



**FINAL ADMINISTRATIVE DECISION  
ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: Pioneer Hi-Bred International, Inc.  
DOCKET NO.: 05-00476.001-I-3 & 06-00257.001-I-3  
PARCEL NO.: 21-25-251-003

The parties of record before the Property Tax Appeal Board are Pioneer Hi-Bred International, Inc., the appellant, by attorneys Gregory J. Lafakis and Ellen Berkshire, of Verros, Lafakis & Berkshire, P.C., Chicago; and the Henry County Board of Review by attorneys Stuart Whitt and Joshua Whitt of Whitt Law, LLC, Aurora, Illinois.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Henry County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
05-00476.001-I-3	21-25-251-003	112,015	2,376,485	\$2,488,500
06-00257.001-I-3	21-25-251-003	117,616	2,431,634	\$2,549,250

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a 69.7 acre parcel improved with twenty four interconnected buildings that were constructed in 1986, 1992, 1994, 1999 and 2003. The buildings are primarily one-story structures but one building is three-story and one building is five-story. The buildings range in size from 280 to 90,000 square feet with clear ceiling heights ranging from 9 to 70 feet. Nineteen of the buildings are of steel frame with steel siding and steel roof construction with concrete floors. The total building area is 320,254 square feet. The subject also has three ear-corn dryers each with a capacity of 30,000 bushels. Each corn dryer contains 12,320 square feet and is constructed with cast-in-place walls and roof. The subject property has asphalt and concrete drives, exterior lighting, fencing and two 100,000 pound truck scales. The property is located in Woodhull, Oxford Township, Henry County.

The 2005 and 2006 appeals were consolidated.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a narrative appraisal prepared by J. Edward Salisbury of Salisbury and Associates, Inc., Taylorville, Illinois. Salisbury estimated the subject property had a market value of \$7,500,000 as of January 1, 2005. Salisbury was called as a witness on behalf of the appellant.

Salisbury has been a real estate appraiser for over 30 years and has the Certified General Real Estate Appraiser license with the State of Illinois. He has appraised hundreds of industrial properties and has appraised four or five seed plants. The most recent seed plants appraised were located in Princeton, Litchfield and St. Joseph. In appraising the subject property Salisbury had assistance from Mike Phipps (Phipps), project engineer with Pioneer, who provided information on what costs were running and provided cost estimates from engineers on the various buildings that were non-standard. Salisbury inspected the subject property on July 13, 2006, with one of the plant managers and assistant managers who took him through the various buildings and component parts of the facility.

Under *voir dire* Salisbury identified those buildings where he utilized the Marshall Valuation Service (hereinafter Marshall) in calculating the replacement cost new of the buildings and those buildings where he relied on information from Phipps. Using page 47 of his appraisal, marked as Appellant's Exhibit No. 1, Salisbury testified buildings 1 through 6 were a combination of Marshall and Phipps; buildings 7 through 10 Salisbury used information from Phipps; buildings 11 through 12 were a combination of Marshall and Phipps; building 14 was information from Phipps; building 15 was from Marshall; buildings 16 through 18 were from Phipps; buildings 19 and 20 were from Marshall; building 21 was from Phipps; and buildings 22 through 24 were a combination of Marshall and Phipps. Salisbury testified the cost new for the corn dryers was provided by Phipps and the lump sums and scales were a combination of Marshall and Phipps. Salisbury testified that he provided Phipps with a list of buildings and asked him to search for the newest properties they built for examples of the cost to construct similar buildings. Phipps would provide him sheets that had numbers, such as so many dollars per square foot for those buildings.

Salisbury testified he has the Certified Illinois Assessment Official (CIAO) designation and the Certified Assessment Evaluator (CAE) designation from the International Association of Assessment Officers (IAAO). He has also appraised 150 grain elevators with components that included scales, dryers and offices similar to what is located at the subject property. He also testified there was nothing particularly unique about the warehousing at the subject property that is different from other industrial properties.

