



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

APPELLANT: CB Lot 1, LLC
DOCKET NO.: 14-00174.001-I-1
PARCEL NO.: 16-08-251-006

The parties of record before the Property Tax Appeal Board are CB Lot 1, 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 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: \$45,905
IMPR.: \$270,762
TOTAL: \$316,667

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 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. 13-03265, 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. A portion of the building 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 ceiling height.

¹ Throughout the board of review's submission, the building is referred to as having 45,451 square feet of "total" building area and in this appeal, the assessing officials further articulated 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; as such, the assessing officials included the basement square footage in the "total building square footage."

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 a spreadsheet depicting limited information on seven comparable sales. In the brief, counsel for the appellant reported the subject property was inspected on April 16, 2014 by Peter Wolfley and the descriptive data for the subject and comparables were obtained from the public record.

As to the subject, the brief reported that the building was designed for and used as a metal plating and heat treating facility. The brief opined that these processes "age a building more than the typical industrial use." The brief also noted that the analysis excluded the subject's basement area in the square footage since it is unfinished and contains water filtration and treatment equipment necessary for the plating and heat treating processes.

In the spreadsheet, the comparable parcels range in size from 43,400 to 426,017 square feet of land area and are improved with one-story buildings constructed between 1969 and 2000. The buildings range in size from 15,008 to 98,840 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 March 2012 and July 2013 for prices ranging from \$280,000 to \$2,070,000 or from \$15.97 to \$25.60 per square foot of building area, including land.

For the comparable sales analysis, 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 relative to the subject property. The brief noted that the subject has a 10.66:1 land-to-building ratio based upon a building size of 34,029 square feet whereas the comparables range from 1.03:1 to 6.29:1 land-to-building ratios. Using this unit of comparison, the appellant reported the "net building price" per square foot ranged from \$11.60 to \$20.70 with the subject reflecting a net building price of \$25.68 per square foot.

Based on the foregoing evidence and argument, the appellant requested a total assessment of \$316,667 which would reflect a market value of approximately \$950,000 or \$27.92 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 \$337,167. The subject's assessment reflects a market value of \$1,011,602 or \$29.73 per square foot of building area, land included, based upon an above-grade building size of 34,029 square feet, when using the 2014 three year average median level of assessment for Winnebago County of 33.33% as determined by the Illinois Department of Revenue.

² In the appellant's spreadsheet, the subject is described as having 362,650 square feet of land area although there is no support in the record for the assertion.

For its analysis of the subject building, the assessing officials contend the subject building contains 45,451 square feet of building area which includes 11,422 square feet of basement area which is accessible by both a stairway and an overhead door as part of the basement is exposed. The assessor further stated, "Since the basement is useable space that is currently being used by the appellant and could be seen as usable space to a buyer if the property were put on the market due to the exposure and outside access and overhead door access, we include this in the total square footage"

In further 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, #3, #4, #5 and #6 for being dissimilar in building size to the subject building which contains a total of 45,451 square feet of building area with inclusion of the unfinished basement; the assessor contends that all comparables should fall between 25,000 and 65,000 square feet of building area for comparison purposes to the subject. Moreover, the assessor noted that, but for one of the appellant's suggested comparables, the subject is superior in age and ceiling height.

In support of its contention of the correct assessment the board of review through the township assessor submitted information on four comparable sales which included appellant's comparables #1 and #7. The comparable parcels range in size from 88,526 to 216,635 square feet of land area and are improved with one-story buildings constructed between 1973 and 1985. The buildings range in size from 27,566 to 38,462 square feet of building area and have ceiling heights ranging from 18 feet to 22 feet. The properties sold between March 2012 and January 2014 for prices ranging from \$550,000 to \$850,000 or from \$15.97 to \$26.94 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 comparables ranged from \$13.00 to \$23.73 as compared to the subject's net estimated market value of \$19.22 per square foot of total building area of 45,451 square feet.³

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

In written rebuttal, counsel for the appellant noted that basement area of residential dwellings is not included in the dwelling size of homes and should similarly be treated for purposes of industrial facilities like the subject.

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

³ Applying the total above-grade building area of the subject of 34,029 square feet would reflect a value of approximately \$25.67 per square foot.

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.

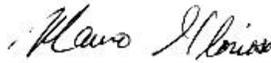
Initially, the Property Tax Appeal Board gives no weight to the building size determination of the assessing officials for the subject property. The Board finds that standard assessment practices only calculate above-grade area in determining building size with additional features, such as basements, adding to the value of the property. For analysis of the subject building, the Board finds the best approach is to view the building as containing 34,029 square feet of above-grade area with an 11,422 square foot basement that would "add" value to the building.

Additionally, 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 nine comparable sales to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to appellant's comparables #4, #5 and #6 due to substantial differences in building size when compared the subject.

The Board finds the best evidence of market value to be appellant's comparable sales #1, #2, #3 and #7 along with board of review comparable sales, where the parties have two common properties presented. These six most similar comparables sold between March 2012 and January 2014 for prices ranging from \$400,000 to \$850,000 or from \$15.97 to \$26.94 per square foot of building area, including land. The subject's assessment reflects a market value of \$1,011,602 or \$29.73 per square foot of building area, land included, 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 and/or ceiling height. Therefore, the Property Tax Appeal 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.