 173

Rende testified regarding the location of the driving range, and its inaccessibility by car, the bisection of the property by Pine Lake Rd, and the inconvenient location of the pro shop relative to parking.<sup>5</sup> He described the land as 2 parcels totaling nearly 131 acres, and the following improvements:

The clubhouse, which is south of the road, was originally constructed in the 1920s and repeatedly expanded over the years. My understanding is the most recent was in 1994 which was a significant expansion and renovation. The clubhouse itself is multistory. It's a little over 45,000 square feet. There is also a tennis house, a freestanding tennis house, that's a little over 28,000 square feet. It includes four interior tennis courts, a small lounge area, and a couple of small locker rooms, men's and women's. Going back to the clubhouse for a moment, it's typical of a private course. It has a larger banquet room that'll seat 275, has a member's grill or dining area that will seat a hundred, and then a few smaller areas. It includes men's and women's locker room, and upscale interior finishes, if you will.

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The pro shop, which we mentioned just briefly a moment ago is one-story, 2,400 square feet. There's two maintenance buildings, one is used for cart storage and maintenance storage, 5,600 square feet; and then a separate maintenance building of 6,000 square feet; and then miscellaneous smaller structures on the course, including a halfway house, a beach house, a turn-stand encompassing about 3,900 square feet. There are five outdoor tennis courts, if I didn't mention that already, and an inground swimming pool. Along the shore of the lake there are 59 boat docks, these are seasonal so that they are removed every fall and reinstalled every spring.<sup>6</sup>

As to the conversion of the subject from an exclusive country club to daily fee use, Rende had the following observations:

Well, the -- obviously you have to generate play. I think that an owner would have to expend significant advertising dollars to draw people to this course. This course, as a public daily fee, would be faced with a lot of competition. Within a ten mile radius there are 41 other golf courses. Admittedly, some of those are private courses that would not compete with this course if it were public, but the vast majority of those courses are public and would compete directly. And the vast majority of those courses are more accessible, they are either closer to freeways, they're on a main road. Just, in general, access is better. This course, if it were converted, would have multiple issues. You have a 45,000-plus square foot clubhouse that includes, among other things, men's and women's locker rooms. For a public course, it economically would make no sense to continue to operate those locker rooms. Even if you were able to charge for the service, the

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<sup>5</sup> T.1. p. 37-39; 46-47

<sup>6</sup> T.1 p. 40-42

amount of labor that would be incurred to maintain them would far exceed whatever revenue you could generate, so you'd be faced with probably shuttering the locker rooms. You have an inground swimming pool that, again, typically is not found within a public daily fee venue, although there are a couple of exceptions. Best case, you could operate the swimming pool as a breakeven proposition, which is what I presumed in my analysis. You have outdoor tennis courts, you have an indoor tennis facility, both of which would have to be properly managed and operated. The indoor facility has locker rooms, so an operator would be faced with the task of managing that business. In essence, if you convert this to a daily fee, you have four business ventures that you have to manage. You have a golf course, you have a banquet business, you have a tennis business, and you have a marina.<sup>7</sup>

As to the market for golf courses, Rende testified that the subject's membership is at 560, even though its charter authorizes 720. Its initiation fee has fallen from \$65,000 10 years ago to \$25,000, or \$17,000 if paid in cash. "So they are doing exactly what every other private club in the region is doing, they are attempting to generate membership, they are suffering the ills of a declining golf pastime, and they're trying to make ends meet like everyone else."<sup>8</sup> Rende elaborated further that the number of golf participants has declined from 34 million to 25 million. Further, he stated that younger executives do not have the time to play golf, and have many more alternatives. He noted that approximately 400 country clubs nationwide have closed. He also opined that the trends in membership as well as initiation fees in southeast Michigan have been declining for the past 10 years.<sup>9</sup> Regarding recent sales, Rende testified that the two highest sales in the past 10 years were Northville Hills and TPC out of Dearborn, each for \$3 Million. Further, the subject is inferior to those properties in terms of access for TPC, and neighborhood for Northville.<sup>10</sup>

Rende detailed the problems with converting the property to residential use, including the demolition of current improvements, installation of 4,000 lineal feet of roads at \$700 per foot, and then the slow absorption rate for estate sized homes on 3 acre lots; all assuming that such a use could become legal. Using a rule of thumb of 20 percent of raw land for roads, Rende concluded that only 104 acres would be available for 34 three acre lots. An absorption which

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<sup>7</sup> T.1 p. 47-49

<sup>8</sup> T.1 p. 60

<sup>9</sup> T.1 p. 65

<sup>10</sup> T.1 p. 69-70

might take 6 -10 years. In any case, he concluded that residential use was not legal under the zoning.<sup>11</sup>

Rende considered all three approaches but did not develop a cost approach because the facility was originally built in 1920. He did develop the sales approach, but his “primary analysis tool” was the income approach.<sup>12</sup>

Rende went through his appraisal and testified as to how he arrived at his income figures for each item. As to expenses, he primarily relied upon historical costs rather than ratios. Rende stated:

Well, primarily, I relied on actual expenses. We have a facility here with a 45,000 square foot clubhouse, a 30,000 -- a 28 to 30,000 square foot tennis facility, multiple maintenance buildings, all of that real estate, all of those improvements are going to be there when this thing converts to a public daily fee course, assuming it is converted. There's no reason to expect that the utility expense would change significantly because you still have to heat and provide water and electricity to all of these existing improvements. You may save a little bit by -- well, by way of example, by shuttering the locker rooms, if there's a way in the heating system to close that off so you don't have to heat it, you don't have to light it, and you don't have people taking showers. That might very well be offset, however, based on the premise that you're going to operate a for-profit or a daily use banquet type facility, which would increase utility consumption. So it seemed illogical to not rely primarily on the actual expenses incurred.<sup>13</sup>

Rende testified concerning how he determined the subject's cap rate. As to its correlation with risk, Rende stated, “it's directly related to risk. Generally speaking, the higher the risk, the higher the cap rate.”<sup>14</sup> Rende went on to discuss uncertainty concerning the number of rounds generated, conversion costs, and the competition in the area. He also indicated that there was some risk that the marina would not generate the same kind of revenue if it were public, and a risk that the liquor license would not be allowed to continue for a public banquet facility.<sup>15</sup> He looked at extracted rates, as well as Realty Rates for golf courses, and picked 12% as his unloaded cap rate.<sup>16</sup>

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<sup>11</sup> T.1 p. 72-78

<sup>12</sup> T.1 p. 85-86

<sup>13</sup> T.1 p. 160-161

<sup>14</sup> T.1 p. 172

<sup>15</sup> T.1 p. 173-174

<sup>16</sup> T.1 p. 181

RESPONDENT’S CONTENTIONS

The values on the roll are as follows:

Parcel No.	Year	TCV	SEV	TV
18-12-151-063	2014	\$7,644,660	\$3,822,330	\$3,177,230
18-11-276-045	2014	\$1,112,180	\$556,090	\$498,770
Total TCV	2014	\$8,756,840		
18-12-151-063	2015	\$7,684,360	\$3,842,180	\$3,228,060
18-11-276-045	2015	\$1,124,740	\$562,370	\$506,750
Total TCV	2015	\$8,809,100		

Respondent’s contention at hearing are:

Parcel No.	Year	TCV	SEV	TV
18-12-151-063	2014	\$5,282,000	\$2,641,000	\$2,641,000
18-11-276-045	2014	\$768,000	\$384,000	\$384,000
Total TCV	2014	\$6,050,020		
18-12-151-063	2015	\$5,853,000	\$2,926,500	\$2,683,256
18-11-276-045	2015	\$857,000	\$428,500	\$390,144
Total TCV	2015	\$6,710,000		

Respondent contends that the appraisal of John Widmer is the best indication of the subject’s true cash value. Per Widmer, the subject’s highest and best use is an interim use of a daily fee golf course and banquet center, along with a marina and tennis facility. Because of its location on Pine Lake, the subject’s eventual use will be as a luxury residential subdivision. Respondent argues that Widmer’s valuation is superior to Rende’s in that Rende used stale data in determining the subject’s projected rounds and driving range fees, and unsubstantiated data in determining the subject’s utility and insurance expenses. Further, Respondent contends that Rende’s capitalization rate is inflated, because the subject can eventually be sold as extremely valuable residential land.

RESPONDENT’S ADMITTED EXHIBITS

- R-1 Appraisal of John Widmer
- R-4 MTT decision in *Plum Hollow v City of Southfield*, MTT 452499
- R-5 Plum Hollow appraisal by Michael Rende

- R-6 Great Lakes Country Club appraisal by Michael Rende
- R-7 Petitioner's Response to Discovery Requests
- R-8 Widmer's worksheet for projected rounds forecast.

#### RESPONDENT'S WITNESS

Respondent's witness was its expert, John Widmer, MAI. He testified that he has been an appraiser since 1986, and had prepared approximately 20 appraisals of golf courses, including three in West Bloomfield.<sup>17</sup>

Regarding highest and best use of the subject, Widmer testified as follows:

That really is a critical item in this valuation. Highest and best use, physically possible, there really is no influence, it becomes legally permissible. As an appraiser, we have to look at what is legally permissible. In this instance, residential development for use of a PRD option, with other qualifications, is permissible. We cannot, as appraisers, disregard the fact that single family residential is identified as being potentially permissible. It really comes down to highest and best use as vacant. If the property were vacant, there would not be, in my conclusion, in my opinion, a golf course constructed on that land. Golf course -- a golf course to be developed on land that potentially could be valued in the many, many millions of dollars, you can't make that golf course work. Essentially you look at feasibility. If it's proven with that PRD option that a golf course is not economically viable, what are the alternatives? We have to consider the fact that it is very likely and possible, regardless of opposition, public opposition, that it could be achievable. And in this case, that is -- that location with its Pine Lake attributes is an ideal location for single family, high priced, high valued single family property.<sup>18</sup>

Widmer continued, stating:

Well, it becomes more important in analyzing highest and best use as vacant -- I'm sorry -- as improved, because you have alternatives. Highest and best use as vacant is critical so that you set the foundation for measuring the options in highest and best use as improved. If you look at [Exhibit] R-1-83 through R-1-89, that is where I get into what is probably the most important characteristic, most important requirement in the valuation is what would the underlying land be valued at to measure economic viability of the property as a golf course.<sup>19</sup>