Salisbury was offered as an expert in the valuation of industrial properties. The board of review argued that there was no evidence that qualified Salisbury as an expert in the valuation of seed plants like the subject. The Property Tax Appeal Board accepted Salisbury as an opinion witness.

Salisbury identified Appellant's Exhibit No. 1 as his appraisal of the subject property. The purpose of the appraisal was to estimate market value as of January 1, 2005. The subject property was appraised in fee simple with no encumbrances.

In describing the improvements Salisbury testified there is a combination of a series of buildings that were originally constructed with additions added over time. The subject property is used as both a corn seed plant and a soybean seed plant operation. The property has the necessary dryers, dump pits, storage bins and warehousing to store the finished product. The sizes of the buildings were determined through inspection, spot checking and blueprints of the plans for the plant. The witness testified the height of the tall buildings was determined from the plans. Pages 32 and 33 of Appellant's Exhibit No. 1 depict the age and size of the improvements. On page 33 of the appraisal Salisbury indicated the subject had 3,816 square feet of office space, 49,706 square feet of processing space, and 266,732 square feet of warehousing space. Salisbury also calculated the weighted age of the subject buildings to be 12 years old. Salisbury described the improvements as being in good condition with no major physical problems. He was of the opinion there was some functional obsolescence because the subject was built in sections over time. The witness indicated there was little physical obsolescence, just typical wear and tear on the buildings.

The appraiser explained the outside improvements included the dump pits, parking, concrete drives around the buildings and conveyors that conveyed the grain from building to building.

Salisbury testified the highest and best use of the subject was for continued use as a seed plant.

The appraiser testified the subject property is located in a small community situated near an access to an interstate. He testified that the neighborhood and area analysis data in the appraisal partially came from what at one time was known as the Illinois Department of Commerce and Community Affairs. He testified some of the neighborhood data included the Quad Cities area which is more than 10 miles from the subject property. This information discrepancy did not have any effect on his determination of market value.

Salisbury testified he considered all three approaches to value but developed the cost approach and the sales comparison approach. The witness was of the opinion the income approach is

not applicable because this type of facility is not leased on a regular basis so there is not income information that can be gleaned to determine a value by the income approach.

The first approach to value developed by Salisbury was the cost approach to value. The initial step under the cost approach was to estimate the site value using two land sales and four listings. The two land comparables that sold had 16.27 and 144.38 acres. The two sales occurred in March 2006 and May 2006 for prices of \$1,120,000 and \$130,152 or \$7,757 and \$7,999 per acre, respectively. The four listings ranged in size from 21.80 to 113.00 acres and had listing prices ranging from \$150,000 to \$1,130,000 of from \$5,000 to \$12,000 per acre. Based on this data the appraiser estimated the subject site had a value of \$7,000 per acre for a total value of \$490,000.

The second step under the cost approach was to estimate the replacement cost new of the improvements. In estimating the cost new Salisbury used information from Phipps relating to the actual construction costs for the same type of building at different facilities that were built about the same time as when the subject plant was being appraised. Salisbury testified that for some of the buildings one cannot use a national cost service to cost them out. For example, he used information from Phipps regarding the office building, since it was not typical to have a separate office building in industrial space, which was estimated to have a cost of \$75.00 per square foot. He also used information from Phipps with respect to the corn dryers. Salisbury also explained that he went through the buildings to see what buildings he could cost out using Marshall. The total cost of the buildings was estimated to be \$16,577,820. The lump sum adjustments, scales and conveyors were estimated to have a cost of \$2,955,000. These two components had a total cost of \$19,532,820. The three corn dryers were estimated to each have a cost of \$2,000,000 for a total cost of \$6,000,000.

