



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

607 E Second Avenue LLC,
Petitioner,

MICHIGAN TAX TRIBUNAL

v

MAHS Docket No. 17-001159

City of Flint,
Respondent.

Presiding Judge
Marcus L. Abood

and

Genesee County,
Intervening Respondent.

FINAL OPINION AND JUDGMENT

INTRODUCTION

Petitioner, 607 East Second Avenue LLC, appeals ad valorem property tax assessment levied by Respondent, City of Flint, against Parcel No. 40-12-480-003 for the 2017 tax year. Daniel Stanley, Attorney, represented Petitioner. Reed E. Eriksson, Attorney, represented Respondent and Peter E. Goodstein, Attorney, represented Genesee County.

A hearing on this matter was held on December 17 and 18, 2018. Petitioner's witnesses were Marc Nassif and Thomas Hendricks. Respondent's witnesses were David Rexroth, Peggy Nolde and Brenda Makarov.

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 are as follows:

Parcel No.	Year	TCV	SEV	TV
40-12-480-003	2017	\$2,400,000	\$1,200,000	\$1,200,000

PETITIONER’S CONTENTIONS

Petitioner contends the subject’s value is impacted by noted risk factors within the Flint MSA and specifically within the city of Flint. Population declines, education levels within the population, per capita income as well as the water crisis are all weaknesses.¹ Petitioner asserts this MSA location has greater impact over physical features in a comparative analysis.²

Petitioner’s appraiser considered all three approaches to value but asserts that the income approach is the most applicable methodology for this tax appeal appraisal assignment. A difficulty of the sales comparison approach is limited apartment data to create a comparative analysis. Nonetheless, the sales comparison approach was developed as additional support to the income analysis.

Petitioner contends the valuation of the subject property boils down to the income approach. There is significant similarity within the appraisers’ income analysis. For example, the value determination for the commercial retail space as well as potential gross income (PGI) are very similar. On the other hand, primary differences exist between the parties’ expenses, reserve replacements and capitalization rates.

Petitioner analyzed and developed income components including gross income, operating expenses, net operating income and capitalization rates (from sales and a band of investment) to arrive at an indication of value.

¹ Tr, Day 1, 24.

² Tr, Day 1, 146-147.

Petitioner admits to inadvertent typographical errors within its appraisal report.³

PETITIONER'S ADMITTED EXHIBITS

In support of its value contentions, Petitioner offered the following exhibits, which were admitted into evidence:

P-1: Appraisal Report prepared by Marc Nassif.

PETITIONER'S WITNESS

Petitioner's witness, Marc Nassif prepared an appraisal report for the subject property. He is primarily a commercial appraiser with real estate and valuation experience in Genesee County and the city of Flint. Moreover, he grew up in the Flint area. He is licensed in the state of Michigan and designated through the Appraisal Institute. Based on his background, education and experience, the Tribunal accepted Mr. Nassif as an expert real estate appraiser.

Petitioner called Thomas Hendricks to testify as a rebuttal witness. He is employed by Karp & Associates LLC which manages the subject property. He furnished the subject's financial statements to Petitioner's appraiser. Lastly, he contends the maintenance expense utilized by Petitioner's appraiser is too low given all of the work orders and invoices for the maintenance of the subject property.⁴

RESPONDENT'S CONTENTIONS

Respondent considered all three approaches to value but only developed the income and sales comparison approaches to value. There was a lack of sales to

³ Tr, Day 1, 82, 94, 95, 118.

⁴ Tr, Day 2, 70.

place weight on the comparative analysis. Nonetheless, this approach was utilized as a check on reasonableness to the income approach. Respondent asserts greatest weight was placed on the income approach because this is the focus of investors in the market.

Respondent refutes Petitioner's sales comparison approach and the use of sales outside of the city of Flint. Further, Petitioner's rental data is comprised mainly of garden-style apartments.

Respondent asserts its rebuttal witness and review appraisal expose a lack of quality elements within Petitioner's appraisal report.

