



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

APPELLANT: Rockford Bank & Trust Co.  
DOCKET NO.: 13-01964.001-C-1  
PARCEL NO.: 12-20-227-037

The parties of record before the Property Tax Appeal Board are Rockford Bank & Trust Co., 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:** \$77,887  
**IMPR.:** \$459,294  
**TOTAL:** \$537,181

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 two-story bank and office building of brick exterior construction with 20,592 square feet of building area. The building was constructed in 2006. The property has an 82,895 square foot site with a land-to-building

ratio of 4.03:1. The property is located in Rockford Township, Winnebago County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a brief outlining the argument along with a spreadsheet of seven comparable "office-general" sales. For purposes of the analysis, the appellant's brief utilized a unit of comparison of the "implied price of the building improvements" which was derived by subtracting the land value for the year of the sale according to the land assessment. The comparable parcels range in size from 39,924 to 183,873 square feet of land area improved with five, one-story buildings, a two-story building and a four-story building. These comparables were built between 1993 and 2006. The buildings range in size from 10,560 to 64,800 square feet of building area. Five of the comparables were reported as short sale or REO sales. The properties sold between March 2012 and June 2013 for prices ranging from \$747,422 to \$3,600,000 or from \$55.08 to \$75.95 per square foot of building area, including land. For the alternative analysis of price per building square foot, without land, the appellant reported a price range from \$31.27 to \$61.43 per square foot of building area.

As part of the brief, the appellant contended that the subject "for the large part" is an office building with the second floor and half of the first floor being typical office space.

Exhibit B was submitted and is entitled "Comments on bank buildings/facilities." There is no signature on this document and no indication whose opinion is presented and/or what the author's qualifications are to make the assertions. In the brief, the appellant cites to Exhibit B for the proposition that it is "highly unlikely that another bank would use the [subject] building as is." If used as general office space, the appellant contends that the subject's lobby, teller line and vault would be a detriment to value.

The appellant also submitted Exhibit A consisting of 21 sales of office buildings with locations similar to the subject. In the brief, the appellant stated "clearly most of them are not useable as comparables due to differences in age or building size."

Exhibit C is an article from the Wall Street Journal, January 29, 2014, describing the reduced number of bank branches. In the main reason is the rise of electronic banking.

The appellant concluded that the subject is somewhat superior to the comparables in age, but inferior due to larger building size and two-story design. As REO and short sales are dominant in the market, the appellant requested a total assessment of \$466,667 which would reflect a market value of approximately \$1,400,001 or \$67.99 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 \$537,181. The subject's assessment reflects a market value of \$1,620,456 or \$78.69 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, the board of review submitted a two-page memorandum from the township assessor who noted, in part, that the appellant was challenging the subject's improvement value only. The assessor stated:

When we value the improvement we value it separately from the land. The improvement is valued based upon age, condition and many other factors. While the land is not included in the improvement value the blacktop for the parking is included in the improvement value. [Emphasis added.]

The subject property is asserted to be the newest bank in Rockford Township. The appellant's comparable sales consist of nice office buildings, but they "are not built to the specifications of a bank and therefore are not very comparable."

In support of its contention of the correct assessment the board of review through the township assessor submitted three property record cards reflecting sales of branch banks that occurred in Rockford Township within the last three years. Interpreting the property record cards, the Board finds the comparables range in size from 2,235 to 5,400 square feet of building area. The buildings were built between 1969 and 1991. The properties sold between October 2012 and February 2014 for prices ranging from \$100,000 to \$550,000 or from \$44.74 to \$146.12 per square foot of building area, including land. The township assessor further stated comparable #3 was purchased by a Credit Union for use as a bank and:

The President of the Credit Union told us because it is a bank it is a specialized use building and would cost more than double the sale price to build it new.

Next the township assessor set forth "construction costs for banks" described as a "main bank" ranging from \$130 to \$285 per square foot and a "branch bank" ranging from \$100 to \$235 per square foot. After those building costs, the assessor asserted there were additional costs for a bank that are not associated with "regular office buildings" such as a security vault, record retention vault, security vault doors, record vault doors, safe deposit boxes, drive up windows and ATM structures, to name a few; the assessor reported cost ranges for each of the items that were listed ranging from \$60 to \$203,000.

The township assessor also wrote, "I agree with the appellants [sic] exhibit B [sic] which is an article from the Wall Street Journal that the advent of online banking will cause many more branch banks to close. They will however, never be able to close all banks and branch banks because there are too many things people need to do at the bank such as put in and take out of their safe deposit boxes which you cannot do online."

In written rebuttal, the appellant presented an analysis of the board of review's sales #1 and #2 that "removes" the land value in a similar analysis to that originally presented by the appellant resulting in building only sales prices of -\$7.57 and \$40.13 per square foot. The appellant stated that board of review sale #3 from 2014 "should not be considered." As to the building cost new data, the appellant contends that the assessor provided no evidence that the extra cost(s) as compared to general office buildings is reflected in sales prices.

#### **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 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 parties submitted a total of ten sales to support their respective positions before the Property Tax Appeal Board. The comparables differ from the subject in age, size and/or land area. The Board has given reduced weight to the board of review comparable sales which range in building size from 2,235 to 5,400 square feet which are all substantially smaller than the subject building of 20,592 square feet. Similarly, the Board has given reduced weight to appellant's comparables #4 and #7 which are each substantially larger or smaller than the subject building.

The Board finds the best evidence of market value to be appellant's comparables #1 through #3 and #5 and #6 despite that most of these are one-story buildings as compared to the subject's two-story design. These comparables sold between July 2012 and June 2013 for prices ranging from \$747,422 to \$1,625,000 or from \$55.08 to \$69.68 per square foot of building area, including land. The most similar comparable to the subject in building size, design and age was appellant's comparable #1 which sold in June 2013 for \$1,625,000 or \$69.68 per square foot of building area, including land. The subject's assessment reflects a market value of \$1,620,456 or \$78.69 per square foot of building area, including land, which appears to be justified when giving due consideration to the subject's slightly newer age and substantially larger land area when compared to appellant's comparable #1. 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. Fen*

*Klaus Albrecht*

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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.