



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

APPELLANT: Nethery Partners LP  
DOCKET NO.: 13-00892.001-C-1  
PARCEL NO.: 08-17-305-004

The parties of record before the Property Tax Appeal Board are Nethery Partners LP, the appellant, by attorney James E. Tuneberg of Guyer & Enichen, in Rockford, and the Winnebago County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the **Winnebago** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$47,020  
**IMPR.:** \$385,671  
**TOTAL:** \$432,691

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the Winnebago County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2013 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

**Findings of Fact**

The subject property consists of a one-story warehouse building of concrete tilt-up construction with 69,760 square feet of building area which was constructed in 1999. Features include 6,145 square feet of office area. The property has a 282,266

square foot site and is located in Machesney Park, Harlem Township, Winnebago County.

The appellant contends overvaluation as the basis of the appeal.

Exhibit A is a spreadsheet of nine comparable industrial sales of manufacturing or warehouse properties. The parcels range in size from 37,577 to 703,500 square feet of land area improved with one-story buildings that were built between 1975 and 2001. The buildings range in size from 10,840 to 342,680 square feet of building area. The comparables have ceiling heights ranging from 0 feet to 20 feet as reported in the spreadsheet. The properties sold between January 2011 and October 2013 for prices ranging from \$156,000 to \$2,070,000 or from \$2.92 to \$41.88 per square foot of building area, including land. The comment on the spreadsheet states, "only three of the sale properties are large enough to be comparable to the subject property (with 69,760 square feet). The first and largest sale property is too inferior physically to be comparable. The next two are a sale and resale of the same property. The rest of the sales are too small to be comparable."

The appellant also submitted a second spreadsheet, Exhibit B, of six manufacturing or warehouse properties, where sale #2 is the same as sale #2 in Exhibit A. These parcels range in size from 93,405 to 703,500 square feet of land area which are improved with one-story buildings that were built between 1968 and 1985. The buildings range in size from 34,432 to 120,000 square feet of building area and feature ceiling heights ranging from 16 feet to 20 feet. The properties sold between February 2011 and June 2013 for prices ranging from \$275,000 to \$2,070,000 or from \$5.41 to \$20.94 per square foot of building area, including land.

The appellant also performed an analysis of the building only value by deducting the "assessor's land value for the year of the sale from the Sale Price and then dividing by the building size." This analysis resulted in building only sale prices ranging from \$3.57 to \$17.80 per square foot. In a brief, the appellant contended that this analysis is "done to eliminate the effect of differing land to building ratios and to a lesser extent location."

Also in the brief, the appellant reported that as a group the comparable sales are inferior to the subject, primarily in age and condition, which justifies the appellant's request for a higher per-square-foot median sale price.

Based on this evidence and argument, the appellant requested a total assessment reflective of a market value of approximately \$1,200,000 or \$17.20 per square foot of building area, including land.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$432,691. The subject's assessment reflects a market value of \$1,605,252 or \$18.71 per square foot of living area, land included, when using the 2013 three year average median level of assessment for Winnebago County of 33.15% as determined by the Illinois Department of Revenue.

In rebuttal, the township assessor contended that a request to inspect and "list the building" has been made but entry/access was refused by the owner. The township assessor contends that there is a discrepancy in the building's size as shown on the website of Applied Products, Inc. which describes the subject as a building with "over 100,000 square feet" of manufacturing and warehouse space.<sup>1</sup>

As to the sales presented by the appellant, the township assessor contended that sale #1 was sold in lieu of foreclosure; sale #2 was a foreclosure; and sale #3 was a related party sale.

In support of its contention of the correct assessment the board of review cited to the appellant's comparable sales #4, #5 and #6 along with the submission of two grid analyses with sales data. The first grid is identified as "Harlem Township Industrial Sales 1-1-10 to 7-31-13." There are 19 sales on the grid of buildings ranging in size from 3,200 to 100,000 square feet. The sales occurred between March 2010 and June 2013 for prices ranging from \$67,000 to \$2,070,000 or from \$11.46 to \$44.35 per square foot of building area, including land.

