



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

APPELLANT: Niemann Holdings, LLC
DOCKET NO.: 18-04176.001-C-3
PARCEL NO.: 06-25.0-252-010

The parties of record before the Property Tax Appeal Board are Niemann Holdings, LLC, the appellant, by attorney Mark Volpe of Worsek & Vihon in Chicago, and the Sangamon 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 **Sangamon** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$153,806
IMPR.: \$472,861
TOTAL: \$626,667

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Sangamon County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2018 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 is improved with a one-story commercial building constructed in 2011 containing 31,288 square feet of building area. The subject building has a concrete slab foundation and concrete block exterior walls with some stucco cover over the front of the building. The building has a roof composed of a rubberized cover over steel decking and steel joists. The main entrance is on the front of the building and is composed of aluminum framing and glass doors. The interior of the building is largely open space with some partitioning for sales and service areas, customer service, pharmacy, offices, storage areas, mechanical room, break room and restrooms. The flooring is vinyl tile and the ceiling is open with metal decking and bar joists exposed. The clear ceiling height is 17 feet. The subject building has suspended fluorescent lighting, a forced air HVAC system, and additional heaters in the warehouse. The building is fully sprinklered. The building also has two exterior loading dock doors. The site has asphalt paving that has been striped, and pole mounted exterior lights. The subject's site is

composed of two parcels with a combined area of 159,867 square feet of 3.67 acres resulting in a land to building ratio of 5.11:1. The property is commonly known as County Market and is located in Sherman, Fancy Creek Township, Sangamon County.¹

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a narrative appraisal estimating the subject property had a market value of \$1,880,000 as of January 1, 2018. The appraisal was prepared by J. Edward Salisbury, a state certified general real estate appraiser, and Robert D. Becker, a state certified general real estate appraiser. Salisbury also has the Certified Illinois Assessing Officer (CIAO) designation from the Illinois Property Assessment Institute, and the Certified Assessment Evaluator (CAE) designation from the International Association of Assessing Officers. Becker has the MAI designation from the Appraisal Institute.

The purpose of the appraisal was to estimate the market value of the fee simple estate as of January 1, 2018, with the intended use to provide an estimate of market value for property tax purposes. The appraisers determined the highest and best use of the property as vacant is its present use and the highest and best use as improved is for continued commercial retail use. In estimating the market value of the subject property, the appraisers developed the three traditional approaches to value.

Under the cost approach to value the appraisers estimated the subject property had a land value of \$3.50 per square foot of land area or \$560,000, rounded, using five comparable land sales located in Sherman that had prices ranging from \$2.93 to \$5.00 per square foot of land area. The appraisers used the Marshall Valuation Service to estimate the replacement cost new of the improvements to be \$3,509,985. Using four sales contained in the sales comparison approach section of the report, the appraisers estimated the subject suffered from 63% or \$2,211,291 depreciation from all causes to arrive at a depreciated value for the improvements of \$1,298,694. Adding the land value to the depreciated improvement value resulted in an estimated value under the cost approach of \$1,860,000.

Using the income approach to value the appraisers estimated the subject property had a market rent of \$7.00 per square foot of building area based on eight comparable rentals and one listing. The potential gross income (PGI) was calculated to be \$219,016. Vacancy and collection losses was calculated to be 5% of PGI or \$10,951, which was deducted to arrive at an effective gross income (EGI) of \$208,065. The appraisers estimated that operating expenses to the owner would be 5% of EGI or \$10,403, which was deducted to arrive at a net income of \$197,662.

In estimating the capitalization rate the appraisers utilized published surveys with rates ranging from 4.93% to 13.96% as well as sales that had rates ranging from 9% to 13%. The appraisers estimated the subject property had an overall capitalization rate of 10.5%. Dividing the net income by the capitalization rate resulted in an estimate value under the income approach of \$1,880,000.

¹ The descriptive information about the subject property was obtained from the appraisal submitted by the appellant. The appraisers estimated the market value of the two parcels that comprise the subject property although only the assessment of the parcel that was improved with the subject building was appealed.

The final approach to value was the sales comparison approach to value wherein the appraisers used nine sales ranging in size from 23,892 to 65,635 square feet of building area. The buildings were constructed from 1978 to 2004 and the properties had land to building ratios ranging from 2.70:1 to 7.80:1. These properties sold from January 2014 to June 2017 for prices ranging from \$654,075 to \$2,375,000 or from \$16.82 to \$54.41 per square foot of building area, including land. After making qualitative adjustments to the comparables for differences from the subject, the appraisers arrived at an estimated value under the sales comparison approach of \$60.00 per square foot of building area, including land, or \$1,880,000 rounded.

In reconciling the three approaches to value, the appraisers gave primary emphasis to the sales comparison approach, some weight to the income approach, and little weight to the cost approach. The reconciled estimate of market value was \$1,880,000 as of January 1, 2018.

The appellant requested the subject's assessment be reduced to \$626,667.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total equalized assessment for the subject of \$1,170,087. The subject's assessment reflects a market value of \$3,509,560 or \$112.17 per square foot of building area, land included, when using the 2018 three-year average median level of assessment for Sangamon County of 33.34% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted a copy of the subject's property record card, however, other than general descriptive data regarding the subject property, there are no calculations on the card disclosing how the assessment was derived. The board of review also submitted a copy of the board of review complaint and an unsigned and undated sheet containing cost calculations arriving at a total value of \$4,871,012. Also included was a building permit stamped Received July 27, 2011 by the Village of Sherman; email correspondence dated April 22, 2013 and April 24, 2013 between John O'Neil, Managing Consultant with Paradigm Tax Group and Nancy Eckert Martin, Fancy Creek Township Assessor, concerning a basic building description for the subject property; and a printout of the 2016 and 2017 tax bills for the subject property.

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 met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant estimating the subject property had a market value of \$1,880,000 as of January 1, 2018. The appellant's appraisers developed the three approaches to value giving primary consideration to the sales comparison approach to value. The subject's assessment reflects a market value of \$3,509,560, which is above the appraised value presented by the appellant. The Board finds the board of review presented no sales data to refute the appellant's appraisers' sales comparison

approach to value. The board of review presented no market derived income or expense data, vacancy and collection loss information, or data regarding a capitalization rate to refute the appellant's appraisers' income approach to value. As a final point, the board of review presented no detailed cost approach to value to either refute the appellant's appraisers' cost approach or to establish an estimate of value as of January 1, 2018. Based on this record, the Board finds a reduction in the subject's assessment commensurate with the appellant's request is appropriate.

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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.



Chairman



Member



Member



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 16, 2021



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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

AGENCY

State of Illinois
Property Tax Appeal Board
William G. Stratton Building, Room 402
401 South Spring Street
Springfield, IL 62706-4001

APPELLANT

Niemann Holdings, LLC, by attorney:
Mark Volpe
Worsek & Vihon
180 North LaSalle Street
Suite 3010
Chicago, IL 60601

COUNTY

Sangamon County Board of Review
Sangamon County Complex
200 South 9th Street, Room 210
Springfield, IL 62701