The next step was to estimate the depreciation associated with the improvements. Salisbury abstracted depreciation using sales 2, 3, 5 and 6 from the sales comparison approach because the land values were known. The appraiser estimated these four sales had total depreciation ranging from 57.8% to 93.0% or annual rates of depreciation ranging from 3.6% to 8.2%. Salisbury estimated the subject had an annual rate of depreciation of 6% for total depreciation of 72%. The replacement cost new of the improvements of \$19,532,820 was multiplied by 72% to arrive at total depreciation of \$14,063,630, which was deducted to arrive at a depreciated improvement value of \$5,469,190. Salisbury also applied 72% depreciation to the total cost of the dryers to arrive at a depreciated value of \$1,680,000. Adding the depreciated value of the building improvements and the land value resulted in an estimate of market value under the cost approach of \$7,650,000.

Salisbury next developed the sales comparison approach to value. The appraiser testified he initially searched for sales of newer seed corn or seed plants. He located older seed plants which he included in the appraisal. He also included sales of newer industrial buildings including light manufacturing and distribution warehouses. The witness explained these buildings give a good comparison to component parts of the subject property. The industrial comparables were located in the Illinois cities of Bourbonnais, Rockford, St. Elmo, Loves Park, Oglesby, Macomb and Galesburg. The comparables ranged in size from 63,875 to 850,000 square feet and they ranged in age from 8 to 21 years old. These properties had land to building ratios ranging from 1.91:1 to 7.50:1, ceiling heights ranging from 17 to 38 feet and office areas ranging from 0.0% to 18.20% of building area. The sales occurred from August 2001 to December 2005 for prices ranging from \$564,000 to \$3,495,000 or from \$1.97 to \$19.91 per square foot of building area.

The six seed plants included in the appraisal were located in the Illinois communities of Bloomington, Tuscola, Milford and Congerville. Two comparables were located in the Iowa communities of Mt. Pleasant and DeWitt. The comparables ranged in size from 85,236 to 181,890 square feet and ranged in age from 24 to 38 years. These comparables had land areas ranging from 6.84 to 20.40 acres and office areas ranging from .83% to 4.72% of building area. The sales occurred from June 1999 to September 2006 for prices ranging from \$390,500 to \$1,900,000 or from \$2.37 to \$11.15 per square foot of building area.

Salisbury was of the opinion the sales of the older seed plants represent a low value in relation to the subject property. He also stated the subject property had some component parts that these older buildings would not have. He testified the industrial sales are newer buildings similar in age to the subject property and give a feel for the market for component parts of the subject property and newer industrial buildings. The appraiser also testified there would be a serious marketing problem if one was to sell the subject property for the same use as a seed corn plant due to marketing plans of other seed companies.

After considering both sets of sales the appraiser estimated the subject building improvements had a market value of \$18.00 per square foot of building area or \$5,764,572. The appraiser then added the contributory value of the corn dryers as computed under the cost approach of \$1,680,000 to arrive at an indicated value under the sales comparison approach of \$7,450,000.

The appraiser testified his industrial sale 2 was purchased and acquired through foreclosure. He explained this property was taken back by a bank, which then listed with the biggest broker in Rockford. Salisbury testified the broker stated the property was listed for what they considered a market price. The property was exposed on the market for over a year before the bank

accepted an offer. Salisbury was of the opinion the sale represented market value.

In reconciling the two approaches, Salisbury placed very little weight on the cost approach because of the subject's unique features, the construction of additions over time which impacts cost and the calculation of depreciation. Salisbury placed significant weight on the sales comparison approach. His ultimate estimate of value for the subject property was \$7,500,000 as of January 1, 2005.

Salisbury was not aware of any significant changes to the property since January 1, 2005 and not aware of any significant changes in the market for similar properties from January 1, 2005. Salisbury did not believe there would be any significant market change between 2005 and 2006.