Respondent admits to inadvertent typographical errors within its appraisal report.⁵

RESPONDENT'S ADMITTED EXHIBITS

In support of its value contentions, Respondent offered the following exhibits, which were admitted into evidence:

- R-1: Respondent's Valuation Disclosure
- R-2: David Rexroth – Appraisal Review of Petitioner's Appraisal (Partial Redactions of pages 15 and 16)
- R-3: Genesee County Tentative Equalization Ratios and Multipliers by Classification – Year 2015
- R-4: Genesee County Tentative Equalization Ratios and Multipliers by Classification – Year 2016
- R-5: Genesee County Tentative Equalization Ratios and Multipliers by Classification – Year 2017
- R-8: Dort Mall – Photographs, 3600 S. Dort Hwy., Flint, 48507
- R-9: First Street Lofts – Photographs, 460 S. Saginaw St., Flint, 48502
- R-10: 2017 Subject Property Record Card
- R-12: Warranty Deed and Property Transfer Affidavit – CPI Apartment Fund (The Villas)
- R-14: Sylvester Manor (website) – Photographs, 224 E. Court St., Flint, 48502
- R-16: Genesee Valley Mall – Photographs, 4600 Miller Rd., Flint, 48507
- R-21: Regency Apartments – Photographs, 411 E. Second St., Flint, 48503

⁵ Tr, Day 2, 8, 44 and 45

RESPONDENT'S WITNESSES

Respondent presented rebuttal testimony from David Rexroth. He is a licensed and designated real estate appraiser in the state of Michigan. He resides and works in Genesee County and has completed many appraisal assignments in the city of Flint over the course of 38 years. Based on his background, education and experience, the Tribunal accepted Mr. Rexroth as an expert in real property review appraisal.

Respondent presented testimony from Peggy Nolde. She has been the Genesee County Equalization Director for almost 9 years. Prior to that she was the assessor for Grand Blanc Township for twenty years. Overall, she has been in the assessment field for 48 years. Lastly, she is certified as a Master Assessor (formerly noted as Level 4) and is a Certified Assessment Evaluator (CAE) through the International Association of Assessors. Based on her background, education and experience, the Tribunal accepted Ms. Nolde as an expert in mass appraisal assessments.

Respondent's last witness, Barbara Makarov, gave testimony regarding the valuation of the subject property. She started in the field of real property valuation in 1993. She is licensed in the state of Michigan and is designated through the Appraisal Institute. She has specialized in multi-family properties since 1997. Based on her background, education and experience, the Tribunal accepted Ms. Makarov as an expert real estate appraiser.

FINDINGS OF FACT

1. The subject property is located at 607 East Second Avenue, in the city of Flint and located in Genesee County.
2. The subject is zoned Metropolitan Commercial Service District, D-5.
3. The subject is commonly known as the "Durant Building."
4. The subject is a mixed use 8-story building with 93 apartments and commercial space on the first floor.

5. The subject building was originally constructed in 1919 and was renovated in 2010.
6. The subject property comprises four parcels (40-12-480-001, 40-12-480-002, 40-12-485-002 and 40-12-480-003). However, the only parcel under appeal is 40-12-480-003 which is improved with the apartment building.
7. The parties' appraisal reports acknowledge external factors affecting value (within Genesee County, the city of Flint and the subject neighborhood) including the Flint Water Crisis.⁶
8. The highest and best use of the subject is as a mixed use commercial development.
9. Petitioner submitted a valuation disclosure in the form of a narrative appraisal report prepared by Marc Nassif.
10. Petitioner considered all three approaches to value but only developed the sales and income approaches.
11. Respondent submitted a rebuttal document in the form of a review appraisal prepared by David Rexroth.
12. Respondent submitted a valuation disclosure in the form of a narrative appraisal report prepared by Brenda Makarov.
13. Respondent's appraisal report considered all three approaches to value but only developed the sales comparison and income approaches to value.
14. Respondent's appraiser defines the subject's neighborhood as the boundaries for the central business district (CBD). Respondent's appraiser did not analyze the subject in terms of a metropolitan statistical area (MSA).
15. Respondent's appraiser spoke with various professionals in regards to the Flint Water Crisis.⁷ This testimonial evidence was not disclosed in Respondent's appraisal report.
16. In testimony, Respondent's appraiser admits market concessions were prevalent from 2015 to 2016 during the Flint Water Crisis.⁸
17. Respondent's appraiser and review appraiser admit there was no new construction of multi-family units in the fourth quarter of 2016.⁹
18. In testimony, Respondent's appraiser admits she received financial statements for the subject from the Genesee County Land Bank but did not verify this information in any regard.¹⁰
19. Neither party developed a cost approach to value because of the difficulty in quantifying depreciation for the subject property.

