



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
ACTING DIRECTOR

Universal Flavor Corporation,  
Petitioner,

MICHIGAN TAX TRIBUNAL

v

MOAHR Docket No. 22-001459

City of Harbor Beach,  
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 September 13, 2023. Attorneys Mikki Silvery and Derik Edwards appeared on behalf of Petitioner. Attorney Michael Gildner appeared on behalf of Respondent. A scheduling order has been established and a video conference hearing, held via Microsoft Teams, has been set for<sup>1</sup>:

|                      |   |
|----------------------|---|
| HEARING DATE:        | Monday, February 5, 2024 through<br>Friday, February 9, 2024  |
| HEARING TIME:        | 9:00 a.m.   |
| TEAMS HEARING LINK:  | <a href="#">Click here to join the meeting</a><br><b>Or call in (audio only)</b><br><a href="#">+1 248-509-0316,,899027088#</a> United States, Pontiac<br>Phone Conference ID: 899 027 088# |
| PARTICIPANTS' GUIDE: | <a href="https://bit.ly/34fBXnN">https://bit.ly/34fBXnN</a>   |

<sup>1</sup> On November 20, 2023, Respondent's counsel, Mr. Gildner, filed correspondence with the Tribunal inquiring about a contested hearing date. Prior, on September 13, 2023, respective counsel appeared for a Prehearing Conference and specifically discussed and agreed upon hearing dates and times. Further, in accordance with TTR 247(4), a judge who conducts the prehearing conference shall prepare and order summarizing the results of the conference **not less than 14 days in advance of hearing**. In this case the Tribunal is issuing its order in accordance with TTR 247(4), which is more than 60 days in advance of hearing. [Emphasis added.]

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.

## 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: 3252-517-003-10

| Year | TCV         | AV          | TV          |
|------|-------------|-------------|-------------|
| 2022 | \$6,313,600 | \$3,156,800 | \$2,299,912 |

Parcel Number: 3252-999-040-00

| Year | TCV         | AV          | TV          |
|------|-------------|-------------|-------------|
| 2022 | \$7,929,200 | \$3,964,600 | \$3,964,600 |

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

Parcel Number: 3252-517-003-10

| Petitioner |             |             |             | Respondent  |             |             |
|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Year       | TCV         | SEV         | TV          | TCV         | SEV         | TV          |
| 2022       | \$2,681,870 | \$1,340,935 | \$1,340,935 | \$4,300,000 | \$2,150,000 | \$2,150,000 |

Parcel Number: 3252-999-040-00

| Petitioner |             |             |             | Respondent  |             |             |
|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Year       | TCV         | SEV         | TV          | TCV         | SEV         | TV          |
| 2022       | \$3,368,130 | \$1,684,065 | \$1,684,065 | \$7,100,000 | \$3,550,000 | \$3,550,000 |

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.

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

Parcel Number: 3252-517-003-10

| Year | SEV       | TV        |
|------|-----------|-----------|
| 2022 | \$809,065 | \$809,065 |

Parcel Number: 3252-999-040-00

| Year | SEV         | TV          |
|------|-------------|-------------|
| 2022 | \$1,865,935 | \$1,865,935 |

III. TAX INFORMATION

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

IV. FACTUAL STATEMENT OF CLAIMS:

A. Classification of property:

| Parcel Number   | Classification |
|-----------------|----------------|
| 3252-517-003-10 | Industrial     |
| 3252-999-040-00 | Industrial IFT |

B. Highest and best use (HBU) for the parcel numbers and tax year at issue:

| Tax Year | HBU                                    |
|----------|--|
| 2022     | Industrial-Improved and Industrial-IFT |

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

D. Petitioner's claims or counterclaims: Petitioner contends the subject parcels are over assessed, warranting a reduction in TCV and TV. Petitioner submits the subject property is owned and occupied by Sensient Flavors, who supplies custom-designed flavors and flavoring systems to the food and beverage industries. Additionally, the parcels contain 30.011 acres with 30 buildings, various storage tanks, and 227,634 square feet (SF) of gross building area (GBA). The subject is zoned M-2 general industrial and is located directly on Lake Huron. Respondent's appraiser submitted a sales comparison approach consisting of seven comparable sales. Of the seven sales, two occurred in 2019, two in 2020, and three in 2021. All of the sales comparables are significantly smaller in overall land size, and all of the sales, except sale no. 7, are considerably smaller in overall SF than the subject. Petitioner's unadjusted sales price per SF range was \$16.80/SF to \$40.55/SF. Respondent's appraiser made "transaction adjustments" for time of sale and arrived at a "transaction adjusted price per SF" range of \$19.50/SF to \$41.77/SF. Notably, Petitioner's appraiser