Under cross-examination Salisbury testified with respect to the way the dryer buildings at the subject property operated to dry the ear corn prior to the corn being conveyed to the sheller. Salisbury identified Board of Review Exhibits 12A and 13 as photographs of the subject property that also depict the dryers. Salisbury identified Board of Review Exhibit 14 as the color version of the subject's site plan as contained on page 13 of his appraisal. Salisbury was questioned with respect to the buildings located on the subject property and whether they were similar to industrial buildings. Salisbury agreed that the Bulk Building No. 1, Bulk Building No. 2, the sheller building and the corn conditioning tower would not be typical of the industrial sales he used. Salisbury agreed that portions of the warehouse area have air conditioning for the seed and testified that it was not uncommon to find industrial buildings that are air conditioned.

Salisbury identified the soybean receiving area in the middle of the page of Board of Review Exhibit No. 14 as consisting of soybean receiving, soybean bulk and the soybean conditioning tower. Salisbury agreed these buildings had replacement costs ranging from \$75.00 to \$190.00 per square foot, which are not typical of the comparable industrial sales contained in the appraisal.

Salisbury agreed that most of the costs from Marshall would be associated with the warehouses. He also agreed that the highest and best use of the property is its continued use as a seed production plant. The witness also agreed that in selecting comparable sales they have at least the potential if not identical highest and best use as the subject.

Salisbury agreed that comparable sale 1 was sold out of bankruptcy, it was a warehouse building and its highest and best use is not as a seed production plant. The witness agreed comparable sale 2, located in Rockford, sold subsequent to foreclosure by Alpine Bank and is basically a warehouse building.

Salisbury testified the highest and best use of this property was for continued industrial use, not for a seed production plant. Salisbury estimated this comparable, with 6.92 acres, had a land value of \$301,000 or \$43,497 per acre. Sale 3 was also located in Rockford. The seller was GC/Waldom Electronics but Salisbury could not recall if the seller is still occupying the building. Salisbury indicated if the seller continued to occupy the property after the sale, this would be considered a sale-leaseback. Salisbury was shown the Illinois Real Estate Transfer Declaration associated with this sale, marked as Board of Review Exhibit 15, which indicated the property was not advertised for sale or sold using a real estate agent. Salisbury estimated this comparable, with 28.13 acres, had a land value of \$1,125,000 or \$40,000 per acre. In calculating depreciation, Salisbury calculated comparable sale 3 as having a residual building value of \$414,000 and a replacement cost new of \$6,127,440 or \$31.65 per square foot of building area. Salisbury agreed that the highest and best use of comparable sale 3 would not be for use as a seed plant.

Salisbury agreed industrial comparable sale 5 was located in an industrial park in Loves Park, which is the northern part of Rockford. Salisbury could not recall who he verified the sale with nor did he do any investigation with respect to the purchaser of the property. Salisbury agreed the highest and best use of this comparable would not be as a seed production facility. He also agreed this comparable was 10 years old at the time of sale, not 8 years as reflected in the appraisal. This comparable had 14.2 acres with an estimated land value of \$1,082,466 or approximately \$76,000 per acre. Salisbury was of the opinion this comparable had 175,500 square feet with a replacement cost new of \$7,078,605 or \$40.33 per square foot of building area.

Salisbury indicated comparable sale 6 is located in Oglesby and had deferred maintenance. This comparable is composed of two connected warehouses. Salisbury testified the highest and best use of this comparable would not be as a seed production plant. Salisbury estimated this comparable had a replacement cost new of \$2,245,206 or \$35.15 per square foot.

With respect to comparable sale 4, located in St. Elmo, Illinois, Salisbury agreed it is located approximately 245 miles south of the subject property. This comparable was used as a warehouse and Salisbury agreed the highest and best use of this comparable would not be as a seed production plant.

Salisbury agreed industrial comparable sale 7 was vacant at the time of sale and its highest and best use was for industrial warehouse use. Salisbury agreed industrial comparable 8 was a warehouse in Galesburg used by Maytag. This property is currently being offered for lease.

Salisbury testified he verified the seed plant sales with Remington Seeds. Salisbury was questioned about the various aspects of the seed plant comparable sales, which were all generally older and inferior to the subject property.

