

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Brewer's Distributing c/o George Jacob
DOCKET NO.: 05-00204.001-C-2
PARCEL NO.: 09-31-400-019

The parties of record before the Property Tax Appeal Board are Brewer's Distributing, the appellant, by attorney Clyde B. Hendricks of Peoria; and the Peoria County Board of Review.

The subject property is improved with a part one-story and part two-story commercial building of masonry and metal sandwich construction that contains 74,285 square feet of building area. The subject has 13,965 square feet of office area and 60,320 square feet of warehouse area. The building was constructed in 1999. The subject is air conditioned and has ceiling heights of 14 feet (34% of building area) and 28 feet (66% of building area). The subject parcel contains 12 acres or 522,720 square feet of land area resulting in a land to building ratio of 7.04:1.

The appellant contends assessment inequity in the improvement assessment as the basis of the appeal. The appellant also contends the subject building has not been measured correctly and is being assessed for too much square footage.

In support of this argument the appellant presented an assessment analysis prepared by Vivian E. Hagaman. Hagaman was called as a witness and testified she currently holds a broker's license, she had an appraisal license as of 2005, she has been a certified assessor as of 18 months ago and is the Deputy Assessor of Morton Township (Tazewell County).

With respect to size, Hagaman testified that CORE Construction (CORE) looked at the building and drew a sketch that gave the dimensions of the floor. Hagaman's report contained a letter dated December 1, 2005, to David B. Simons and was purportedly signed by David Zwanzig, indicating the footprint of the building measured 90' x 146' (13,140 square feet) for the office area and 208' x 265' (55,120 square feet) for the warehouse for a total of 68,260 square feet. Her report also included blueprints of the building and the Computer Assisted Mass Appraisal (CAMA) card

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the Peoria County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	\$ 223,290
IMPR.:	\$ 1,073,700
TOTAL:	\$ 1,296,990

Subject only to the State multiplier as applicable.

maintained by the assessor indicating the subject had 74,285 square feet of building area.

Hagaman's report also included an assessment analysis using five equity comparables. The analysis was based on information from the property record cards maintained by the assessor. She indicated that the equity comparables were adjusted in relation to the subject for grade as well as for condition, desirability and utility (CDU). Her report contained copies of the property record cards for the subject and the comparables from the township assessor's Computer Assisted Mass Appraisal (CAMA) records. She also provided copies of photographs for the subject and the comparables. Hagaman indicated the comparables were office/warehouse buildings.

Her analysis indicated the subject improvement had a market value as reflected by its assessment of \$47.23 per square foot of building area.¹ Hagaman's analysis indicated the comparables ranged in size from 21,620 to 59,330 square feet of building area. Hagaman's grid analysis indicated the comparables were constructed from 1976 to 1998 for an average of 1987. The comparables had CDUs ranging from 58% to 87% for an average of 72%. The comparables have grades ranging from C-05 to A-10 for an average of B-05. The comparables had office areas ranging from 5% to 15% for an average of 10%. Hagaman's report also indicated the comparables had ceiling heights ranging from 17 to 24 feet for an average of 21 feet. She indicated the comparables had improvement assessments reflecting market values ranging from \$17.14 to \$28.13 per square foot of building area for an average market value of \$27.41 per square foot of building area. Hagaman indicated the comparables had grade adjustment values ranging from \$20.23 to \$33.20 per square foot for a weighted average of \$28.76 per square foot. The witness indicated the comparables had CDU adjustment values ranging from \$28.68 to \$34.38 per square foot for a weighted average of \$35.15 per square foot. The appellant's witness indicated that a ceiling height adjustment should be made of 1.1191 to the weighted average resulting in a market value of \$39.34 per square foot for the subject. Hagaman testified that the subject is a special use property and that her comparables 4 and 5 hold the most weight because they are distribution centers, the same use as the subject. These two comparables had improvement assessments reflecting market values of \$19.85 and \$17.14 per square foot, respectively. Based on this analysis, the appellant requested the subject's improvement assessment be reduced to reflect a market value of \$39.34 per square foot of building area resulting in an improvement assessment of \$13.11 per square foot or \$894,890.

Under cross-examination Hagaman testified that she did not assist CORE in measuring the subject property. The witness acknowledged that the subject property was superior in each aspect of the "weighted average" of the comparables such as CDU, condition,

¹ Hagaman used 68,260 square feet of building area for the subject.

grade, percent of office, ceiling height and date of construction. The appellant's witness also testified her fee was contingent on the outcome of the appeal.

The next witness called by the appellant was David Tidd, general manager of Brewer's Distributing Company. Tidd was not present when Zwanzig came out and looked at the building. Tidd did not know if Zwanzig took into account the upper story when he was there. Mr. Tidd explained there is no finished office space on the second floor, which is used for storage.