⁶ Respondent's Exh. R-1, 48-50 and Petitioner's Exh. P-1, 15-16).

⁷ Tr, Day 2, 14-16.

⁸ Tr, Day 2, 47.

⁹ Tr, Day 1, 179-181 and Tr, Day 2, 46.

¹⁰ Tr, Day 2, 52-53.

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.¹¹

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. . . .¹²

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.¹³

The Michigan Supreme Court has determined that “[t]he concepts of ‘true cash value’ and ‘fair market value’ . . . are synonymous.”¹⁴

“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.”¹⁵ The Tribunal is not bound to accept either of the parties' theories of valuation.¹⁶ “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

¹¹ See MCL 211.27a.

¹² Const 1963, art 9, sec 3.

¹³ MCL 211.27(1).

¹⁴ *CAF Investment Co v Michigan State Tax Comm*, 392 Mich 442, 450; 221 NW2d 588 (1974).

¹⁵ *Alhi Dev Co v Orion Twp*, 110 Mich App 764, 767; 314 NW2d 479 (1981).

¹⁶ *Teledyne Continental Motors v Muskegon Twp*, 145 Mich App 749, 754; 378 NW2d 590 (1985).

case.”¹⁷ 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.”¹⁸

A proceeding before the Tax Tribunal is original, independent, and de novo.¹⁹ The Tribunal's factual findings must be supported “by competent, material, and substantial evidence.”²⁰ “Substantial evidence must be more than a scintilla of evidence, although it may be substantially less than a preponderance of the evidence.”²¹

“The petitioner has the burden of proof in establishing the true cash value of the property.”²² “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.”²³ 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.”²⁴

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

¹⁷ *Meadowlanes Ltd Dividend Housing Ass'n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

¹⁸ *Jones & Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 356; 483 NW2d 416 (1992).

¹⁹ MCL 205.735a(2).

²⁰ *Dow Chemical Co v Dep't of Treasury*, 185 Mich App 458, 462-463; 462 NW2d 765 (1990).

²¹ *Jones & Laughlin Steel Corp*, *supra* at 352-353.

²² MCL 205.737(3).

²³ *Jones & Laughlin Steel Corp*, *supra* at 354-355.

²⁴ MCL 205.737(3).

approach.²⁵ “The market approach is the only valuation method that directly reflects the balance of supply and demand for property in marketplace trading.”²⁶ 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.²⁷ Regardless of the valuation approach employed, the final valuation determined must represent the usual price for which the subject would sell.²⁸

Respondent’s review appraisal is a conventional framework for a technical report. However, closer scrutiny unmask specific misrepresentations and inconsistencies. First, the review appraiser cites to a definition of market value from the *Federal Register* which is an authoritative source for lending institutions.²⁹ This case involves a tax appeal matter and does not involve bank or lending financing. In addition, the review appraiser cites an outdated publication for the definition of fee simple estate.³⁰ Next, the review appraiser believes Nassif should have expanded his search area utilizing the Detroit/Ann Arbor/Flint MSA and region when Nassif analyzed the Flint MSA. The review appraiser also believes Nassif should have developed a capitalization rate from investor surveys.³¹ Lastly, the review appraiser opines that Petitioner’s appraisal report meets the requirements set forth in professional standards and ethics.³² Respondent’s

²⁵ *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).

²⁶ *Jones & Laughlin Steel Corp*, *supra* at 353 (citing *Antisdale v City of Galesburg*, 420 Mich 265; 362 NW2d 632 (1984) at 276 n 1).

²⁷ *Antisdale*, *supra* at 277.

²⁸ See *Meadowlanes Ltd Dividend Housing Ass’n v Holland*, 437 Mich 473, 485; 473 NW2d 636 (1991).

²⁹ Respondent’s Exh. R-2, 6.

³⁰ *Id*, p 7.

³¹ Tr, Day 1, 173-177.

