



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

APPELLANT: KB Properties & Development LLC
DOCKET NO.: 21-06257.001-C-1
PARCEL NO.: 02-2-15657-002

The parties of record before the Property Tax Appeal Board are KB Properties & Development LLC, the appellant, by attorney Nora Devine, of The Devine Law Group, LLC in Northfield; and the Coles 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 **Coles** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$81,667
IMPR.: \$128,312
TOTAL: \$209,979

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Coles County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2021 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 single-story pole frame building with vinyl siding exterior construction. The building has a total of 21,005 square feet of gross building area with 19,290 square feet of warehouse area and 1,715 square feet of office space. The Class D building was originally constructed in 1994 and was expanded in 2008 and again in 2015. The subject is estimated to have an effective age of 11 years old and has a concrete slab foundation, a 13-car parking lot and packaged heating and cooling units. Interior finish consists of drywall or steel interior walls with either vinyl or concrete flooring. The property has a 48,787 square foot site, with a 43.1% site coverage that is zoned C-2 and located in Charleston, Charleston Township, Coles 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 \$630,000

as of January 1, 2021. The appraisal was prepared by Robert D. Becker, MAI, SRA, AI-GRS, ASA and a Certified General Real Estate Appraiser. In estimating the market value of the subject property, the appraiser developed the cost, sales comparison and income approaches to value.

In developing the cost approach to value, the appraiser first estimated the subject's land value selecting three closed sales and one active land comparable that are located from 0.30 of a mile to 1.80 miles from the subject. The comparables have C-2 zoning and range in size from 39,204 to 134,600 square feet of land area. Three properties sold from December 2009 to February 2019 for prices ranging from \$300,000 to \$895,000 or from \$4.88 to \$9.21 per square foot of land area. The active property has a list price of \$398,000 or \$10.15 per square foot of land area. Based on these sales, the appraiser estimated the subject property has a land value of \$7.00 per square foot of land area or \$340,000, rounded.

The appraiser next estimated the replacement cost new of the building improvements using the Marshall and Swift Valuation Service for light manufacturing industrial buildings arriving at a per square foot cost of \$58.19 or a total replacement cost for the subject of \$1,222,280. The appraiser estimated physical depreciation of \$384,145, functional depreciation of \$276,744 and external obsolescence of \$243,063. Finally, the appraiser estimated the depreciated value of the subject's concrete parking surface, opining a value of \$21,263.

Adding the depreciated replacement costs new of \$305,904 plus the depreciated value of the site improvements of \$21,263 to the land value of \$340,000, the appraiser arrived at an indicated value for the subject, under the cost approach, of \$670,000, rounded, or \$31.90 per square foot of building area, land included.

For the sales comparison approach, the appraiser selected five closed sales and one active listing located from 1.60 to 32.70 miles from the subject property. Based on photographs of the properties, the comparables are single story buildings described as either industrial or retail in use. The comparables range in size from 5,600 to 17,800 square feet of building area and have site coverage percentages ranging from 3.8% to 53.0%. Five of the comparables sold from June 2018 to April 2021 for prices ranging from \$180,000 to \$800,000 or from \$14.59 to \$55.36 per square foot of building area, land included. Comparable #6 has a list price of \$595,000 or \$57.21 per square foot of building area, land included.

The appraiser adjusted the per square foot sale price of the comparables for date of sale or active listing status and for differences with the subject in gross building area, location, exposure, quality, condition and other elements, arriving at adjusted per square foot sale prices of the comparables ranging from \$17.08 to \$39.02 and opined a per square foot value for the subject of \$30.00 and an opinion of market value for the subject under the sales comparison approach of \$630,000, rounded.

In developing the income approach to value, the appraiser first estimated market rent for the subject property. The appraiser explained that a lack of lease data in the Charleston market required the search to be expanded beyond the subject's immediate market area. The appraiser identified four comparable rentals located from 2.6 to 49.6 miles from the subject and in either Charleston or Decatur ranging in size from 3,750 to 16,357 square feet of gross building area.