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<sup>17</sup> Transcript, May 6, 2016 ("T.2") p. 225-227

<sup>18</sup> Transcript May 5, 2016 ("T.3") p. 17

<sup>19</sup> T.3 p. 18

He finally articulated his conclusion of highest and best use as improved, as follows:

Having established an underlying land value for the property, having established a value of the property as improved, I determined that the highest and best use is -- as improved is for the daily fee golf course/banquet center, and I've labeled that as an interim use from the standpoint that, as residential development increases, it may become possible that the economic viability of the golf course goes away; therefore, the interim use is applicable.<sup>20</sup>

Widmer testified concerning his income approach, as to how he determined gross income, expenses and capitalization rate.<sup>21</sup> As to income, he chose Pine Trace, Lyon Oaks and Pheasant Run as the three primary indicators of potential play, because those courses best represented the quality of the subject course.<sup>22</sup>

Widmer also testified regarding how he derived his expenses, using ratios. As to not using actual expenses for utilities, he testified on direct:

When you -- when you contrast that with a competitive property that might have a 24, 25,000 square foot banquet center attached to a golf course and you apply those ratios and the dollar amount comes in substantially lower, then I would want further detail relative to why is this utility expense so much higher. With no utility expense to rely upon for the subject property, I couldn't do that contrast.

Q Because you didn't have that detailed information, is that why?

A Exactly.<sup>23</sup>

Widmer also testified as to why he used ratios instead of actual expenses for insurance.

He stated:

I think from the standpoint -- property and casualty insurance includes liability insurance; I think when you have sufficient detail as to what limits of coverage are provided within an actual property, if you can review all of those individual components, that would be ideal. However, if that information isn't provided, what do you do? You go again to comparable properties, golf course/banquet center. That, in my opinion, yes, is the only way you can establish what a likely expense would be.<sup>24</sup>

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<sup>20</sup> T.3 p. 19

<sup>21</sup> T.3 p. 65-66

<sup>22</sup> T.3 p. 28

<sup>23</sup> T.3 p. 55

<sup>24</sup> T.3 p. 56-57

As to calculation of his capitalization rate, he agreed that risk was measured by the cap rate and justified the low rate stating, “ you’re sitting here and that risk, I think, is mitigated from the golf course possibility of being not economically viable, the risk is 100 percent mitigated by the value of the underlying land.”<sup>25</sup> Widmer explained that he looked at various sources including Realty Rates, Society of Golf Appraisers SGA investors Tour data and local extraction rates and found a range of cap rates. Because the subject was, in his opinion, less risky because of the underlying land value, he weighed the lower cap rates at 80%, and the higher rates at 20% and concluded to a cap rate of 9.5%.<sup>26</sup> He testified, in part:

So when you select a cap rate, you look at the various sources. Realty Rates source, we have a range of 7.7 to 10 percent on the cap rate. I like market surveyed portion out of this survey, which is 9.5. The average between the three sources is 9.1 percent. I prefer and place most weight for this Realty Rates data on the market surveyed, which is 9.5 percent from that source.<sup>27</sup>

As to his sales approach, he used a gross income multiplier, the mechanics of which he explained.<sup>28</sup> As the subject has other real estate components, including the tennis courts and marina, the risk is reduced.<sup>29</sup> As to reconciliation of the two approaches, Widmer testified that he relied solely upon the income approach.<sup>30</sup>

#### FINDINGS OF FACT

1. The subject consists of two parcels, classified as commercial, zoned REC recreation district, totaling 130.96 acres located on Pine Lake, (an all-sports lake), accessible from Pine Lake Rd., which also bisects the property, and Orchard Lake Rd. in Oakland County.
2. The subject currently operates as a private equity country club with an 18 hole golf course, a 12 stall driving range, a 45,000 plus square foot club house with an outdoor pool, a tennis building with four indoor courts and locker rooms, and a marina with 59 removable boat slips.

