



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

BlueOx Credit Union,
Petitioner,

MICHIGAN TAX TRIBUNAL

v

MOAHR Docket No. 22-000900

City of Sterling Heights,
Respondent.

Presiding Judge
Jason C. Grinnell

SUMMARY OF PREHEARING CONFERENCE

SCHEDULING ORDER

NOTICE OF VIDEO CONFERENCE HEARING

A Prehearing Conference on this matter was held on May 16, 2023. Attorney Joshua T. Shillair appeared on behalf of Petitioner. Attorney Marc D. Kaszubski appeared on behalf of Respondent. A scheduling order has been established and a video conference hearing, held via Microsoft Teams, was discussed and a hearing was set as follows:

HEARING DATE:	Wednesday, August 2, 2023, and Thursday, August 3, 2023
HEARING TIME:	9:00 a.m.
TEAMS HEARING LINK:	Click here to join the meeting +1 248-509-0316,,209821758# United States, Pontiac Phone Conference ID: 209 821 758#
PARTICIPANTS' GUIDE:	https://bit.ly/34fBXnN

This hearing is open to the public and this notice is provided under the Open Meetings Act. Any participant in the hearing or member of the public wishing to attend this hearing must click on the link above to gain access to the hearing.

This is an important legal document. Please have someone translate the document.

Este es un documento legal importante. Por favor, haga traducir este documento.

এটি একটি গুরুত্বপূর্ণ আইনি দলিল, অনুগ্রহ করে কেউ দলিলটিকে অনুবাদ করুন।

هذا هو وثيقة قانونية هامة يرجى لديك شخص تترجم الوثيقة.

Ito ay isang mahalagang legal na dokumento. Mangyari lamang na magkaroon ng isang tao isalin ang dokumento.

PREHEARING CONFERENCE SUMMARY

I. VALUATION INFORMATION:

- A. The true cash value (TCV), assessed value (AV), and taxable value (TV) for each parcel and tax year at issue as established by the Board of Review:

Parcel Number: 10-10-15-301-003

Year	TCV	AV	TV
2022	\$897,000	\$448,500	\$448,500

- B. The parties' contentions of TCV, state equalized value (SEV), and TV for each parcel and tax year at issue:

Parcel Number: 10-10-15-301-003

	Petitioner			Respondent		
Year	TCV	SEV	TV	TCV	SEV	TV
2022	\$625,000	\$312,500	\$312,500	\$897,000	\$448,500	\$448,500

- C. Amounts in dispute for the tax years at issue:

Parcel Number: 10-10-15-301-003

Year	SEV	TV
2022	\$136,000	\$136,000

II. TAX INFORMATION

The property's taxes have been paid for the tax year at issue.

III. FACTUAL STATEMENT OF CLAIMS:

- A. Classification of property:

Parcel Number	Classification
10-10-15-301-003	Commercial-Improved

- B. Highest and best use (H&BU) for the tax years at issue:

Tax Year	H&BU
2022	Commercial-Improved

- C. The property's TCV and TV are at issue for each tax year under appeal.

- D. Petitioner's claims or counterclaims: Petitioner contends that the subject property is over assessed and a reduction in TCV and TV is warranted. The subject is a BlueOx Credit Union bank branch consisting of 4,356/SF bank, constructed in 1965 with a recent renovation in 2021. Petitioner purchased the subject property on January 7, 2021, for \$1,326,000 or \$304.41/SF. The property was originally listed on the open market for approximately four (4) months at an asking price of \$1,350,000. In November of 2022, Petitioner sold off .69 acres of excess land for \$340,000. For its Valuation Disclosure, Petitioner provided five (5) sales comparables, two of which occurred in 2019, two in 2021, and one in 2022. Although Petitioner's appraiser did not provide specific or quantified adjustments to the comparables, he determined a range of \$115.15/SF to \$146.95/SF and ultimately concluded \$130.00/SF. Accordingly, Petitioner's appraiser arrived at a rounded TCV of \$565,000. For the excess land, Petitioner provided four (4) vacant land sales, one from 2018, one from 2019, one from 2021, and one from 2022. After adjusting the two highest sales (2018 and 2019) down 25% for date of sale, and then applied downward net adjustments of 15% to the 2018 sale and 5% to the 2019 sales. Petitioner's appraiser concluded an adjusted median of \$2.20/SF to arrive at a rounded value of \$65,000, although the excess parcel sold in 2022 for \$350,000. Petitioner arrived at a final value for the subject by adding \$575,000¹ for the improved portion and \$65,000 for the excess land portion and then subtracting a "bundling discount" of \$13,000 to arrive at a rounded TCV of \$627,000. Petitioner also provided an income analysis consisting of four (4) rent comparables to arrive at a market rent of \$13.75/SF, less \$5,091 for vacancy and \$9,929 in expenses to arrive at a net operating income of \$44,875. After applying an overall capitalization rate of 8.23%, Petitioner arrived at an estimated rounded value of \$545,000 or \$125/SF. Petitioner arrived at a final value for the subject by adding \$545,000 for the improved portion and \$65,000 for the excess land portion and then subtracting a "bundling discount" of \$13,000 to arrive at a rounded TCV of \$595,000. Petitioner's appraiser reconciled the sales and income approaches to arrive at a TCV of \$625,000 for tax year 2022.²
- E. Respondent's claims or counterclaims: Respondent submits the subject property is under assessed. In support of its case, Respondent provided a property record card (cost approach), sales comparison analysis, and income approach. Petitioner provided four (4) sales comparables, two of which occurred in 2020, one in 2021, and one in 2022. Respondent made no adjustments to the comparables providing a range of \$198.88/SF to \$361.45/SF and ultimately concluded \$279.19/SF, more than what the subject property is currently assessed at, i.e., \$205.92/SF. Respondent also provided an income analysis

