



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

APPELLANT: Chem Processing Inc.
DOCKET NO.: 13-03265.001-I-1
PARCEL NO.: 16-08-251-006

The parties of record before the Property Tax Appeal Board are Chem Processing 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 in this matter, the Property Tax Appeal Board hereby finds **A Reduction** 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: \$47,213
IMPR.: \$286,120
TOTAL: \$333,333

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 initial issue in this proceeding is the size of the subject building. Taking judicial notice of both this record and the record of Docket No. 14-00174, the Property Tax Appeal Board finds that the subject property consists of a one-story manufacturing facility of steel and concrete construction which contains 34,029 square feet of above-grade building area. Approximately 11,000 square feet is used as office space. The building also features a partial basement of 11,422 square feet of building area.¹ The building was constructed in 1995 and has a 20 foot

¹ In Section III of the Industrial appeal petition, the appellant initially reported the building as containing 45,451 square feet of building area, but in subsequently filed rebuttal noted that the above-grade area was 34,029 square feet and the previously reported 45,451 square feet included the basement area. Throughout the board of review's submission, the building is referred to as having 45,451 square feet of "total" building area and in Docket No. 14-

ceiling height. The property has an approximately 358,641 square foot site and is located in Rockford, Cherry Valley Township, Winnebago County.²

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a brief along with Exhibit B depicting limited information on seven comparable sales. In the brief, counsel for the appellant reported the subject property was inspected on May 24, 2013 by Peter Wolfley and the descriptive data for the subject and comparables were obtained from the public record.

As to the subject, the appellant's brief reported that the building was designed for and used as a heat treating and plating facility. As such, the shop area is divided into five walled large areas and a few offices/laboratories given its design for the owner occupant's specific use. The brief also set forth an opinion that the subject's interior design makes it unworkable for most potential buyers which would reduce price and demand. The brief further noted the basement is unfinished, used for storage and has space for pollution control equipment.

In Exhibit B, the comparable parcels range in size from 86,800 to 426,017 square feet of land area and are improved with one-story buildings constructed between 1967 and 2000. The buildings range in size from 23,088 to 76,500 square feet of building area and have ceiling heights ranging from 14 feet to 25 feet. Six of the comparables are used for manufacturing and one is a warehouse. The properties sold between February 2011 and July 2013 for prices ranging from \$400,000 to \$1,750,000 or from \$13.58 to \$25.60 per square foot of building area, including land.

For this comparable sales analysis and as outlined in the brief, the appellant utilized a unit of comparison of "the implied price of the building improvements" as calculated by subtracting the assessor's land value for the year of the sale from the sale price and dividing by the property's building square footage. The appellant contended this was done to largely reduce the effect of differing land to value ratios on price which could distort the overall price per square foot price relative to the subject property. The brief noted that the subject has a 10.54:1 land-to-building ratio based upon a building size of 34,029 square feet whereas the comparables range from 2.21:1 to 5.87:1 land-to-building ratios. Using this unit of comparison, the appellant reported the "net building price" per square foot ranged from \$10.62 to \$20.70.

Based on the foregoing evidence and argument, the appellant requested a total assessment of \$333,333 which would reflect a market value of approximately \$1,000,000 or \$29.39 per square foot of building area, including land, based upon a building size of 34,029 square feet.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$369,334. The subject's assessment reflects a market value of \$1,114,130 or \$32.74 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

00174, the assessing officials further articulate that the basement is useable space and could be seen as useable space to a buyer due to the exposure and outside access along with an overhead door to the basement.

² The evidence presented by both parties reflects a land area of the subject parcel of 358,641 square feet, despite that the property record card for the subject depicts a parcel size of 362,651 square feet, rounded.

Illinois Department of Revenue and based upon a building size of 34,029 square feet of above-grade area.³

In response to the appeal, the board of review submitted a memorandum and data prepared by the Cherry Valley Township Assessor's Office. The assessor criticized the appellant's comparables #2, #5 and #6 for being dissimilar in building size to the subject building which contains 34,029 square feet of above-grade building area; the assessor contends that all comparables should fall between 25,000 and 80,000 square feet of building area for comparison purposes to the subject which the assessing officials contend is a 45,451 square foot building, including the subject's basement. Moreover, the assessor noted that all but one of the appellant's suggested comparables were much older than the subject and only two of the comparables have higher ceiling heights than the subject.