Under cross-examination Mr. Tidd testified the upper floor area is heated, has fluorescent lighting and elevator access.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$1,296,990 was disclosed. The subject has an improvement assessment of \$1,073,700 or \$14.45 per square foot of building area.² To demonstrate the subject was equitably assessed, the board of review submitted assessment information on three comparables. The comparables were composed of three, one-story buildings of frame or masonry and frame construction. The witnesses explained that comparables 1 and 2 were each improved with one building but had three and two additions, respectively, added to their buildings. The buildings were constructed from 1998 to 2006. The comparables ranged in size from 24,124 to 71,568 square feet of building area. The comparables had from 10,916 to 23,648 square feet of office area and 7,866 to 47,920 square feet of warehouse area. The comparables had improvement assessments ranging from \$457,930 to \$1,220,900 or from \$17.06 to \$18.98 per square foot of building area. Based on this evidence the board of review requested the subject's assessment be confirmed.

Under cross-examination, board of review chairman Michael Fortune indicated that they had not been in the comparables. He indicated the data on the comparables came from the property record cards.

The Peoria Township Deputy Assessor Max Schlafley testified he calculated the size of the subject to be 74,275 square feet, which included approximately 6,000 square of second floor area, based on plans that had been submitted to the board of review. He testified that he had been present at the subject but did not measure the property on his visit. He also testified that he had been in each of the board of review comparables.

Hagaman was called as a rebuttal witness and was of the opinion the board of review's comparables were not comparable to the subject for such reasons as office area, ceiling heights and size.

² The board of review used 74,285 square feet of building area for the subject.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Board further finds a reduction in the subject's assessment is not supported by the evidence in the record.

The first issue the Board will address is the size of the subject building. The Board finds the best evidence of the size of the subject property was presented by the board of review. The board of review presented testimony that the subject contains second floor area that is to be included in the overall size of the subject building. The appellant presented a document prepared by CORE Construction stating the subject's footprint had 68,260 square feet. A reading of the document indicates that the approximate 6,000 square feet of second story area was not included in the calculation. Adding the 6,000 square feet to the footprint area results in 74,260 square feet, which is almost equivalent to the estimated size for the subject as determined by the board of review of 74,285 square feet. Based on this record the Property Tax Appeal Board finds the subject had 74,285 square feet of building area.

The appellant contends assessment inequity in the improvement assessment as the basis of the appeal. Taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessments by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1, 544 N.E.2d 762, 136 Ill.Dec. 76 (1989). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction. After an analysis of the assessment data submitted by the parties, the Board finds a reduction to the subject's improvement assessment is not warranted.

Initially, the Board gives little weight to Hagaman's analysis and conclusion. First, Hagaman testified her fee was contingent on the outcome of the appeal. The Property Tax Appeal Board finds the fact the appellant's opinion witness' fee is contingent on the tax savings undermines her objectivity to give unbiased testimony and detracts from the credibility of her analysis. Second, the Board finds that Hagaman's analysis was based primarily on general subjective characteristics of the buildings such as grade and CDU. The Board finds that this type of analysis does not adequately consider the physical characteristics of the individual buildings such as age, size, ceiling height, type of construction and features to make a meaningful analysis of the similarity of the comparable properties to the subject property.

As stated by the Supreme Court of Illinois in Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1, 544 N.E.2d 762, 136 Ill.Dec. 76 (1989):

[T]he cornerstone of uniformity is the fair cash value of the property in question. . . . [U]niformity is

achieved only when all property with the same income-earning capacity and fair cash value is assessed at a consistent level.

Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d at 21, 544 N.E.2d at 772. In this appeal the appellant failed to demonstrate the comparables and the subject had similar fair cash values but were assessed at substantially lesser or greater proportions of their fair cash values.

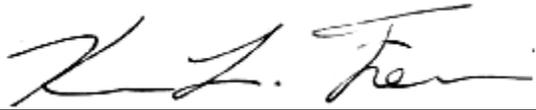
In the absence of evidence demonstrating the comparables and the subject have similar fair cash values, the Property Tax Appeal Board will examine the physical characteristics of the subject and the comparables to determine if the buildings are sufficiently similar so as to be indicative of similar fair cash values and thus necessitating similar assessments. A review of the comparables disclosed that those most similar to the subject in age, size, ceiling height, features and construction included the appellant's comparables 1 and 3 and comparable 2 submitted by the board of review. These three comparables were one-story buildings with a combination of office and warehouse space. The buildings ranged in size from 45,012 to 71,568 square feet of building area. The comparables had wall heights ranging from 12 to 24 feet. These buildings were constructed from 1988 to 1999. These comparables had improvement assessments that ranged from \$8.26 to \$17.06³ per square foot of building area. The subject has an improvement assessment of \$14.45 per square foot of building area, which is within the range established by the most similar comparables.

In conclusion, after considering adjustments and the differences in both parties' comparables when compared to the subject, the Board finds the subject's improvement assessment is equitable and a reduction in the subject's assessment is not warranted.

³ The improvement assessment for each of the appellant's comparables was calculated by multiplying the market value per square foot by .3333.

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.

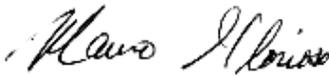
Chairman



Member



Member



Member



Member

DISSENTING: _____

C E R T I F I C A T I O N

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: April 24, 2009



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.