¹ It is unknown how Petitioner's appraiser arrived at \$575,000 after concluding a value of \$565,000 in the earlier portion of his appraisal.

² The Tribunal further notes that only tax year 2022 is under appeal and therefore it finds no need to address Petitioner's analysis for tax year 2023.

consisting of five (5) rent comparables to arrive at a market rent of \$26/SF, less 10% vacancy and 12% expense allowance to arrive at a net operating income of \$89,698. After applying a total capitalization rate of 7.760%, Respondent arrived at an estimated rounded value of \$1,160,000 or \$266/SF.

IV. PENDING MOTIONS OR DISCOVERY:

F. Motions: None pending at this time.

G. Discovery: Discovery is closed unless otherwise stated below.

V. VIDEO CONFERENCE HEARING INFORMATION

The parties and the Tribunal have determined the above-captioned case shall be conducted via video conference.

A link to the **MOAHR MTT Guide for Participants for the Conducting of Entire Tribunal Hearings as Video Conference Proceedings** is provided above. Participants are encouraged to review this Guide prior to hearing and are **required** to comply with the requirements of the Guide, as said requirements will facilitate the conducting of the scheduled hearing.

The Tribunal's [Remote Witness Instructions](#) must also be reviewed by any witnesses who may be called at hearing.

SCHEDULING ORDER

I. July 19, 2023

is the final date to file and serve upon the opposing party(ies) and the Tribunal a final exhibit list and to furnish the opposing party(ies) with a copy of each exhibit. **The parties must use the form prescribed by the Tribunal.** An exhibit will not be admitted into evidence unless the exhibit is disclosed and furnished in accordance with this Order (even though admissible) except upon a finding of good cause by the Tribunal.

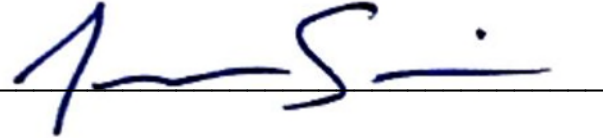
II. July 19, 2023

is the date for Petitioner to notify the Tribunal in writing of the name and telephone number of the court reporter retained by the parties to transcribe the hearing.

Failure to comply with this Order may result in the dismissal of the case or the conducting of a show cause or default hearing, as provided by TTR 231.³

Date Entered: May 18, 2023
jcg

By



³ See also MCL 205.732.

HEARING INFORMATION – PLEASE READ IMMEDIATELY

GENERAL INFORMATION: An impartial hearing will be conducted in accordance with the Michigan Administrative Hearing Rules (R 792.10101-R 792.11289) and the Michigan Administrative Procedures Act, MCL 24.201 *et seq.* The Michigan Rules of Evidence and the Michigan Court Rules may be applicable. A party is expected to exercise proper respect and courtesy toward other parties, witnesses and administrative law judges, which includes attending the hearing on time, silencing cell phones, and dressing in appropriate clothing for in-person hearings.

REPRESENTATION: A party may be represented by an attorney or other authorized representative of the party's own choosing and at the party's own expense. The Michigan Office of Administrative Hearings and Rules does not recommend or appoint attorneys.