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<sup>25</sup> T.3 p. 70

<sup>26</sup> T.3 p. 63-67

<sup>27</sup> T.3 p. 66

<sup>28</sup> T.3 p. 75-81

<sup>29</sup> T.3 p. 81

<sup>30</sup> T.3 p. 82

3. Per Respondent's zoning ordinance, the subject property, subject to planning commission and zoning board approval, may be developed into a Planned Recreation Development District, which allows 3 acre lots, only upon an owner clearly demonstrating that the current zoning does not permit economically viable use of the property.
4. Petitioner presented an appraisal by Michael Rende, MAI, who found the highest and best use for the subject is as a daily fee golf course, and used the income approach to determine the subject's true cash value.
5. Rende projected the likely annual number of golf rounds to be 22,500, driving range income of \$22,500, expense estimates using actual expenses for insurance and utilities, and used an unloaded cap rate of 12 to conclude to a going concern value of \$2,500,000.
6. As a check on value, Rende performed a sales comparison approach.
7. Rende noted that the two highest sales in Michigan were for \$3,000,000 for TPC Country Club in Dearborn, and Northville Hills, in Northville.
8. To determine an overall real estate value, Rende subtracted Respondent's true cash value for personal property to conclude to a true cash value of \$1,750,000 for 2014, and \$1,725,000 for 2015 for both parcels combined.
9. Respondent presented an appraisal by John Widmer, MAI, who found the highest and best use to be an interim use as a daily fee golf course, with eventual use as a high end residential development.
10. Widmer relied solely upon the income approach, and projected the likely number of golf rounds to be 28,500 rounds for 2014 and 29,500 for 2015.
11. Widmer estimated driving range revenue at \$106,875 for 2014 and \$113,391 for 2015.
12. Widmer's income approach did not use actual expenses for any category.
13. Widmer determined that the unloaded cap rate for both years was 9.5%
14. Widmer concluded to a going concern value of \$6,800,000 for 2014 and \$7,500,000 for 2015, and after subtracting Respondent's value for personal property, concluded that the total true cash value for the realty was \$6,050,000 for 2014 and \$6,710,000 for 2015.
15. Widmer allocated the true cash value for each parcel "predicated upon the in place assessment measures."<sup>31</sup>

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<sup>31</sup> Exhibit R-1

## CONCLUSIONS OF LAW

The assessment of real and personal property in Michigan is governed by the constitutional standard that such property shall not be assessed in excess of 50% of its true cash value.<sup>32</sup>

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. . . .<sup>33</sup>

The Michigan Legislature has defined “true cash value” to mean:

The usual selling price at the place where the property to which the term is applied is at the time of assessment, being the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale.<sup>34</sup>

The Michigan Supreme Court has determined that “[t]he concepts of ‘true cash value’ and ‘fair market value’ . . . are synonymous.”<sup>35</sup>

“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.”<sup>36</sup> The Tribunal is not bound to accept either of the parties' theories of valuation.<sup>37</sup> “It is the Tax Tribunal's duty to determine which approaches are useful in providing the most accurate valuation under the individual circumstances of each case.”<sup>38</sup> 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.”<sup>39</sup>

A proceeding before the Tax Tribunal is original, independent, and de novo.<sup>40</sup> The Tribunal's factual findings must be supported “by competent, material, and substantial

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<sup>32</sup> See MCL 211.27a.

<sup>33</sup> Const 1963, art 9, sec 3.

<sup>34</sup> MCL 211.27(1).

<sup>35</sup> *CAF Investment Co v Michigan State Tax Comm*, 392 Mich 442, 450; 221 NW2d 588 (1974).

<sup>36</sup> *Alhi Dev Co v Orion Twp*, 110 Mich App 764, 767; 314 NW2d 479 (1981).

<sup>37</sup> *Teledyne Continental Motors v Muskegon Twp*, 145 Mich App 749, 754; 378 NW2d 590 (1985).

<sup>38</sup> *Meadowlanes Ltd Dividend Housing Ass'n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

<sup>39</sup> *Jones & Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 356; 483 NW2d 416 (1992).

<sup>40</sup> MCL 205.735a(2).

evidence.”<sup>41</sup> “Substantial evidence must be more than a scintilla of evidence, although it may be substantially less than a preponderance of the evidence.”<sup>42</sup>

“The petitioner has the burden of proof in establishing the true cash value of the property.”<sup>43</sup> “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.”<sup>44</sup> 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.”<sup>45</sup>

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.<sup>46</sup> “The market approach is the only valuation method that directly reflects the balance of supply and demand for property in marketplace trading.”<sup>47</sup> The Tribunal is under a duty to apply its own expertise to the facts of the case to determine the appropriate method of arriving at the true cash value of the property, utilizing an approach that provides the most accurate valuation under the circumstances.<sup>48</sup> Regardless of the valuation approach employed, the final valuation determined must represent the usual price for which the subject would sell.<sup>49</sup>

Both appraisers have observed that the market for golf in Michigan is saturated and shrinking. Among many negative observations concerning the golf course industry, Rende observed that nationwide in 2014, one golf course closes every 48 hours.<sup>50</sup> While more upbeat in his testimony, Widmer too acknowledged that “a private, not-for-profit equity country club is not considered viable given the decline in membership, not only within the subject, but across the

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<sup>41</sup> *Dow Chemical Co v Dep’t of Treasury*, 185 Mich App 458, 462-463; 462 NW2d 765 (1990).

<sup>42</sup> *Jones & Laughlin Steel Corp*, *supra* at 352-353.

<sup>43</sup> MCL 205.737(3).

<sup>44</sup> *Jones & Laughlin Steel Corp*, *supra* at 354-355.

<sup>45</sup> MCL 205.737(3).

<sup>46</sup> *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).

<sup>47</sup> *Jones & Laughlin Steel Corp*, *supra* at 353 (citing *Antisdale v City of Galesburg*, 420 Mich 265; 362 NW2d 632 (1984) at 276 n 1).

<sup>48</sup> *Antisdale*, *supra* at 277.

