



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

APPELLANT: Niemann Holdings LLC
DOCKET NO.: 21-06926.001-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 Nikos D. Tsonis, of Tsonis & Associates, LLC 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: \$157,604
IMPR.: \$475,729
TOTAL: \$633,333

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 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 is improved with a one-story commercial building constructed in 2011 containing 31,288 square feet of gross building area. The subject building has a concrete slab foundation and concrete block exterior walls with an Exterior Insulation Finishing System (EIFS) overlay on 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 commercial vinyl tiling and the ceiling is open with metal decking and bar joists exposed. The clear ceiling height is 17 feet. The building has suspended fluorescent lighting, a forced air HVAC system, and additional heaters in the warehouse. The building is fully sprinklered and has two exterior loading dock doors. The site has asphalt paving that has been striped, with pole mounted

exterior lighting. The subject's site is composed of two parcels with a combined area of 158,262 square feet of 3.63 acres resulting in a land to building ratio of 5.06:1 or a site coverage ratio of 19.8%. 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 \$1,900,000 as of January 1, 2021. The appraisal was prepared by Robert D. Becker, a state certified general real estate appraiser with an 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, 2021, with the intended use to provide an estimate of market value to assist the client in an ad valorem tax appeal. The appraiser determined the highest and best use of the property to be its present use as an improved commercial retail property. In estimating the market value of the subject property, the appraiser developed the three traditional approaches to value.

Under the cost approach to value the appraiser estimated the subject property had a land value of \$3.50 per square foot of land area or \$550,000, rounded, using four comparable land sales located in Sherman that had sale prices ranging from \$1.64 to \$6.50 per square foot of land area. The appraiser used the Marshall Valuation Service to estimate the replacement cost new of the improvements to be \$3,927,167. Using the age/life method of depreciation,² the appraiser estimated the subject had depreciation of \$2,142,197 from all causes to arrive at a depreciated value for the improvements of \$1,784,970. Adding the land value to the depreciated improvement value results in an estimated value for the subject under the cost approach of \$2,330,000 (rounded).

Using the sales comparison approach to value the appraiser selected nine sales ranging in size from 14,536 to 50,000 square feet of gross building area. The buildings were constructed from 1960 to 2010 and the properties have site coverage ratios ranging from 15.0% to 37.9%. These properties sold from February 2016 to October 2020 for prices ranging from \$515,000 to \$3,300,000 or from \$35.43 to \$89.51 per square foot of gross building area, including land. After making qualitative adjustments to the comparables for differences from the subject, the appraiser arrived at an estimated value for the subject, under the sales comparison approach, of \$60.00 per square foot of gross building area, including land, or \$1,900,000, rounded.

The final approach to value is the income approach, wherein the appraiser estimated the subject property had a market rent of \$8.00 per square foot of gross building area based on five comparable rentals. The potential gross income (PGI) was calculated to be \$250,304. Vacancy and collection losses was calculated to be 10% of PGI or \$25,030, which was deducted to arrive at an effective gross income (EGI) of \$225,274. The appraiser estimated that operating expenses to the owner would be 13.2% of EGI or \$29,724, which was deducted to arrive at a net operating income of \$195,550.

¹ The descriptive information about the subject property was obtained from the appraisal submitted by the appellant. The appraiser estimated the market value of both parcels that comprise the subject property although only the assessment of the parcel that was improved with the subject building is under appeal.

² The appraiser also developed a second estimate of depreciation for the subject known as the extraction method which the appraiser notes, provides support for the depreciation estimate opined under the age/life method.

In estimating the capitalization rate the appraiser utilized nationally published survey rates, market extraction, and the band of investment methods concluding a capitalization rate for the subject of 10.0%. Dividing the subject's estimated net operating income by the capitalization rate results in an estimated opinion of value for the subject under the income approach of \$1,960,000, rounded.

In reconciling the three approaches to value, the appraiser gave primary weight to the sales comparison approach, stating the cost and income approaches to value provide support for the value conclusion based on the sales comparison approach. The reconciled estimate of market value for the subject is \$1,900,000 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.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total equalized assessment for the subject of \$1,178,848. The subject's assessment reflects a market value of \$3,540,084 or \$113.15 per square foot of gross building area, land included, when using the 2021 three-year average median level of assessment for Sangamon County of 33.30% 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, through the township assessor, submitted comments asserting the appellant's appraisal evidence was dated and that the information and comparables are over three years old. Based on this evidence the board of review requested the subject's assessment be confirmed.

In rebuttal, the appellant argued the appraisal evidence submitted has an effective date of January 1, 2021 and includes the cost, sales comparison and income approaches to value. Furthermore, the appellant contends the board of review did not submit any market value nor any other rebuttal evidence in response to the appellant's appraisal.

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 estimating the subject property had a market value of \$1,900,000 as of January 1, 2021. The appellant's appraiser 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 \$3,540,084, which is above the appraised value. The Board finds the board of review presented no market sales data to refute the appellant's appraiser's 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 appraiser's 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 appraiser's cost approach or to establish an estimate of value as of January 1, 2021. 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:

December 19, 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

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