



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

APPELLANT: Ballard Properties Group, LLC
DOCKET NO.: 13-03264.001-I-1
PARCEL NO.: 16-04-102-006

The parties of record before the Property Tax Appeal Board are Ballard Properties Group, 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: \$17,890
IMPR.: \$456,717
TOTAL: \$474,607

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 property¹ consists of a one-story brick and concrete block multi-tenant industrial building that contains 73,513

¹ The appellant contends that the subject property consists of four parcels with the subject building being located partially on each parcel, but the assessing officials have listed the entire improvement on one parcel. Only

square feet of building area. The building was constructed in 1973 and features approximately 15,000 square feet of office space. The subject property has a wall height of 20 feet. The total land area of the subject with all four parcels consists of an 185,108 square foot site with a land-to-building ratio of 7.89:1. The subject property is located in Rockford, Cherry Valley Township, Winnebago County.

The appellant contends overvaluation as the basis of the appeal. As to the subject property the appellant reports the property was designed to have four separate tenant spaces for use as light industrial space. As of the presentation of the brief, the property has two tenants which occupy the entire building.

In support of the overvaluation argument, the appellant submitted comparable sales set forth on Exhibits A and B along with a brief explaining the analysis of the sales data.

Exhibit A consists of a spreadsheet of sales of manufacturing properties in Cherry Valley Township which sold between January 1, 2011 and July 31, 2013. The properties are located within a mile of the subject property. The 18 comparables are described as one-story structures that were built between 1969 and 1991. The parcels range in size from 15,733 to 216,635 square feet of land area. The buildings range in size from 5,000 to 38,462 square feet of building area with wall heights ranging from 12 feet to 24 feet. The properties have land-to-building ratios ranging from 2.19:1 to 8.7:1. The sales occurred between April 2011 and July 2012 for prices ranging from \$137,500 to \$750,000 or from \$14.52 to \$55.56 per square foot of building area, including land.

Exhibit B consists of a spreadsheet of seven sales of manufacturing buildings, four of which were set forth in Exhibit A. The three new comparable sales are located in either Harlem or Rockford Townships. The three new sales comparables consist of one-story buildings that were built between 1968 and 1985. These three buildings range in size from 42,327 to 98,840 square feet of building area with wall heights ranging from 16 feet to 20 feet. These three properties sold between February 2011 and May 2013 for prices ranging from \$275,000 to \$2,070,000 or from

parcel 16-04-102-006 with the entire building assessment was appealed in this matter. The subject property record card indicates the associated parcels 007, 008 and 009 have land values only. Neither party presented those land assessments, thus the record is unclear as to what the entire market value of the subject property would be with the inclusion of all four parcels.

\$5.41 to \$20.94 per square foot of building area, including land.

As part of Exhibit B, the appellant reports both the sale price per square foot of all seven of the selected comparables, including land, and also sets forth an analysis where "the assessor's land value for the year of the sale" has been deducted from the sale price to provide a "net building price per square foot" of the comparables. The appellant in the brief contended that this analysis "reduces the effect of differing land to value ratios on price which can distort the overall price per square foot relative to the subject property." As part of the brief, the appellant also asserted that "Due to the subject building's large size and the market's preference for the more numerous smaller industrial buildings, the median Sale price shown on Exhibit B is reduced as larger buildings sell for less per square foot than do smaller ones. A further consideration is the subject's older construction date." The seven comparable sales occurred between February 2011 and July 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, or from \$3.57 to \$17.80 per square foot of building area, without land.

Based on this evidence and analysis, the appellant requested a total assessment reflective of a market value of \$1,200,000 or approximately \$16.32 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 parcel of \$474,607. The subject's assessment reflects a market value of \$1,431,695 or \$19.48 per square foot of building area, land included for the subject parcel, 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 appellant's appeal, the board of review also utilized appellant's comparables #1, #3, #5 and #7 from Exhibit B. As to appellant's comparable #2, the board of review contends this was an REO sale and is not typical given the other available sales; and appellant's sales #4 and #6 are both dissimilar in building size and are not appropriate comparables.

In support of its contention of the correct assessment the board of review submitted information on seven comparable sales, four of which were also presented by the appellant. The assessing

officials contend that comparable buildings that range in size from 30,000 to 100,000 square feet are suitable comparables. The assessing officials also stated, "We agree with the appellant regarding the fact that the unit of comparison should be the building price per sqft due to the difference in land size." The seven comparable buildings range in size from 31,557 to 98,840 square feet of building area with ceiling heights ranging 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 \$13.58 to \$35.39 per square foot of building area, including land. According to the board of review, the subject has a building value of \$16.66 per square foot and these comparables sold for prices ranging from \$13.00 to \$32.30 per square foot of building area, without land.

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

In written rebuttal, appellant argued that board of review comparable sale #5 which occurred in 2010 was a dated sale, too remote in time to be relevant to the subject's estimated market value as of the assessment date. In addition, the appellant contended this sale price was an "outlier." As to board of review sale #6, the building is 27 years newer than the subject and therefore is dissimilar to the subject. Removing these two sales, the appellant contends the median sale price is \$19.50 per square foot, land and building, and an implied improvement value of \$16.64 per square foot.

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 finds the best evidence of market value to be sales #1 along with #3 through #7 submitted by the appellant in Exhibit B and sales #1 through #4 along with sale #7 submitted by the board of review. Board of review sales #2,

#3, #4 and #7 were the same as appellant's sales #5, #1, #7 and #3, respectively. These comparables were improved with buildings ranging in size from 23,088 to 98,840 square feet of building area, wall heights ranging from 14 feet to 24 feet and develop a range of prices from \$400,000 to \$2,070,000 or from \$13.58 to \$26.94 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 sale #5 as this property sold in May 2010, not as proximate in time to the assessment date as the best sales herein. Less weight was given to board of review sale #6 due to the difference from the subject in age.

The Board also gave little weight to the appellant's and board of review'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 these 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 \$1,431,695 or \$19.48 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.

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.