<sup>49</sup> See *Meadowlanes Ltd Dividend Housing Ass’n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

<sup>50</sup> Exhibit P-1 p. 82.

entire region.”<sup>51</sup> He also quoted the National Golf Foundation, Golf Industry Overview-2015 Edition, “NGF has also found that the golf course industry remains oversupplied and ultra-competitive.”<sup>52</sup> Further, Petitioner argued that perception of the market in Michigan is that the golf is in serious decline.<sup>53</sup> Yet, while the number of courses has been shrinking, plenty of competition remains. Rende testified that there are 41 courses within 10 miles of the subject, and in excess of 100 courses within a 20 mile radius.<sup>54</sup>

As to how the overall market for golf courses affects the value of the subject, both appraisers noted the demographics of West Bloomfield, and the neighborhood surrounding Pine Lake. Rende acknowledged that subject is located in “a great neighborhood, but the accessibility of the course is not particularly great.”<sup>55</sup> On cross examination, Rende elaborated, “If you draw a 10 mile circle around Pine Lake, the first 1 mile radius around that facility is 30 percent water. And as you expand that radius, there’s additional lakes to the north, the access is not particularly good.”<sup>56</sup> The result of a location within Oakland County’s lake area is that the income demographics are higher, but the population density is lower. While the available households may be more likely to afford golf, there are fewer of them for the subject to draw upon. As trick or treaters on Halloween trudging across 150-300 foot lots to each house often learn, the haul from such neighborhoods is a mixed bag.

Here, the subject is tucked away on Pine Lake Rd., with an average daily car count under 2,000.<sup>57</sup> The nearest freeway exits are I-75 and Square Lake Rd, 5 miles away, and I-696 and Orchard Lake, 7 or 8 miles away.<sup>58</sup> Further, the access roads from the freeways are “twisty-turny,” as they were constructed to go around the various lakes.<sup>59</sup> The lack of accessibility and visibility would likely have a negative impact on the volume of golfers who would use the

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<sup>51</sup> Exhibit R-1 p. 000007.

<sup>52</sup> Exhibit R-1 p. 73

<sup>53</sup> See Exhibit P-22, JC Reindl, “Michigan’s Golf Course Boom is Now a Painful Bust,” Detroit Free Press, April 11, 2016, <http://www.freep.com/story/money/business/michigan/2016/04/10> accessed 4/29/2016. The article notes that in the early 2000s, Michigan had more than 970 public and private courses, but declined to 790 as of January 2015.

<sup>54</sup> T.1 p. 172

<sup>55</sup> T.1 p. 171

<sup>56</sup> Transcript, May 4, 2016, (“T.2”) p. 13

<sup>57</sup> Exhibit P-11

<sup>58</sup> T.2 p. 178

<sup>59</sup> T.2 p. 172-173

subject as a daily fee course, or the number of customers available for a banquet facility in the current club house.

A further complicating issue in this appeal is the subject's location in an area with undeveloped lake front land on an all sports lake, with a marina and within commuting distance to Detroit and its northern suburbs. The location of the land itself appears to be extremely desirable for high end residential use. Complicating this use is the subject's REC zoning, along with the requirement that a property owner clearly demonstrate that a REC use is no longer economically viable in order to convert the land to PRD zoning for 3 acre parcel residences.<sup>60</sup>

A highly contested issue in this matter is the effect of the zoning ordinance on this property. The Tribunal agrees with Petitioner that a residential use is not legally permissible as of the dates of valuation. However, any buyer or seller would have to consider its potential as residential property if the golf course use should fail to be economically viable. That failure allows for a change of zoning under Respondent's ordinance from REC to PRD with 3 acre lots. While Petitioner makes the point that the well-heeled neighbors of the subject would likely put up resistance to a new residential development sharing the lake, those same neighbors would likely be less resistant to a high end low density residential subdivision than to an overgrown vacant field of 131 acres. Accordingly, the Tribunal agrees with Respondent that the subject's future use is likely to be residential.

The subject itself is a private equity country club that has been in existence for over 100 years. It contains 131 acres, and was developed before golf cart usage was common. The 45,149 square foot clubhouse, which was updated in the mid-1990s, was originally built in 1920. There is also a pro shop, a tennis house with four courts, and locker rooms. The subject also has a 59 boat slip marina and a pool. Both parties submitted detailed appraisals, and both parties relied upon the income approach. As set forth by Petitioner's counsel in his opening statement, the main areas of disagreement between Michael Rende and John Widmer concern the number of rounds likely to be played and the resultant gross income, revenue from driving range, insurance expenses and utility expenses, and cap rate.

Both appraisers concluded that the highest and best use as built is as a daily fee golf course. Both appraisers note that sale of the subject as a private equity country club is not viable,

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<sup>60</sup> Exhibit P-8, Charter Twp of West Bloomfield, PRD Planned Recreation Development District, 3.1.19.

considering current market conditions and the declining memberships of the subject, and other country clubs. Widmer's highest and best use however, was more nuanced. He concluded that as built, the highest and best use as a daily fee golf course/banquet center is an interim use, with high end residential development being its eventual use.<sup>61</sup> In support, Widmer valued the land as vacant at \$4,260,000 (\$32,529 per acre) based upon 14 sales of vacant land in Oakland County.<sup>62</sup>

Based upon uncontroverted evidence from both appraisers, the Tribunal holds that for the years under appeal, the highest and best use of the subject is in fact a daily fee golf course with a banquet center and marina. The Tribunal also holds that for the years under appeal, residential development would not meet the highest and best use test of legally permissible, since residential usage can only be allowed after a showing that the subject's use is not economically viable. However, the Tribunal agrees with Widmer that the use of the subject as a daily fee course is only an interim use, and that at some point, when a golf course is no longer viable, residential development with 3 acre lots will most likely come to pass.