³² Respondent’s Exh. R-2, 11.

review appraiser admitted that he is not an AQB Certified USPAP Instructor but the appraisal review report would have a reader believe otherwise without a qualifying statement. In other words, Rexroth discloses his role as a review appraiser but does not disclose that he is not certified in professional standards and ethics. These miscues treated separately have little relevance to this tax appeal matter. However, together (with other issues) point to the very reliability and credibility of Respondent's rebuttal witness and rebuttal document presented as an appraisal review.

A rebuttal on the basis of a review appraisal is in stark contradiction to purported adherence to professional standards and ethics. In other words, Respondent's review appraisal went beyond the limits of a "desk review" and "the act or process of developing an opinion about the quality of another appraiser's work. . ." ³³ A review appraiser may review another appraiser's work without rendering its own opinion of value. ³⁴ In this instance, Rexroth refutes Nassif's rental and sales data. ³⁵ Rexroth's claim of not opining to a value conclusion separate from Petitioner's appraised opinion of value belies Rexroth's testimony pertaining to gross income multipliers (GIM). Explaining the development of this methodology resulted in Rexroth's testimony for a "considerably lower" value indication. ³⁶ While not proclaiming a specific numerical value, Respondent nonetheless has presented an opinion of value less than Petitioner's \$2,836,364 via a GIM analysis. Appraisal practice and theory is clear on this point.

Appraisal – (noun) the act or process of developing an opinion of value; an opinion of value.
(adjective) of or pertaining to appraising and related functions such as appraisal practice

³³ Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Chicago, 6th ed, 2015) p 12.

³⁴ The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (Washington DC, 2018-2019 Edition), Standard 3, pp 26-28. However, once the review appraiser opines to his/her own opinion of value, the review appraiser must comply with Standards 1 and 2.

³⁵ Tr, Day 1, 164-170.

³⁶ Tr, Day 1, 171-172.

or appraisal services. Comment: An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value).³⁷

Respondent's review appraiser unveiled what stands behind his review document. Reviewing the quality of another appraiser's work involved valuation opinions, analyses and conclusions. Therefore, Respondent's review appraisal report and review appraiser are given no weight or credibility in the determination of market value for the subject property.

Petitioner initially contested the 2017 assessment established by Respondent but the parties' valuation disclosures pertain to a singular property and not a "universe of properties". The Tribunal considered the testimonial and documentary evidence presented by Respondent's assessor. In this context, the application of mass appraisal assessment is not relevant for two reasons. First, Respondent's appraisal report was not rendered in conjunction with the assessment of the subject property. Respondent's appraiser certified that he worked without regards to any predeterminations or contingencies. Likewise, Respondent's assessor did not develop the assessment for the subject on a singular basis in contradiction of required constitutional uniformity. The Tribunal is not persuaded that the assessor's county statistical ratios bolster Respondent's value contentions. Second, the assessor's analysis of ratios was not supported by an actual economic condition factor study (ECF), a land sales study, a depreciation breakdown or a development of applicable multipliers.³⁸ In essence, the very

³⁷ Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Chicago, 6th ed, 2015), p 10. With further reference to 2018-2019 USPAP, Ethics Rule – Conduct, FAQ No. 13.

³⁸ Tr, Day 1, 200-202.

substance for the subject's assessment is absent. The Tribunal is unable to reach over the wide chasm between conclusory ratios and the underlying elements for mass appraisal assessment. Therefore, Respondent's assessor and county ratio summaries are given no weight or credibility in the determination of market value for the subject property.

Regarding the parties' sales comparison approaches, the acknowledgement to the lack of market data gives less focus to this approach. The examination of apartment buildings in and outside of the city of Flint demonstrated that low-rise and garden style apartments are not comparable to the subject building.³⁹ Further, the nuances of an apartment building in a downtown walkable setting do not coincide with income properties in suburban locations. Moreover, while medium to high rise apartment buildings as well as large mixed use developments exist in the market, the lack of comparable sales is a reflection of market conditions as of December 31, 2016. Given the parties' greater strength and reliance on the income approach, the respective comparative analyses are given no weight or credibility in the determination of market value for the subject property.