Salisbury testified that depreciation applied to the subject property was 72%, which was applied to the dryers. Salisbury agreed that he did not indicate anywhere in his report that he received construction costs from Phipps.

With respect to the highest and best use, Salisbury explained he tried to make a distinction that the subject property would sell for more as a seed production facility than as a warehousing or industrial use. However, he believed if the property was put on the market for sale, it would sell for some other industrial use.

Under re-direct examination, Salisbury testified he inspected the entire complex. He described the subject as being of steel frame, metal siding and metal roof construction. The majority of the buildings had no insulation. He testified the corn dryers are of poured concrete construction.

Salisbury testified the comparable sales were generally constructed of steel frame, steel siding, steel roofs, or a rubberized roof system with insulated walls, heat and offices. The witness indicated this type of construction would be superior to the subject.

Salisbury indicated that page 37 of his appraisal states that the highest and best use of the subject is for industrial use. Salisbury also testified that under the sales comparison approach he added the contributory value of the grain dryers as calculated in the cost approach. Salisbury agreed that he placed considerable weight on the comparable sales approach and some weight on the cost approach. Salisbury explained that he placed less reliance on the cost approach because it is difficult to develop replacement cost new when you have a multiple-building complex and there are all forms of depreciation in various properties and proper calculation of depreciation is difficult.

Under re-cross Salisbury agreed that he calculated a value under the cost approach based on an average of \$25 per square foot for the various warehouse buildings.

The board of review submitted its "Board of Review Notes on Appeal" for each of the years under appeal. For 2005 the subject had a total assessment of \$5,412,589, which reflects a market value of \$16,312,806 using the 2005 three year median level of assessments for Henry County of 33.18%. For 2006 the subject property had a total assessment of \$5,683,219, which reflects a market value of \$16,720,268 using the 2006 three year median level of assessments for Henry County of 33.99%.

The first witness called on behalf of the board of review was the Henry County Chief County Assessment Officer (CCAO) Lindi Kernan. Kernan has served as the CCAO for Henry County since 1996. Prior to her current job she was the CCAO for Mercer County for three years. She also has the Certified Illinois Assessing Official - Intermediate (CIAO/I) designation from the Illinois Property Assessment Institute.

The witness testified there are approximately 30,000 parcels in Henry County of which 240 parcels are improved with industrial buildings. Kernan testified that in establishing market values for industrial properties in Henry County they rely primarily on the cost approach because of the few industrial sales in the county.

Kernan identified Board of Review Exhibit No. 1 as the property record card for the subject property. The witness testified that the section entitled "Division" on page 1 of the exhibit was a brief description of what transpired on the parcel through the years. The front of page 2 of the exhibit, entitled "Summary of Other Buildings", contained the original 1987 valuation of the subject property. The replacement value of the buildings for 1987 as reflected on the exhibit was \$6,135,670 with the full value being \$5,367,410. The witness testified the original 1987 assessment is not on the property record card. After the witness became the CCAO, the only changes in the assessment of the subject property from 1996 to 1999 were due to township equalization factors that were applied. She explained that in 2000 a significant assessment change was made due to new buildings, that are depicted on the back of page one of Board of Review Exhibit No. 1. She explained that the construction on the buildings began in 1999 but were assessed in 2000. The additions include a 1,200 square foot break room at \$110,520 or \$92.10 per square foot, a 2,250 square foot stage/probe building at \$158,400 or \$70.40 per square foot, a 2,250 square foot receiving/scale building at \$365,760 or \$162.56 per square foot, a 3,150 square foot bulk storage building at \$804,870 or \$255.51 per square foot, a 4,500 square foot conditioning tower at \$4,427,640 or \$983.92 per square foot, and a 90,000 square foot warehouse at \$1,473,570 or \$16.37 per square foot of building area. The total costs were \$7,340,760 with a total assessment of \$2,446,920. Kernan testified these numbers came from Phipps. Kernan identified Board of Review Exhibits Nos. 4 and 5 as the e-mail correspondence she had with Phipps concerning the cost of the various buildings. The witness testified the numbers on the property record card are 90 percent of the costs of the buildings as reported by Phipps. Kernan identified Board of Review Exhibit No. 6 as a fax that she sent to Jeff Strothcamp of Pioneer Company with the property record card explaining the value on the new portion of the building.