Valuing the subject as an interim use complicates our determination because it introduces additional uncertainties into our analysis. By example, we do not know at what point the interim use will no longer be viable, nor do we know how long, or how much it will cost to convince the Township planning and zoning board to implement a planned recreational development, allowing 3 acre lots. Nor do we know how long it would take to sell off the lots. Nor are we assisted by any type of discounted cash flow analysis to estimate what that cash flow is worth on the dates of valuation. As Rende pointed out:

And it all hinges on what would be built there, what the ultimate value of the finished lot would be; and most importantly, how long it would take to sell it out. If it took 12 years to sell it out, the value -- the present value would be much less than if it only took 8 years, so I just -- I wouldn't even want to guess at this point.<sup>63</sup>

On the other hand, this is not a case where the subject land is a brown field, or in a flood plain. It is a very desirable location. Any purchaser of the subject as a daily fee course would have some assurance that the property has a substantial residual use, if the golfing and banquet

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<sup>61</sup> T.3 p. 19

<sup>62</sup> Exhibit R-1 p. 000086-000089.

<sup>63</sup> T.1 p. 78-79

businesses fail. That residual residential use would likely affect the usual selling price of the subject by lowering the risk.

Both appraisers valued the subject based upon an income approach. Rende also used the traditional sales approach as a check on his valuation. Widmer also used comparative sales as a check, but used these sales to determine a gross income multiplier (“GIM”). Of these two back up approaches, the Tribunal agrees with both appraisers that the results are too speculative to use in determining the subject’s value. As a backup approach however, the Tribunal holds in this case that Rende’s sales approach with adjustments is the better tool than Widmer’s GIM. Widmer’s methodology relies upon the appraiser’s determination of gross income of the subject, which is already the key component of value under the income approach. Accordingly, using the GIM in this case does not provide much of a check on value. Particularly noteworthy in Rende’s sales approach is that fact that TPC Country Club in Dearborn, (frequent host to the Senior Open), and Northville Hills each sold for \$3,000,000, which is the highest price achieved for the sale of a golf course in the past 10 years. While neither facility has lake frontage or a marina, both were superior in terms of access to main roads and freeways. While TPC is inferior in terms of demographics, Northville Hills is also in a wealthy area, surrounded by very expensive homes, at which the course is the center of the community.

*The income approach*

The first element in the income approach is to determine potential gross income. If green fees/cart revenue are removed, along with driving range fees, the gross operating profit, or gross margin is fairly close, (\$1,141,749 for Rende, versus \$1,154,594 for Widmer a difference of 0.62% of gross margin), representing the gross margin from the golf pro shop, banquet facilities, food & beverage, tennis and marina operations. The large area of difference is in the golf course operations, including green fees, cart revenues and driving range.

As to green fees and cart revenues, the different figures are based upon roughly the same average fee of under \$40.00 per round. Rende concludes that the amount of projected rounds is 22,500 per year, while Widmer projects 28,500 for 2014 and 29,500 for 2015. Widmer’s conclusions are somewhat contradictory. He concludes that the highest and best use as a daily fee club is interim, yet he concludes that the conversion of this grand old country club to a daily fee course will be immensely profitable. If that were so, then a buyer would not be able to

transition the subject to a residential usage. Widmer projects that the subject will be at the top end of fees charged, as well as rounds played. On top of that, he concludes to lower expenses and a much lower cap rate than Rende. The Tribunal holds that it is unlikely that the subject will be at the high end of all of these indicators.

In support of number of rounds played, Widmer looked at Pine Trace Country Club, and concluded that the subject being superior to that club, would perform at the higher level of rounds. The Tribunal disagrees. While the subject reportedly has a wonderful course, it is not a modern course, geared to cart usage. This fact likely renders it a slower course to play than Pine Trace. Moreover, having a public thoroughfare between the parking lot and the start of the golf course will further slow down the line of players seeking to play. On top of that situation, the number of parking spaces available for the number of rounds forecasted by Widmer would likely be inadequate.<sup>64</sup> Additionally, the point was repeatedly made that Pine Lake enjoys poorer access and poorer visibility by virtue of its location, than Pine Trace. The subject was built 100 years ago to be a hide away for wealthy country club members seeking to get away from the heat and hubbub of the city of Detroit. Its remoteness at the time was undoubtedly seen as a virtue for an exclusive private country club. On the other hand, Pine Trace is a much newer course. More importantly, it was built as a daily fee course, for use with golf carts, and with good access from major roads.<sup>65</sup> It is also located in a relatively affluent area. Unlike the subject, the population is also denser, with fewer lakes to dilute population density, or to interfere with access or proximity. As shown by the SEMCOG study, Pine Trace has more than double the traffic pass it by than the subject.<sup>66</sup>

Widmer also relied upon two other publicly owned courses, Lyon Oaks in Lyon Twp and Pheasant Run in Canton Twp. Lyon Oaks has nearly 5 times the traffic as the subject,<sup>67</sup> and is only 3 miles from the freeway exit.<sup>68</sup> Similarly, Pheasant Run is 3 or 4 miles from a freeway exit, (I-275/Michigan Ave). In fact, most of Widmer's round comparables are from publicly owned

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<sup>64</sup> June 1, 2016 transcript, ("T.4") p. 107-110, Widmer cross examination, showing the need for 263 spots, when the lot only has 202 spaces.

