



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

APPELLANT: GB Real Estate Holdings LLC
DOCKET NO.: 13-02631.001-C-1
PARCEL NO.: 16-08-251-007

The parties of record before the Property Tax Appeal Board are GB Real Estate Holdings LLC, 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: \$40,898
IMPR.: \$649,165
TOTAL: \$690,063

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 has a total building area of 73,998 square feet consisting of a one-story concrete tilt-up office/warehouse building of 66,618 square feet of building area with a 20 foot wall height and a detached concrete storage garage of 7,380 square feet of building area. The main building was constructed

in 1997 and includes a warehouse area of 41,104 square feet which stores industrial and medical gases, some of which are flammable. The warehouse is divided into four sections with blast resistant walls and a truck drive-thru. The main building also has a 16,647 square foot office area and an 8,867 square foot retail store. The property has a 330,557 square foot site which results in a land-to-building ratio of 4.47:1. The subject is located in Cherry Valley 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 sales, five of which were identified as "manufacturing" and two of which were identified as "warehouse." In the brief, the appellant contended as a group these comparables are physically inferior to the subject in building size and age. As part of the brief, the appellant asserted that the subject is a special purpose, build-to-suite, design which limits its marketability and value.

For purposes of the sales comparable 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 86,800 to 703,500 square feet of land area improved with one-story buildings that were built between 1973 and 2000. The buildings range in size from 23,242 to 116,755 square feet of building area. The buildings have wall heights ranging from 14 feet to 25 feet. These properties have land-to-building ratios ranging from 3.30:1 to 7.12:1. One of the comparables was reported as an REO sale. The properties sold between March 2012 and July 2013 for prices ranging from \$400,000 to \$2,070,000 or from \$11.13 to \$25.60 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 \$6.18 to \$20.70 per square foot of building area.

Also submitted was a spreadsheet marked as "Exhibit A" consisting of ten sales of manufacturing or warehouse properties which the appellant characterized as "potential comparable sales" which have locations and building sizes similar to the subject.

Based on the foregoing evidence and argument, the appellant requested a total assessment of \$600,000 which would reflect a

market value of approximately \$1,800,000 or \$24.32 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 \$690,063. The subject's assessment reflects a market value of \$2,081,638 or \$28.13 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 memorandum and documentation prepared by the Cherry Valley Township Assessor's Office. The memorandum asserted that comparable buildings that were not in the 30,000 to 100,000 square foot range were dissimilar to the subject; therefore, the appellant's comparables #2, #3 and #6 were criticized for differing from the subject in building size. The township assessor also noted that the subject is superior to all of the comparables in age, size, location or wall height.

In support of its contention of the correct assessment the board of review through the township assessor submitted information on six comparable "local" sales in Exhibit A, four of which were identical to the appellant's comparables #1, #4, #5 and #7. The parcels range in size from 126,778 to 703,500 square feet of land area which are improved with buildings ranging in size from 31,557 to 98,840 square feet of building area. The buildings were built between 1973 and 2000. The wall heights range from 14 feet to 22 feet. The properties sold between May 2010 and July 2013 for prices ranging from \$550,000 to \$2,070,000 or from \$15.97 to \$35.39 per square foot of building area, including land. For the appellant's alternative analysis of price per building square foot, without land, the assessor reported a price range from \$13.00 to \$32.30 per square foot of building area. In the memorandum, the township assessor asserted that due to the subject's superiority, it's higher value was justified compared to these area properties.

In further support, the board of review through the township assessor submitted information on five comparable sales and five listings noted as "regional" comparables "located in close proximity to highways." Five of the comparables are in Illinois cities, four are in Wisconsin and one is in Iowa. In the memorandum the township assessor contended that the subject is used as a main branch/headquarters for a business and is located right off of the highway; "it is the perfect set-up and location

for any company that does more than local business. Therefore, we feel that a more regional market should be considered for this subject." The comparable buildings range in size from 56,271 to 82,907 square feet of building area. The five sales occurred between June 2010 and May 2014. The comparables have sales or asking prices ranging from \$1,450,000 to \$4,599,000 or from \$25.77 to \$63.00 per square foot of building area, including land.

Based on the foregoing evidence and argument, the board of review requested confirmation of the subject's assessment.

In written rebuttal, the appellant contended that the analysis of the subject building should not include the detached storage building for purposes of analyzing market value of the property; the appellant acknowledged that the garage structure has value of "no more than \$15.00/SF."

As to the regional comparable sales, the appellant contends that none of the board of review's submission supports an implication that the subject would be part of a regional market. Additionally, there was no evidence whether there are locational price differences between the regional comparables and the subject. In summary, the appellant requests this regional data be given no weight.

Lastly, the appellant contends there has been confusion between the concept of market value and value in use. Given the subject's specific design for a specific use, the appellant asserts that the subject would be a "gross over-improvement" for any other buyer or user.

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 Property Tax Appeal Board gives little weight to board of review "Exhibit B" of "regional" comparable sales and listings

as the submission failed to establish that the subject property was sufficiently similar to these comparables and/or what adjustments are necessary for locational differences; there was also no evidence as to the age of these comparables or the land area of the comparable properties. For these reasons, the Board finds the similarities and/or dissimilarities of these properties to the subject have not been sufficiently established on this record for purposes of analysis.

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 nine comparable sales located in Winnebago County to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to appellant's comparables #2, #3 and #6 which differ in building size substantially from the subject building. The Board has also given reduced weight to board of review comparable #4 in Exhibit A due to its dated sale that occurred in May 2010 when compared to the valuation date of January 1, 2013.

The Board finds the best evidence of market value to be appellant's comparable sales #1, #4, #5 and #7 along with the board of review comparable sales which repeat the appellant's four most similar comparables along with board of review comparable #1. These five most similar comparables have varying degrees of similarity to the subject property. The properties sold between March 2012 and July 2013 for prices ranging from \$550,000 to \$2,070,000 or from \$15.97 to \$26.94 per square foot of building area, including land. The subject's assessment reflects a market value of \$2,081,638 or \$28.13 per square foot of building area, including land, which is above the range established by the best comparable sales in this record, but appears to be justified when giving due consideration to the

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subject's age, building size and/or land-to-building ratio. 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



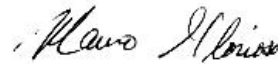
Member



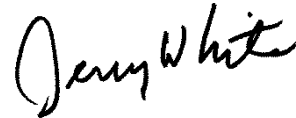
Member



Acting Member



Member



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



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.