Kernan testified no additions were made to the Pioneer facility from 2000 through 2002. A warehouse was added in 2003 and a partial assessment was done resulting in an assessed value

increase of \$56,260. The additions included two connecting buildings composed of a 1,200 square feet and a 40,000 square foot warehouse. The witness indicated the total cost was \$800,100, or \$19.42 per square foot, resulting in an assessment of \$266,700. Kernan testified that the costs came from Pioneer. The total assessed value for the subject in 2004 was \$5,412,589. Kernan testified the subject's total assessment was the same in 2005 and equated to a market value of \$16,237,767 as of January 1, 2005.

The witness also testified that she attempted to have an appraisal prepared for the appeal filed with the Property Tax Appeal Board. She explained that the appraisers she consulted indicated they had done some research and there were no available sales of this type of facility in the Midwest.

Under cross-examination Kernan agreed that Pioneer provided her with the costs to build something. The witness also explained that the property record cards associated with Board of Review Exhibit No. 1 and Board of Review Exhibit No. 6 differed due to being completed at different points in time. Additional information was added to Board of Review Exhibit No. 1. The witness was questioned why she adjusted the figures provided by Phipps on Board of Review Exhibit No. 5 to 90% of the reported costs. She explained that in part that: "It's just what I chose to put it on at." She was questioned with respect to the value of the 90,000 square foot warehouse at \$1,473,570 compared to Salisbury's valuation of the same warehouse at \$2,250,000 or \$25.00 per square foot. The reported cost new of the warehouse building by Phipps was \$1,637,300.

With respect to the 40,000 square foot warehouse constructed in 2003, Kernan was shown Board of Review Exhibit No. 11, a tax abatement application from Pioneer to Henry County, identifying the cost at \$815,000. Using the property record card, Board of Review Exhibit No. 1, Kernan identified the warehouse had a cost of \$776,800. Salisbury reported the cost new of the 40,000 square foot warehouse to be \$1,000,000 or \$25.00 per square foot. The witness could not recall how she arrived at the figure of \$776,800.

Under redirect, Kernan agreed that the values she put on the additions based on the cost data received from Pioneer would have been the costs of those additions at the time they were made, not as of January 1, 2005. Under cross-examination she agreed that the cost or value figures provided her were related to 1999 and 2003, not related to 2005 costs.

The next witness called on behalf of the board of review was board of review member, Steve Carton. Carton is a real estate broker and farmer. The witness testified that he was familiar with the seed plant sales used by Salisbury. He testified that seed plant sale no. 1 did not have grain dryers and the seller retained the research component. It was his understanding this

property was not listed for sale prior to its purchase. Carton was not familiar with Salisbury's seed plant sale no. 2. With respect to Salisbury's seed plant sale no. 3 located in Milford, Carton believed this plant was sold with two other properties. He did not believe there had been any production at the Milford plant in the previous years. Carton believed the purchaser moved the processing machinery and equipment from Milford to Indiana. Carton explained the property at Milford is not now being used for seed corn production. Carton described Salisbury's seed plant sale 4 in Mount Pleasant, Illinois, as a warehousing facility. Carton also agreed that Salisbury's seed plant sale 5 was a warehousing facility. To his knowledge neither sale 4 or 5 were listed with a real estate broker. To his knowledge Salisbury's seed plant sale no. 6 was not listed with a broker.

Carton was of the opinion none of the seed plant sales used by Salisbury was comparable to the subject property.