<sup>65</sup> Exhibit P-9 illustrates its closeness to an exit off of I-75 and M-59 along with four lane surface streets such as Square Lake Rd and Adams Rd. See also T.3 p. 128-129

<sup>66</sup> Exhibit P-12 shows daily traffic in excess of 5,000 cars per day in each direction on South Blvd.

<sup>67</sup> Exhibit P-14

<sup>68</sup> Exhibit P-13

courses, which with the exception of Pine Trace, charge significantly less per round.<sup>69</sup>

Accordingly, the Tribunal rejects Widmer's estimate of number of rounds.

That being said, the Tribunal finds that Petitioner's argument regarding inaccessibility and remoteness is somewhat overstated. While the population density of the subject is less than Respondent's chief comparables, the subject is located well within the Detroit metroplex. Rende has estimated the number of rounds to be 22,500 per year. Respondent has argued that the data relied upon by Rende in calculating rounds is stale, and that the Tribunal has so held previously in an earlier appeal.<sup>70</sup> The Tribunal notes that Rende's data concerning golf rounds encompasses data going back to 2009 in some cases. (Widmer also presented data going back to 2010 in some cases). However, Rende's data set also has 18-hole equivalent rounds from 5 courses that include 2013; a relevant year in determining rounds for 2014. None of the 17 courses listed by Rende, (which tend to be privately owned) overlap with the 8 courses listed by Widmer. Widmer's average rounds between 2010 and 2015 are 28,400. Rende did not present an average from his data. Rather, he gave ranges of rounds per hole and he picked 1,250 rounds per hole, or 22,500 rounds. While Widmer's data is skewed towards publicly owned golf courses, with lower prices, Rende's data is skewed towards privately owned country clubs, which by definition, have a smaller customer base (their members) for rounds of golf. As a country club, the subject has had annual rounds ranging from 18,057 in 2014 to 19,565 in 2012.<sup>71</sup> Both appraisers have developed income approaches assuming more rounds for the subject as a daily fee course. Both appraisers assume that the subject will command at the high end of price per round. Despite somewhat elaborate computations performed by both appraisers, the forecast of total rounds as a daily fee course for the subject comes down to each appraiser's experience and judgment. The Tribunal finds that the likely number of rounds per year is between each side's best estimate, slightly skewed towards petitioner at 25,000 rounds per year. As to price per round, the Tribunal accepts

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<sup>69</sup> See Exhibit R-1, p. 000104

<sup>70</sup> Specifically, Respondent argues that the Tribunal held that Rende's data in *Plum Hollow v. Southfield*, MTT Docket No. 452499, much of which is reproduced in his appraisal of the subject, was found to be stale. The exact quote in that case is "While Petitioner's data on the surface appears to be substantial, some of it is stale and not applicable." (*Opinion*, p. 26). Aside from the fact that the Tribunal is not bound by its prior opinion, the Tribunal notes that there was no specific finding as to what data in Rende's prior appraisal was referred to. It is also noteworthy that both appraisers arrived at different conclusions in *Plum Hollow* than the present case. Rende's conclusion of rounds played was 20,700, while Widmer's conclusion was 25,000 rounds.

<sup>71</sup> Exhibit P-1 p. 104

that the subject, because of the quality of the facility, is likely to command an average of \$40.00 per round, (rounding off the estimated average from both appraisers), and will contribute \$1,000,000 annually to gross income in green fees and cart revenue.

The other element of income that is in dispute is the revenue from the driving range. Widmer estimates \$106,875 for 2014 and \$113,391 for 2015 from driving range fees, while Rende estimates \$22,500, or a dollar a round. The Tribunal finds Widmer's estimate to be totally unreliable, based upon the fact that the subject's driving range is significantly smaller with only 12 stalls and perhaps 100 feet wide. Widmer admitted that Pine Trace has a driving range that is three times the subject's width, having 30-40 stalls.<sup>72</sup> Similarly, Pheasant Run has a driving range of 300-400 feet.<sup>73</sup>

The Tribunal agrees with Rende that the subject has a very small driving range with expansion blocked by the tennis house,<sup>74</sup> and accepts his estimate of income at a dollar per round. As the Tribunal has revised his estimate of rounds to 25,000, the Tribunal finds that driving range revenue should be \$25,000. As stated above, the remaining income factors of pro shop revenue, food and beverage sales, banquet sales, tennis and marina revenue are very close between Rende and Widmer. However, after finding that the amount of rounds are closer to Rende's number than Widmer's, the Tribunal accepts Rende's findings for these items. Adding the green fees and cart revenue of \$1,000,000 along with the \$25,000 in driving range revenue to the remainder of Rende's gross margin for the other revenues of \$1,141,749, (\$2,759,406 – Rende's green fees/cart rental of \$903,656 and subtracting his driving range fees of \$22,500), results in a revised gross margin of \$2,166,749.

