



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

APPELLANT: Robert Becherer
DOCKET NO.: 19-09577.001-C-2 through 19-09577.002-C-2
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Robert Becherer, the appellant; and the Logan 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 Logan County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
19-09577.001-C-2	08-210-245-00	10,000	6,667	\$16,667
19-09577.002-C-2	08-210-254-00	15,000	75,000	\$90,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a final 2018 administrative decision of the Property Tax Appeal Board pursuant to section 16-185 of the Property Tax Code (35 ILCS 200/16-185) in order to challenge the assessment for the 2019 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 two parcels with a combined land area of 72,000 square feet or 1.65 acres. Parcel No. 08-210-254-00 is improved with a two-story commercial building of brick and steel frame exterior construction on a slab foundation. The building was constructed in 1979 and is approximately 39 years old. The building contains approximately 19,842 square feet of building area and features central air conditioning, an elevator, and a drive-up canopy. Parcel No. 08-210-245-00 consists of a paved parking lot for the use of employees, tenants, customers, and clients. The property is located in Lincoln, East Lincoln Township, Logan County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$320,000 as of January 1, 2018. The appraisal was prepared by Brad Glassey, MAI, a certified general real estate appraiser, for the purpose of aiding in establishing the subject's market value for ad

valorem tax purposes. The appraiser inspected the subject on February 16, 2018 and July 24, 2019.

Under the sales comparison approach, the appraiser examined six comparable sales, five of which are leased fee interests and one of which is a fee simple interest. The comparables are located in Lincoln, Peoria, Morton, and Bloomington. The parcels range in size from 0.07 of an acre to 2.00 acres of land area and are improved with one-story, two-story, or five-story buildings of brick, concrete block, brick and concrete block exterior construction. The buildings range in size from 5,712 to 49,410 square feet of building area and range in age from 25 to 119 years old. The comparables sold from April 2012 to July 2019 for prices ranging from \$105,000 to \$716,000 or from \$11.36 to \$40.77 per square foot of building area, including land. The appraiser made adjustments to these comparables for differences from the subject, such as location, site size, quality of construction, condition, functional utility, building size, other rentable area, parking, and other features, to calculate adjusted sale prices ranging from \$16.88 to \$23.00 per square foot of building area, including land. Based on the foregoing, the appraiser opined a market value for the subject under the sales comparison approach of \$337,000.

Under the income approach, the appraiser examined the subject's rents where four units are leased, one unit is subject to a short term lease, and one unit is vacant. Based on these rents, the appraiser calculated an estimated potential gross annual income of \$113,107.56, which after applying vacancy and collection losses of 20% or \$22,621.51, resulted in an estimated effective gross annual income of \$90,486.05. The appraiser estimated expenses and reserves totaling \$54,173.68 to calculate an estimated net operating income of \$36,312.37. Applying a capitalization rate of 11.17%, calculated using the mortgage equity technique and including real estate taxes, resulted in an indicated value for the subject of \$325,088.36, rounded to \$325,000. Applying a capitalization rate of 17%, calculated based on market derivation and including real estate taxes, resulted in an indicated value for the subject of \$302,000. The appraiser gave weight to both methods to opine a market value for the subject under the income approach of \$315,000.

In reconciling the sales comparison and income approaches, the appraiser stated the income approach was the most reliable and relevant whereas the sales comparison approach was also relevant but somewhat less reliable. The appraiser did not develop the cost approach for the subject, explaining that this approach was less reliable and relevant in valuing the subject. Based on this reconciliation, the appraiser stated a value conclusion for the subject of \$320,000 as of January 1, 2018.

The appellant submitted a Memorandum dated July 3, 2021 asserting that commercial property values in Lincoln have been declining due to industrial and other businesses closing, with the downtown area where the subject is located particularly affected due to its distance from state highways. The appellant stated the income for the subject has remained flat since 2013 when the appellant acquired the subject property. The appellant described several downtown properties that have been listed for sale for a significant amount of time but have not sold.

The appellant submitted a second Memorandum dated February 18, 2015 describing the history of the subject property and the appellant's purchase of the subject property in 2012. The appellant contended that the subject has some physical and functional obsolescence, such as its

original design for one tenant, an older electric HVAC system that does not permit separation of utilities to multiple rental units, and poor insulation due to older building materials and its large window design. The appellant reiterated that market rents in downtown Lincoln are low and the subject property generates only a small profit each year.

The appellant disclosed in the appeal petition that the subject has a total assessment of \$215,520 reflecting a market value of \$651,511 or \$32.83 per square foot of building area, including land, when using the 2019 three-year average median level of assessment for Logan County of 33.08% as determined by the Illinois Department of Revenue.

Based on this evidence and argument, the appellant requested the subject's assessment be reduced to reflect the appraised value conclusion.

The board of review did not submit its "Board of Review Notes on Appeal" nor any evidence in support of its assessed valuation of the subject property and was found in default by a letter issued on December 16, 2021.

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 only evidence of market value to be the appraisal submitted by the appellant. The appraisal was based on the appraiser's physical inspection of the subject property and the actual income and expenses associated with the subject property; consequently, the Board finds the appraisal states a credible value conclusion for the subject property. The subject's assessment reflects a market value of \$651,511 or \$32.83 per square foot of building area, which is above the appraised value conclusion. The board of review did not submit any evidence in support of its assessment of the subject property as required by Section 1910.40(a) of the rules of the Property Tax Appeal Board and is found to be in default pursuant to Section 1910.69(a) of the rules of the Property Tax Appeal Board. 86 Ill.Admin.Code §1910.40(a) & §1910.69(a). Based on this limited record, the Board has examined the evidence submitted by the appellant and finds that a reduction in the assessed valuation of the subject property is warranted.

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



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:

August 23, 2022



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

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