With respect to Salisbury's industrial sales, Carton testified the purchaser of the Loves Park facility, Illinois Growth Enterprises, is a not-for-profit organization and exempt from property taxation. With respect to industrial sale 3, his communication with the seller, GC/Waldom Electronics, revealed they were still at the same address as the comparable sale. The witness did not believe these industrial properties were comparable to the subject property. He also was of the opinion Salisbury's estimate of 72% depreciation was excessive.

Under cross-examination Carton stated he was not an appraiser and did not have a CIAO designation. He also stated he has not been in the subject property. He further testified he had not inspected the comparables in Salisbury's report.

Carton agreed with Salisbury's land value. He agreed that the subject property has a significant amount of warehousing and that the dryers at the subject are a unique feature. He also did not have any market data or facts to show Salisbury's estimate of 72% depreciation was incorrect.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal. The Board further finds the evidence in the record supports a reduction in the subject's assessment.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value in the record is the appraised value presented by Salisbury on behalf of the appellant. Salisbury developed the cost approach and sales comparison approach to value in estimating the subject property had a market value of \$7,500,000 as of January 1, 2005. He also offered the opinion that there would not be any significant market change between 2005 and 2006.

Under the cost approach Salisbury used a recognized cost manual and data provided by Pioneer through its employee Phipps to estimate the cost new of the improvements. Similarly, the Henry County CCAO obtained cost data about the subject property through Pioneer and Phipps, which seems to corroborate Salisbury's procedure in estimating the cost new for the subject property. Furthermore, Kernan testified that in establishing market values for industrial properties in Henry County they rely primarily on the cost approach because of the few industrial sales in the county, which makes this approach of some relevance in this appeal. A primary difference in the cost approach developed by Salisbury and that developed by the Henry County Assessment Officials as reflected on the subject's property record card, Board of Review Exhibit No. 1, is that Salisbury calculated replacement cost new as of January 1, 2005, while the cost figures in the board of review evidence related to the time when the various buildings were constructed, which predated the assessment dates at issue by numerous years. A second major difference between the two is that Salisbury estimated overall depreciation from all causes for the subject property to be 72%. Although the board of review challenged the accuracy of this amount it did not offer an alternative estimate of depreciation. Significantly, the Board finds that the property record card containing the various values for the building components, includes no calculation regarding depreciation. Board of Review Exhibit No. 1 has no estimate of the effective age, total economic life or remaining economic life that could be used to estimate depreciation. Additionally, under the cost approach, Salisbury provided an estimate of value for the subject land using comparable land sales. The board of review did not provide any land sales to support the land value as reflected in the assessment.

The Board further finds that the comparable sales contained in Salisbury's report add to the credibility of his final estimate of value. The Board recognizes that although the industrial sales were not similar to the subject in use as a seed production facility, these properties had components similar to the subject, namely the warehousing areas. The subject property had a significant proportion of its building area devoted to warehousing space. Furthermore, Salisbury included sales of older seed plants, which were recognized by the appraiser to be inferior to the subject but add to the credibility of his analysis contained in the sales comparison approach. As a final point, Salisbury added a component for the corn dryers on the subject property, to account for some of the subject's different

features, in arriving at a final value estimate under the sales comparison approach. Although the board of review challenged the quality, validity and reliability of the sales, it offered no sales or market data to challenge or refute Salisbury's conclusion of value under the sales comparison approach.

In conclusion, after comparing the evidence and testimony presented by the parties, the Property Tax Appeal Board finds the evidence and testimony presented by the appellant through its appraiser, Salisbury, to be the most credible and best evidence of market value in this record.

Based on this record, the Property Tax Appeal Board finds the subject property had a market value of \$7,500,000 as of both January 1, 2005 and January 1, 2006. Since market value has been determined, the 2005 and 2006 three year median levels of assessment for Henry County of 33.18% and 33.99%, respectively, shall apply.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.

*Ronald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*Shawn R. Lerbis*

Member

DISSENTING:

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: January 26, 2010

*Allen Castrovillari*

Clerk of the Property Tax Appeal Board

**IMPORTANT NOTICE**

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.