WITNESSES: Parties may present witnesses, if any, identified in the Prehearing Statements, to testify under oath or affirmation at the hearing, subject to cross-examination by the opposing party, and questions by the administrative law judge.

EXHIBITS: The parties shall submit exhibits pursuant to the Guide for Participants.

COURT REPORTER: The parties shall not only provide a court reporter to transcribe the hearing but shall also provide an electronic copy of the hearing transcript to the Tribunal by e-mailing it to taxtrib@michigan.gov. The costs attributable to the court reporter shall be shared equally by the parties. If the parties fail to pay the costs of the transcript to the court report prior to the submission of the transcript to the Tribunal, the court reporter may report this to the Tribunal with the submission of the transcript. As a result, the party or parties who failed to pay the costs associated with the transcript may be held in default.⁴

WITHDRAWAL: If Petitioner no longer wants to continue with the appeal, Petitioner may submit a written request to withdraw the case. Respondent must concur with the withdrawal. The request must be submitted to the Tribunal and served on Respondent at least 14 days before the hearing. Respondent may file a concurrence or objection to the request within 7 days of the service of the request on that party. If Respondent does not timely submit a concurrence or objection to the request will be deemed to be a concurrence to the request. If the request is granted, the case will be dismissed. If a request is not granted or the Tribunal has not notified you that it has been granted, you are required to attend the hearing.

SETTLEMENT: Parties may submit a written agreement settling a case (i.e., stipulation). The stipulation must be on a form made available by the tribunal or shall be in a written form that is in substantial compliance with the tribunal's form and be signed by the parties' attorneys or authorized representatives, if they have attorneys or authorized representatives, or by the parties, if they do not have attorneys or authorized representatives. There is a \$50 fee for the filing of the stipulation. If the stipulation with appropriate filing fee is received by the Tribunal or the parties email a copy of the signed stipulation to the Tribunal by 4:30 p.m. on the business day immediately preceding the day of the scheduled hearing, the hearing may be adjourned. Parties that email a copy of a signed stipulation to the Tribunal for purposes of adjourning a hearing are also required to submit the original signed stipulation with appropriate filing fee. The

⁴ See TTR 321.

stipulation, once submitted, will be reviewed and, if accepted, the Tribunal will issue a consent judgment.

FAILURE TO APPEAR: The failure of a party to timely appear or otherwise participate in a hearing will result in adjournment of the hearing and the holding of that party in default. The defaulted party will be given an opportunity to show good cause for the failure to appear. Failure to respond or show good cause may result in dismissal of the case or the conducting of a default hearing.

REASONABLE ACCOMMODATION: All hearings are conducted in a barrier-free location in compliance with the Americans with Disabilities Act. An individual requiring reasonable accommodation for effective participation in a hearing, including accessible documentation such as braille, large print, electronic or audio reader, should contact the MOAHR by telephone at (517) 335-9760, or complete and submit an accommodation request form at https://www.michigan.gov/documents/lara/Disability_Accommodation_FORM_v1_2_464017_7.doc within five (5) days of receipt of the Notice of Hearing to ensure availability of accommodation.

Hearing participants and observing members of the public who need assistance with speech or hearing may also participate in a telephonic or virtual hearing by dialing 7-1-1 and using the Michigan Relay service. More information about this service may be found at https://www.michigan.gov/mpsc/0,9535,7-395-93308_93325_93425_94040_94041---,00.html.

PRIVACY OF INFORMATION: In order to conduct a comprehensive and fair hearing, a party's private or confidential information, such as health or financial information, may be disclosed to the Tribunal and other parties and their attorneys or representatives. The MOAHR will use the private information solely for purposes related to the hearings process. A party may file a motion to request that a public hearing be closed in part or file a motion for protective order to deem certain information private and confidential in order to afford that information special protection.

CONTACT INFORMATION:

Michigan Tax Tribunal
U.S. Postal Mailing Address: 611 W. Ottawa St., Lansing, MI 48933
Overnight Carrier Address (UPS, FedEx, DHL Deliveries):
2nd Floor MOAHR, 2407 N. Grand River Avenue, Lansing, MI 48906
Phone: (517) 335-9760
E-Mail: taxtrib@michigan.gov
Website: www.michigan.gov/taxtrib
E-Filing: <https://eFiling.apps.lara.state.mi.us>
Office Hours: 8:00 a.m. – 5:00 p.m., our office is closed from 12:00 p.m. – 1:00 p.m.

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.

By: Tribunal Clerk