As noted, the parties' income analyses share reasonable similarities. An assertion that the appraisers' similar income analysis indicators is determinative conveys only part of the story. How one arrives at its conclusions is more telling. In other words, income analysis indicators are not the sole issue but the support and articulation for those elements is the issue. Market influences and conditions clearly

³⁹ Respondent's challenge of Petitioner's use of different style apartment buildings or data located in competing cities is without merit since Respondent's data follows a similar search pattern.

impacted investment properties in the Flint MSA. Again, a report must carry support and persuasion regardless of coincidental income elements.

The subject property is an income producing property in which investors would look closely at an income analysis. The parties' reliance on this approach is logical and reasonable in the context of this appeal. First, the development of rental comparables included properties in and outside of the city of Flint. Petitioner's data gave consideration and direct comparison to residential units for developments ranging from 26 to 228 units. Petitioner's analysis covered studio, 1-bedroom and 2-bedroom units. On the other hand, Respondent analyzed five residential developments ranging from 4-17 units. The depth of Petitioner's data and analysis carries more persuasion for the application to the subject's 93 units. Next, Petitioner considered and analyzed 8 commercial lease comparables in terms of vacancy, occupancy and lease-up costs. Respondent's adjustment grid for commercial unit comparison denotes "similar" line-item entries for all physical characteristics but applies 20% adjustments to quality and functional utility.⁴⁰ The Tribunal is unable to ascertain Respondent's appraiser's analysis in the midst of typographical and/or inadvertent inputs. Moreover, Respondent's appraiser admits the subject's undeveloped commercial space is a deterrent to its marketability and appeal (and would require substantial tenant improvements).⁴¹ Therefore, Petitioner's residential and commercial rental data analysis is more reliable and credible for the potential gross income (PGI).⁴²

⁴⁰ Respondent's Exh. R-1, 79-80.

⁴¹ Tr, Day 2, 24.

⁴² Petitioner's PGI is \$1,138,684 compared to Respondent's PGI of \$1,050,251.

While the parties' indications of vacancy and credit loss are relatively similar, Petitioner's analysis acknowledged five comparable properties for the determination of occupancy and is more convincing. It's office vacancy for a 1-mile radius was researched through CoStar Analytics. Respondent's presentation and source references lacked specificity. Petitioner's effective gross income (EGI) after the deduction of vacancy and credit loss is \$985,046 and is greater than Respondent's EGI of \$935,163. Therefore, Petitioner's reasoning leading up to its EGI is more reliable and credible for this part of the income analysis.

Regarding operating expenses, Respondent's analysis is light on detail. For example, Respondent's expense comparables were deemed to be confidential but the appraiser admitted that property descriptions are not the same as owner identification. Equally troubling, Respondent's appraiser admitted that she has appraised 4 out of the 5 expense comparables.⁴³ Disclosure within the report would have invited further expense analysis from the appraiser. Respondent's expense comparables do not even denote the number of units for each property. Moreover, Respondent's reference to the subject's financial statements from 2013 to 2016 is quite abbreviated compared to Petitioner's analysis for each specific expense entry. Petitioner's total operating expenses of \$575,382 is greater than Respondent's total of \$469,908 in part due to Petitioner's larger replacement reserves of \$41,850. Petitioner's expense comparables have units ranging from 56 to 127 and bracket the subject's 93 units. Petitioner's comparative expense analysis demonstrated that greater reserves would be necessary based on the subject's units. Having covered the main elements for the income

⁴³ Tr, Day 2, 65-66.

approach, Petitioner's resulting net operating income (NOI) has greater data support, descriptions and analysis. Therefore, Petitioner's NOI is more reliable and credible in the determination of market value for the subject property.

The parties' capitalization rate analysis is the final element for review and consideration. Both parties developed and analyzed capitalization comparable sales as well as the band of investment for the determination of an appropriate capitalization rate. Respondent's general refutation of Petitioner's data as being outside of the city of Flint is questionable in the context of capitalization comparable sales. All of Petitioner's capitalization sales are located within the Flint MSA.⁴⁴ Specifically, Respondent does not utilize any city sales while Petitioner places greatest weight on its Carriage House Apartments. Petitioner identified the risk factor (in part due to the Flint water crisis) for this 120-unit development. Respondent's overall rate is 8.5% which is outside the sales range of 7.45% to 8.38%. Insufficient reasoning was given for the overall rate beyond the stated range but infers greater risk is associated with the subject property. Further, the parties' respective band of indication methodology was not given primary weight.⁴⁵ The reconciliation of the parties' loaded capitalization rates in turn is based on a significant admission from Respondent's appraiser. As stated by Respondent's appraiser,