The comparables have lease rates ranging from \$4.15 to \$10.00 per square foot. Based on this information, the appraiser opined a triple net lease rate for the subject of \$6.00 per square foot of gross building area or potential gross income (PGI) of \$126,030. The appraiser utilized a vacancy and credit loss rate of 10% of PGI or \$12,603 which results in an effective gross income (EGI) of \$113,427. The appraiser estimated expenses for repairs and maintenance of 10% of EGI or \$11,343, management fees of 5% of EGI or \$5,671 and reserves of \$0.90 per square foot of building area or \$18,905 for a combined total operating expenses of \$35,919. Deducting total expenses from EGI results in a net operating income (NOI) of \$77,508.

The appraiser next determined a capitalization rate for the subject. In doing so, the appraiser provided three estimated capitalization rates ranging from 4.80% to 12.10%. Placing primary emphasis on the band of investment method and given demographic elements and the subject's rural location, the appraiser opined a capitalization rate of 12% to be appropriate for the subject property. Capitalizing the subject's NOI of \$77,508 by the 12% capitalization rate results in an indicated value by the income approach of \$650,000, rounded.

In reconciling the three approaches to value, the appraiser gave primary weight to the sales comparison approach since this approach to value best reflects market participants particularly given the subject is an owner-operator with the cost and income approaches providing additional support for the subject's reconciled value opinion of \$630,000 as of January 1, 2021. Based on this evidence, the appellant requested the subject's assessment be reduced to reflect the appraised value of the subject property when applying the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$233,310. The subject's assessment reflects a market value of \$732,527 or \$34.87 per square foot of living area, land included, when using the 2021 three-year average median level of assessment for Coles County of 31.85% as determined by the Illinois Department of Revenue.

The board of review submitted written comments arguing the board of review had reduced the appellant's total assessment to the requested assessment level. In support of this argument, the board of review submitted a copy of the Coles County Board of Review 2021 Commercial Assessment Complaint form. The complaint form, dated December 16, 2021, disclosed the appellant had requested a total assessment of \$233,310. The form also disclosed that a recent appraisal was to follow.

In support of its contention of the correct assessment the board of review submitted information on three comparables located from 3 to 10 miles from the subject property. Board of review comparable #2 is the same property as the appraisal comparable sale #2. The comparables have sites that range in size from 14,000 to 149,411 square feet of land area and are improved with one-story buildings of metal exterior construction that range in size from 1,800 to 6,000 square feet of building area. The improvements range in age from 15 to 54 years old. Each comparable has a concrete parking lot and central air conditioning. The comparables sold from June 2018 to November 2021 for prices ranging from \$203,000 to \$310,000 or from \$33.00 to \$125.00 per square foot of building area, land included. Based on this evidence, the board of review requested the subject's assessment be confirmed.

In rebuttal, the appellant's attorney noted the Coles County Board of Review appeal was originally filed along with an evidence extension request and that the appraisal of the subject property was completed after the hearing date. The appellant's attorney critiqued the board of review comparables asserting the properties are substantially smaller in gross building area when compared to the subject. The attorney noted that the appraiser used board of review comparable #2 but adjusted this property for differences when compared to 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 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 appellant submitted an appraisal and the board of review submitted three comparable sales, one of which was also submitted by the appraiser, for the Board's consideration.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant. The appraiser developed the three approaches to value, giving primary weight to the sales comparison approach and made reasonable adjustments to the comparables for differences when compared to the subject property. The subject's assessment reflects a market value of \$732,527 or \$34.87 per square foot of building area, including land, which is above the appraised value. The Board finds the subject property had a market value of \$630,000 as of the assessment date at issue and a reduction in the subject's assessment, commensurate with the request, 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: July 18, 2023



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

KB Properties & Development LLC, by attorney:
Nora Devine
The Devine Law Group, LLC
191 Waukegan Road
Suite 365
Northfield, IL 60093

COUNTY

Coles County Board of Review
Coles County Courthouse
651 Jackson Avenue
Charleston, IL 61920