The next element in the income approach is an estimation of expenses. Widmer used ratios exclusively in calculating expenses,<sup>75</sup> while Rende used ratios as well as historical costs for utilities and insurance. While Respondent makes the point that Rende did not have information as to the exact nature of the insurance coverages and utilities, Rende testified that the subject, having a 45,000 square foot club house, along with a tennis building, pool and marina

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<sup>72</sup> T.4 p. 125-126; 131

<sup>73</sup> T.4 p. 135

<sup>74</sup> T.1 p. 51-52

<sup>75</sup> T. 3 p. 50-

would likely have atypical expenses for these items.<sup>76</sup> A purchaser of the subject is likely to rely upon actual expenses in determining what price to pay for this unique subject. To rely strictly on market ratios and ignore historical expenses for utilities and insurance, especially when the subject has country club type improvements, along with the potential liability of a marina is not logical. Accordingly, the Tribunal accepts Rende's expense estimates of \$1,708,048. Subtracting this figure from the revised gross margin figure of \$2,166,749 renders a net operating income ("NOI") of \$458,701.

The next step in an income capitalization approach is to determine an income capitalization rate. Here, Rende extracted a rate from other courses, and determined an unloaded rate to be 12 %. Widmer determined the unloaded cap rate to be 9.5% An income capitalization rate is a mathematical measurement of risk that an investor is willing to take to determine an acceptable return on investment. Widmer found that the risk of purchasing this high end quality facility is significantly less than average for a golf course because of the high quality of its improvements, and (more importantly), the mitigation of any risk found in golfing operations by virtue of its land value. The Tribunal agrees, and accepts Widmer's unloaded cap rate of 9.5%. The land in this case is on one of the most desirable lakes in Oakland County. Unlike other courses, it does not suffer from remoteness from economic centers, nor was it built on a former trash dump, flood plain, or brown field. As indicated above, the desirability of the property "as vacant" mitigates the risk that the golf course may not be economically viable.

The next step in valuing the subject is to take the NOI and divide it by a cap rate loaded to account for property taxes. As Michigan taxes 50% of true cash value, the cap rate is loaded with 50% of the millage rate, which in this case is approximately 24.42 mills, (.02442). Adding the millage factors to 9.5%, (0.095) results in a loaded cap rate of 11.942%, (.11942). Dividing the NOI by the cap rate results in a going concern value of \$3,841,073.

The next step is to subtract out furniture, fixtures and equipment, ("FF&E"). Neither appraiser assigned any value to intangibles, as the subject after sale would be a new entity of a different type. Both appraisers used Respondent's values for personal property as a stand-in for

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<sup>76</sup> T.2 p. 117-119

FF&E, and the Tribunal will do the same.<sup>77</sup> Subtracting from that figure the TCV of personal property as calculated by Respondent of \$747,980 results in a value of \$3,093,093 or \$3,093,000 rounded, which is the total TCV for 2014. For 2015, the Tribunal finds the same going concern value of \$3,841,073. Subtracting the 2015 personal property value provided by Respondent of \$785,580 results in a true cash value of \$3,055,493, or \$3,055,500 rounded for 2015.

The final step in determining each parcel's true cash value is to allocate the total true cash value. Allocating the TCV roughly in proportion to the TCV set by Respondent results in an 85% 15% split. For 2014, that split results in a true cash value of \$2,629,050 for parcel number 18-12-151-063, and \$463,950 for parcel number 18-11-276-045. Again, allocating this TCV 85%-15% results in a TCV for parcel # 18-12-151-063 of \$2,597,175 and \$458,325 for parcel number 18-11-276-045. The subject property's TCV, SEV, and TV for the tax year(s) at issue are as stated in the Introduction section above.

#### JUDGMENT

IT IS ORDERED that the property's state equalized and taxable values 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,

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<sup>77</sup> Petitioner did not appeal the value of the personal property. While an artificially high or low determination of personal property will distort the value of the realty under each expert's analysis, any distortion is compensated by the fact that Respondent also taxes personal property to render any distortion moot for property tax purposes.

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%, and (v) after June 30, 2016, through December 31, 2016, at the rate of 4.40%.

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 required filing fee within 21 days from the date of entry of the final decision.<sup>78</sup> 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.<sup>79</sup> A copy of the motion must be served 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.<sup>80</sup> Responses to motions for reconsideration are prohibited and there are no oral arguments unless otherwise ordered by the Tribunal.<sup>81</sup>

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<sup>78</sup> See TTR 261 and 257.

<sup>79</sup> See TTR 217 and 267.

<sup>80</sup> See TTR 261 and 225.

<sup>81</sup> See TTR 261 and 257.

A claim of appeal must be filed 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.”<sup>82</sup> A copy of the claim must be filed with the Tribunal with the filing fee required for certification of the record on appeal.<sup>83</sup> The fee for certification is \$100.00 in both the Entire Tribunal and the Small Claims Division, unless no Small Claims fee is required.<sup>84</sup>

By: David B. Marmon

Entered: September 9, 2016

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<sup>82</sup> See MCL 205.753 and MCR 7.204.

<sup>83</sup> See TTR 213.

<sup>84</sup> See TTR 217 and 267.