"The subject's physical characteristics would place it as a second tier investment, but its location solidly lowers it to a third tier investment. According to the Situs RERC report, going in capitalization rates range from 6.0 to 11.0 percent for third tier apartments in the Midwest, with an average of 8.1 percent. The subject's location creates an above average level of risk, so a rate above the average of 8.1 percent would be warranted."⁴⁶

⁴⁴ Petitioner's appraiser rebutted Rexroth's confluence of the Detroit/Ann Arbor/Flint MSA as being inappropriate for market analysis. (Tr, Day 2, 72-73)

⁴⁵ Petitioner's band of investment rate of 7.76% is less than Respondent's 8.5% indication which would imply greater risk to the subject property.

⁴⁶ Respondent's Exh. R-1, 84 and Tr, Day 2, 32 and 46.

Again, the more persuasive analysis comes from Petitioner's data. Therefore, Petitioner's loaded capitalization rate applied to its calculated NOI provides the most reliable and credible indication of market value for the subject property.

The parties' appraisal reports are not without typographical and inadvertent errors. There is no perfect appraisal report in the world of real property appraisal. As a trier of fact, the Tribunal must weigh an expert's testimony and documentary evidence to determine credibility and reliability. An appraisal report is based on the opinions, analyses and conclusions of the appraiser. "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."⁴⁷ Overall, Respondent's testimonial and documentary evidence is not more persuasive than Petitioner's comparative and income analyses.

The Tribunal finds, based upon the Findings of Fact and the Conclusions of Law set forth herein, that Petitioner demonstrated that the subject property was over-assessed for 2017. In totality, Respondent's analysis lacks certain detail, description and analysis to capture an income value conclusion. Therefore, Petitioner's income approach to value provide the most credible and reliable evidence of market value for the subject property. The subject property's TCV, SEV, and TV for the tax year(s) at issue are as stated in the Introduction section above.

⁴⁷ The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (Chicago: 2018-2019 Edition), p 15.

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, penalties, and interest being refunded. A sum determined by the Tribunal to have been unlawfully paid shall bear interest from the date of payment to the date of judgment, and the judgment shall bear interest to the date of its payment. A sum determined by the Tribunal to have been underpaid shall not bear interest for any time period prior to 28 days after the issuance of this Final Opinion and Judgment. Pursuant to MCL 205.737, interest shall accrue (i) after December 31, 2009, at the rate of 1.23% for calendar year 2010, (ii) after December 31, 2010, at the rate of 1.12% for calendar year 2011, (iii) after December 31, 2011, through June 30, 2012, at the rate of 1.09%, (iv) after June 30, 2012, through June 30, 2016, at the rate of 4.25%, (v) after June 30, 2016, through December 31, 2016, at the rate of 4.40%, (vi) after December 31, 2016, through June 30, 2017, at the rate of 4.50%, (vii) after June 30, 2017, through December 31, 2017, at the rate of 4.70%, (viii) after December 31, 2017, through June

30, 2018, at the rate of 5.15%, (ix) after June 30, 2018, through December 31, 2018, at the rate of 5.41%, and (x) after December 31, 2018 through June 30, 2019, at the rate of 5.9%.

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.⁴⁸ 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.⁴⁹ 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.⁵⁰ Responses to motions for reconsideration are prohibited and there are no oral arguments unless otherwise ordered by the Tribunal.⁵¹ 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."⁵² A copy of the claim must be filed with the Tribunal with the filing fee required for

⁴⁸ See TTR 261 and 257.

⁴⁹ See TTR 217 and 267.

⁵⁰ See TTR 261 and 225.

⁵¹ See TTR 261 and 257.

⁵² See MCL 205.753 and MCR 7.204.

certification of the record on appeal.⁵³ The fee for certification is \$100.00 in both the Entire Tribunal and the Small Claims Division, unless no Small Claims fee is required.⁵⁴

By Marcus L. Abood

Entered: March 15, 2019

⁵³ See TTR 213.

⁵⁴ See TTR 217 and 267.