In support of its contention of the correct assessment the board of review through the township assessor submitted information on eight comparable sales which included appellant's comparables #1, #3, #4 and #7. The eight comparable parcels range in size from 92,725 to 425,377 square feet of land area and are improved with buildings constructed between 1967 and 2000. The buildings range in size from 29,900 to 76,500 square feet of building area and have ceiling heights ranging from 14 feet to 24 feet. The properties sold between January 2010 and July 2013 for prices ranging from \$520,000 to \$1,925,000 or from \$13.58 to \$35.39 per square foot of building area, including land.

The assessor agreed with the analysis of the appellant which excluded the land value. As a result, the assessor also reported the "net building price" per square foot of the eight comparables ranging from \$10.62 to \$32.30 as compared to the subject's net estimated market value of \$28.40 per square foot of above-grade building area.

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

In written rebuttal, counsel for the appellant argued that due to the specialized nature of the building's use, the "water supplied to the plating tanks must be purified and the used plating liquid has to be cleaned before disposal" with all of this equipment being located in the basement of the subject building. The rebuttal further opines that in the past 40 years, it is nearly impossible to find industrial buildings that have any basement space and as such, the rebuttal opines the basement has limited added value to the property. Furthermore, in rebuttal, appellant contends that the "true" building area is the above-grade area of 34,029 square feet, not the previously reported building size of 45,451 square feet which included the basement square footage.

Conclusion of Law

³ For its analysis, the assessor and board of review both utilized the total building area of 45,451 square feet which includes the partial basement; the Property Tax Appeal Board finds no support in the record for the inclusion of basement square footage in the calculation of building size in assessment practices.

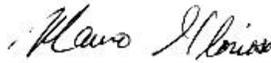
The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist 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 met this burden of proof and a reduction in the subject's assessment is warranted.

As an initial matter, the Property Tax Appeal Board gives no weight to the parties' analysis of an "implied building value" which subtracts the assessor's land value for the year of sale from the comparable sales data. Instead, the Board finds that an analysis must be made of the sale prices of the comparable properties with appropriate considerations of adjustments for differences between the subject and the comparable properties. In Showplace Theatre v. Property Tax Appeal Board, 145 Ill. App. 3d 774 (2nd Dist. 1986), the appellant only appealed the land value. The basis for judicial review was whether Showplace could appeal only the land valuation, thereby limiting the Property Tax Appeal Board's jurisdiction. The Appellate Court affirmed the Property Tax Appeal Board's decision of reducing the subject's land assessment, but increasing the improvement assessment based on its recent sale. The Appellate Court found assessments are based on real property consisting of both land and improvements. An appeal to the Property Tax Appeal Board includes both the land and improvements and together they constitute a single assessment. Likewise, in National City Bank Of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002), the court held the Property Tax Appeal Board was amply justified in giving little weight to valuation evidence since it valued only part of the property. The court did not find any error by the Property Tax Appeal Board in rejecting a "piecemeal approach" by which the petitioner sought to challenge only the valuation of only a portion of the entire property.

For this appeal, the parties submitted a total of eleven comparable sales to support their respective positions before the Property Tax Appeal Board with four comparables being common properties to both parties. The Board has given reduced weight to appellant's comparable #3/board of review comparable #8 and to board of review comparables #1 and #7. The Board finds three these properties differ from the subject in above-grade building size and/or sold in 2010, a date remote in time to the valuation date at issue of January 1, 2013.

The Board finds the best evidence of market value to be appellant's comparable sales #1, #2, #4, #5, #6 and #7 along with board of review comparable sales #2, #3, #5 and #6, where three comparables are common to both parties. These seven most similar comparables range in building size from 23,088 to 42,327 square feet of building area and sold between February 2011 and July 2013 for prices ranging from \$400,000 to \$850,000 or from \$13.58 to \$26.94 per square foot of building area, including land. The subject's assessment reflects a market value of \$1,114,130 or \$32.74 per square foot of above-grade building area, including land, which is above the range established by the best comparable sales in this record and appears to be excessive, even giving due consideration to the subject's newer age, basement area and differences in ceiling height. Based on this evidence the Board finds a reduction in the subject's assessment commensurate with the appellant's request is 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



Member



Acting Member

DISSENTING: _____

CERTIFICATION

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: March 24, 2017



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.