



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

APPELLANT: R B Hayes Inc.
DOCKET NO.: 14-00171.001-I-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: \$28,875
IMPR.: \$233,935
TOTAL: \$262,810

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 2014 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 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. The comparable parcels range in size from 17,380 to 350,294 square feet of land area improved with one-story or two-story buildings constructed between 1955 and 1985. The buildings range in size from 9,678 to 113,806 square feet of building area and have wall heights ranging from 14 feet to 18 feet. The properties sold between July 2012 and November 2013 for prices ranging from \$160,000 to \$1,200,000 or from \$5.41 to \$16.53 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." This analysis resulted in sales prices per square foot of building only ranging from \$3.57 to \$15.15 per square foot.

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 \$262,810. The subject's assessment reflects a market value of \$788,509 or \$12.30 per square foot of building area, land included, when using the statutory level of assessment of 33.33%. (35 ILCS 200/9-145(a)).

In support of its contention of the correct assessment the board of review submitted documentation from the township assessor which included data that was not relevant or responsive to the appellant's appeal before the Property Tax Appeal Board, such as equity data, "income capitalization evidence" and questions to be asked of the appellant's evidence. No hearing has been requested in this matter by either party. In summary, this unresponsive and/or irrelevant data will not be further addressed in this decision.

In a grid analysis entitled "Sale Comparison Industrial" the board of review through the township assessor set forth four

sales of properties that occurred between July and December 2012. The comparables are improved with light metal or concrete block or tilt-up buildings that were built between 1967 and 2000. The buildings range in size from 31,557 to 251,284 square feet of building area. The properties sold for prices ranging from \$520,000 to \$5,725,000 or from \$14.06 to \$26.94 per square foot of building area, including 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, the appellant disputed consideration of selective equity data and a purported income analysis by the assessor. The appellant noted that board of review sale #1 is newer and is one open bay as compared to the subject that was built in stages with several interior walls. Sale #2 by the board of review was not an arm's length sale because the parties to the transaction were landlord and tenant (see Exhibit A). The appellant contends that the board of review had rejected this sale at its consideration of the subject's 2013 assessment appeal. Sale #3 is substantially smaller than the subject building and sale #4 is the same property as appellant's sale #4.

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 which both parties identified as sale #4. The Board has given reduced weight 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. The Board has also given reduced weight to board of review comparable #2 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 (appellant's rebuttal Exhibit A).

The Board has given little weight to the appellant's contention that board of review comparable #3 is substantially smaller at 31,557 square feet than the subject building of 64,100 square feet since the appellant provided its own sale #3 that contained only 9,678 square feet of building area and both parties provided sale #4 containing 36,985 square feet of building area.

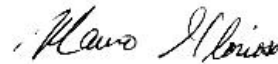
The Board finds the best evidence of market value to be appellant's comparable sales #1 and #3 through #5 along with board of review comparable sales #1, #3 and #4. These seven most similar comparables sold between July 2012 and November 2013 for prices ranging from \$160,000 to \$1,750,000 or from \$8.41 to \$26.94 per square foot of building area, including land.

To the extent that appellant noted the argument in rebuttal, 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 appellant's "net building price" analysis reflected sales prices ranging from \$3.57 to \$15.15 per square foot of building area, without land. The Board finds there was no market data to support the calculation that has been presented. 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 \$788,509 or \$12.30 per square foot of building area, including land, which is within the range established by the best comparable sales in this record both in terms of overall value and on a per-square-foot basis which is supported when 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



Member

Member



Member

Acting 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.