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## LOCAL COALITION, WAL-MART MUTUALLY CONCUR ON VALUATION

An ongoing dispute at the Michigan Tax Tribunal involving the City of Sault Ste. Marie and Wal-Mart has come to a conclusion, with Wal-Mart withdrawing its appeal and the taxable value previously set by the City for the Wal-Mart property remaining intact.

Throughout 2016 the City was joined by various partners including Chippewa County, the Eastern Upper Peninsula Intermediate School District (EUPISD), and the Chippewa County Road Commission in a community-wide effort to preserve equity in taxation and protest the application of the 'dark store theory' of property valuation.

These efforts involved the retaining of various experts and the mounting of a robust legal defense. After the withdrawal, however, City Attorney Cannello commented, "Wal-Mart has graciously withdrawn its appeal of its taxes levied upon its Sault Ste. Marie store. This ends the appeal by Wal-Mart, and its taxes will remain at the same rate as before they filed the appeal."

Similarly, City of Sault Ste. Marie Mayor Anthony G. Bosbous said, "We are pleased that this matter was resolved in a manner that is equitable and appropriate. We appreciate the strong collaborations that supported our local efforts to bring the matter to a satisfactory outcome."

Chippewa County Administrator/CFO Jim German commented further, "On behalf of Chippewa County I would like to recognize the efforts that went into achieving this outcome. We also commend Wal-Mart for seeing the community's side and taking the fair route in the matter."

Efforts from City Assessor Tina Fuller, appraiser Miles Anderson, Equalization Director Sharon Kennedy and the Chippewa County Equalization Department, appraiser Ken Voss and realty advisor Peter Karpacz were also reported as being invaluable to the process and the mutually desired outcome.

As noted previously, the use of the 'dark store theory' loophole allows certain property owners to have their open large commercial facilities valued as if they were vacant, abandoned, and deed-restricted (or as dark stores). In the ongoing matter that had involved Wal-Mart, local units stood to lose over \$268,000 and sustain potentially greater losses within the next five to ten years.

Providing a summary to comments from local officials, City Manager Oliver Turner stated, "At the end of the day, we are pleased with this outcome that benefits all parties involved and preserves equity in taxation. While we will continue to focus on supporting legislative remedies that will mitigate other future applications of the dark store theory, we applaud Wal-Mart's decision and look forward to continuing to focus on our core, governmental missions as service providers."