The second grid is entitled "25,000+ Modern Post War Winn Co Indl Sales 1-1-10 to 7-31-13." This grid contains 11 sales and includes appellant's comparable sales #1, #4 and #3 from appellant's Exhibit B. These comparable buildings range in size from 31,557 to 100,000 square feet of building area. These

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<sup>1</sup> The Property Tax Appeal Board takes notice that pursuant to procedural rule Section 1910.94(a), the Winnebago County Board of Review could have pursued an inspection of the subject property. (86 Ill.Admin.Code §1910.94(a)). As an aside and for purposes of this appeal, the section is not applicable because the request to inspect the property was made by the township assessor, not by the board of review.

properties sold between March 2010 and June 2013 for prices ranging from \$500,000 to \$2,862,500 or from \$11.61 to \$37.27 per square foot of building area, including land.

Based on this evidence and argument, the board of review requested confirmation of the subject's estimated market value as reflect by its assessment.

In written rebuttal, counsel for the appellant disputed the assertion that appellant's sale #3 was between related parties; although having similar names, according to the involved Realtor, Zenith Cutter, Inc. and Wilkey Zenith, LLC, were not related parties. As to the sales presented by the township assessor, the appellant contends that two are listings and other sales are from Boone County. In addition, the appellant contends that the comparables presented by the township assessor are much smaller and/or too old to be relevant. The appellant made specific assertions regarding sales in Boone County being parts of the sale of multiple parcels from Landmark Holdings to Stag Belvidere.

Finally, counsel for the appellant contends that exterior measurements of the subject facility were authorized but not pursued by the township assessor. Interior inspection was not permissible under existing non-disclosure agreements with various customers according to the appellant.

#### **Conclusion of Law**

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. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). The Board finds the appellant did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

Examining the most relevant comparable sales submitted by both parties as presented in appellant's Exhibit B and in board of review grid of "25,000+" the parties submitted a total of 14 sales to support their respective positions before the Property Tax Appeal Board.

The Property Tax Appeal Board finds the best evidence of market value to be sales #1 along with #3 through #6 submitted by the appellant in Exhibit B and sales #1 through #5 along with sale #7, #9 and #11 submitted by the board of review. Board of review sales #1, #4 and #5 were the same as appellant's sales #1, #4 and #3, respectively. These comparables were improved with buildings ranging in size from 31,557 to 120,000 square feet of building area which develop a range of prices from \$500,000 to \$2,070,000 or from \$7.83 to \$37.27 per square foot of building area, including land.

Less weight was given to appellant's sale #2 as the appellant indicated this property was Real Estate Owned (REO) and the sale price appears to be an outlier at \$5.41 per square foot of building area, including land. Less weight was also given to board of review sales #6, #8 and #10 as these properties sold in 2010, not as proximate in time to the assessment date as the best sales herein.

The Board also gave little weight to the appellant's analysis abstracting a land value from the sales price for each comparable in Exhibit B based on the land assessment for the year of the sale. The Board finds there was no market data to support the calculations. The better approach would have been to provide comparable land sales to establish the market value of the land for each improved comparable at the time the property sold. This estimated land value could then be deducted from the total sales price to arrive at a building residual value for each comparable. The Board finds the analysis performed by deducting the value reflected by the land assessment in order to establish the portion of the total sales price attributable to the building for each comparable was not credible or supported on the record.

Based upon the evidence in the record, the subject's assessment reflects a market value of \$1,605,252 or \$18.71 per square foot of building area, including land, which is within the range established by the best comparable sales in this record. Based on this evidence the Board finds a reduction in the subject's assessment is not justified.

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.

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Chairman

*K. L. Fan*

*Mario Alvarez*

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Member

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Member

*JR*

*Jerry White*

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Member

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Acting Member

*Robert Steffen*

\_\_\_\_\_  
Acting 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: November 20, 2015

*A. Proctor*

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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.