noted differences for “property adjustments” but made no adjustments for location, size, age/condition, clear height, office percentage, quality, or other, to arrive at the same exact range of \$19.50/SF to \$41.77/SF. Thereafter, Petitioner’s appraiser concluded “the comparables indicate a value more than \$21.80 per square foot, less than \$37.11 per square foot and similar to \$26.71 per square foot.”<sup>2</sup> Petitioner’s appraiser concluded a \$26.75/SF value to arrive at a combined rounded TCV of \$6,090,000. Petitioner also submitted an income approach using market rent for “modern industrial space” and “older industrial space.” Although the subject property is owner occupied, Petitioner relied on market rent leases to conclude a market value “as is” conclusion of \$6,050,000. Petitioner’s appraiser reconciled the values to conclude a combined TCV of \$6,050,000, allocating \$4,760,699 to the parcel ending in 03-10 and \$1,289,301 to the parcel ending in 40-00.

- E. Respondent’s claims or counterclaims: Respondent concedes the subject parcels are over assessed, warranting a reduction in TCV and TV. Respondent’s appraiser submits the subject property is a single-user industrial manufacturing facility consisting of various office, warehouse, and manufacturing buildings with a combined total SF of 189,065. Respondent’s appraiser considered all three approaches to value and determined the cost approach was the only relevant way to value a special purpose property like the subject. Respondent submits the income approach provides limited relevance since the subject is owner-occupied and the sales comparison approach is not applicable give the fact there are virtually no sales of this specialized manufacturing facility within Michigan. Respondent’s appraiser submits the subject property is a special use property, meaning it has a unique design, uses special construction materials, and has other features that limit the property’s utility for purposes other than the one for which it was built. In 2015 and 2016 the subject property underwent a renovation of the IFT parcel improvements, with a total cost of the project estimated to be \$16,310,000. Respondent’s appraiser used the cost approach in his appraisal to conclude a combined reconciled TCV of \$11,400,000, allocating \$4,300,000 to the parcel ending in 03-10 and \$7,100,000 to the parcel ending in 40-00.

V. PENDING MOTIONS OR DISCOVERY:

- A. Motions: None pending at this time.
- B. Discovery: Discovery is closed unless otherwise stated below.

VI. WITNESSES

- A. As provided by TTR 237, a person, other than a rebuttal witness, who is NOT identified as a witness in the prehearing statement, shall NOT be permitted to

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<sup>2</sup> Petitioner’s appraisal actually shows a value more than \$17.81/SF but less than \$41.77/SF.

give testimony, unless, for good cause shown, the Tribunal permits the testimony to be taken.

- B. Witnesses will testify under oath or affirmation at the hearing, are subject to cross-examination by the opposing party, and to questions by the administrative law judge.

## VII. 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.

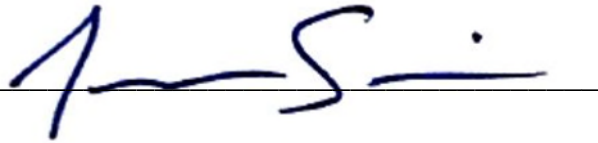
## SCHEDULING ORDER

- |                      |   |
|----------------------|---|
| I. January 22, 2024  | is the final date to file and serve upon the opposing party and the Tribunal a final exhibit list and to furnish the opposing party with a copy of each exhibit. <b>The parties must use the form prescribed by the Tribunal.</b> 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. January 22, 2024 | 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 holding the non-complying party in default or the dismissal of the case or the conducting of a show cause or default hearing, as provided by TTR 231.<sup>3</sup>

Date Entered: November 27, 2023  
jcg

By

A handwritten signature in blue ink, appearing to be "A. S.", written over a horizontal line.

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<sup>3</sup> 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 792.11297) 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](mailto: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.<sup>4</sup>

**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

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<sup>4</sup> 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.d oc](https://www.michigan.gov/documents/lara/Disability_Accommodation_FORM_v1_2_464017_7.d oc) 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](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](mailto:taxtrib@michigan.gov)  
Website: [www.michigan.gov/taxtrib](http://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