



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

APPELLANT: R B Hayes Inc.
DOCKET NO.: 13-00899.001-C-1
PARCEL NO.: 15-23-176-004

The parties of record before the Property Tax Appeal Board are R B Hayes Inc., 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: \$30,676
IMPR.: \$267,909
TOTAL: \$298,585

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 industrial or manufacturing facility of steel exterior construction with 64,100 square feet of building area. The building was constructed in 1972. Features include 3,000 square feet of

office space and a 16 foot wall height. The property has a 128,314 square foot site with a land-to-building ratio of 2.00:1 and is located in Rockford, Rockford Township, Winnebago County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted information on five comparable sales along with a brief. The appellant contends the property would also be suitable for warehouse use in addition to its current use for light manufacturing.

The comparable parcels range in size from 51,491 to 479,160 square feet of land area improved with one-story buildings constructed between 1946 and 1985. The buildings range in size from 20,907 to 120,000 square feet of building area and have wall heights of either 16 feet or 18 feet. These comparables have land-to-building ratios ranging from 2.46:1 to 5.87:1. The properties sold between November 2011 and September 2013 for prices ranging from \$159,000 to \$940,000 or from \$5.41 to \$14.06 per square foot of building area, including land.

The appellant also performed an analysis to determine the building price "by subtracting the Assessor's land value for the year of the sale from the Sale Price and then dividing by the building size." In the brief the appellant contended that this method reduces "the effect of differing land to value ratios on price" along with reducing the effects of location, zoning, access, parking area, etc. This analysis resulted in sales prices per square foot of building only ranging from \$3.57 to \$10.62 per square foot.

The appellant also submitted a spreadsheet marked as Exhibit A entitled "sales of similar properties in the subject's area sold since 2011." This spreadsheet reflects 23 sales of buildings ranging in size from 3,991 to 174,484 square feet of building area with parcels ranging in size from 8,690 to 479,160 square feet of land area. The properties sold for prices ranging from \$45,000 to \$2,862,500 or from \$4.71 to \$29.25 per square foot of building area, including land.

Based on this evidence the appellant requested a total assessment of \$233,333 which would reflect a market value of approximately \$700,000 or \$10.92 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 \$298,585. The subject's assessment reflects a market value of

\$900,709 or \$14.05 per square foot of building 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 response to the appeal, the board of review submitted a document entitled "Assessors Notes" along with three property record cards marked as "T/A Sales Comps #1," "#2" and "#3," respectively, with #3 having two separate cards. Also submitted were property record cards for the five comparables presented by the appellant. The assessor contends that the average price of all of the appellant's comparable sales is \$14.00 per square foot and the median price is \$13.20 per square foot.

In support of its contention of the correct assessment the board of review through the township assessor as stated in the Assessor's Notes submitted information on "three" comparable sales which were built within 4 years of the subject building. Board of review comparable #2 is the same property as appellant's comparable sale #3. Interpreting the four respective property record cards,¹ the Board finds the comparables have parcels ranging in size from 217,008 to 417,000 square feet of land area improved with one-story buildings of frame and masonry or concrete block and steel frame construction which were built between 1968 and 2003. The buildings range in size from 36,985 to 174,484 square feet of building area and sold between July and December 2012 for prices ranging from \$520,000 to \$2,862,500 or from \$10.54 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 reflected by its assessment.

In written rebuttal, the appellant stated that Exhibit A was "not intended to be, as a group, comparable sales." The properties in Exhibit A "vary far too much in building age and size to be comparable to the subject." The appellant states the purpose was to provide an overview of the market for industrial buildings in the area along with depicting the prevalence for REO sales of larger buildings.

¹ The township assessor submitted two cards both identified as #3 with a handwritten sale price of \$22.78 per square foot. No mathematical calculation of the two building sizes and the single December 2012 sale price of \$2,862,500 results in the stated price-per-square-foot. This matter was clarified by the appellant's rebuttal submission.

As to board of review "sales #3 and #4," the appellant contends these were "disallowed at the Board of Review as they were showed [sic] to be between related parties (landlord to tenant)." Attached Exhibit C is a typed document outlining the sale of two parcels each for a price of \$2,862,500 in December 2012 or a total price of \$5,725,000 with a total building area of 251,284 square feet which results in a sale price per square foot of \$22.78.

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.

The parties submitted a total of eight comparable sales to support their respective positions before the Property Tax Appeal Board with one common property among the parties. The Board has given reduced weight to appellant's sale #1 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. The Board has also given reduced weight to board of review comparable #3 [sic] consisting of two sales of two properties that were reportedly sold between related parties and were alleged to not be arm's length sales transactions, moreover, the resulting sales price of \$22.78 per square foot, including land, also appears to be an outlier on this record.

The Board finds the best evidence of market value to be appellant's comparable sales #2 through #5 along with board of review comparable sales #1 and #2, where board of review comparable #2 was also appellant's sale #3. These five most similar comparables sold between October 2011 and September 2013 for prices ranging from \$159,000 to \$1,200,000 or from \$7.61 to \$14.06 per square foot of building area, including land.

The Board also gave little weight to the appellant's analysis abstracting a land value from the sales price for each comparable 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.

The subject's assessment reflects a market value of \$900,709 or \$14.05 per square foot of building area, including land, which is within the range established by the best comparable sales in this record and appears to be well-supported giving due consideration to the subject's age, size and/or features. 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.

Chairman

K. L. Fan

Klaus Albrecht

Member

Member

JR

Jerry White

Member

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

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.