

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Buckeye Pipeline Co.
DOCKET NO.: 06-00120.001-C-2
PARCEL NO.: 09-11-301-003

The parties of record before the Property Tax Appeal Board are Buckeye Pipeline Co., the appellant, by attorney Robert W. McQuellon III, in Peoria, and the Peoria County Board of Review.

The subject property consists of an 80.92-acre parcel, part of which is improved with seven oil storage tanks containing approximately 13,965 square feet of building area, 1,638 square feet of office space, 6,600 square feet of warehouse and truck terminal and a 2,520 square foot garage. The subject is located in Chillicothe, Medina Township, Peoria County.

Through its attorney, the appellant appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. The appellant's petition indicates it seeks a reduction in the subject's improvement assessment, but no reduction in the land assessment was specified. In support of the overvaluation argument, the appellant submitted a copy of the Real Estate Transfer Declaration documenting the subject's July 31, 2001 sale for \$2,423,225. The declaration indicates the subject was not advertised for sale or sold using a real estate agent.

The appellant called as its witness Robert W. McQuellon, Jr., to testify regarding certain aspects of the subject's use. The witness testified he has a real estate broker's license and has been active in tax appeal and evaluation work since 1986. He is not currently a licensed general real estate appraiser. He opined the subject's land assessment is excessive, that 20-25 acres of the subject land should be considered a primary site for the oil terminal operation valued at \$0.15 to \$0.30 per square foot and that the residual land, approximately 60% to 65%, is farm ground used for crop production. The witness also opined the depreciation of the subject's improvements has not been properly accounted for because of the board of review's application of equalization factors, which he claimed are based primarily on sales of residential property. The witness testified the subject's computer assisted mass appraisal (CAMA)

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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:

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| LAND: | \$ | 347,960 |
| IMPR.: | \$ | 594,360 |
| TOTAL: | \$ | 942,320 |

Subject only to the State multiplier as applicable.

card indicates all of the land is considered primary use with a value of \$10,000 per acre. The witness claimed this is not correct, considering the farm use of a substantial portion of the subject's land. Based on this evidence, the appellant requested the subject's improvement assessment be reduced to \$352,040. The appellant did not specify on its petition a reduced land assessment.

On cross examination, the board of review asked the appellant's witness how he was compensated for his involvement in this appeal. The witness responded that his fee is contingent "on a percentage of the savings" resulting from a successful appeal also received a flat fee for his services. The witness was then asked what evidence had been submitted that the subject's 2006 assessment is excessive, based on its 2001 sale. The witness reiterated his opinion that the subject's \$10,000 per acre land value is incorrect regarding the portion in farm use and should "be about 60 (sic) or about 35% of that." The witness was then asked by the board of review regarding the subject's zoning. He responded it was zoned industrial.

The witness was then cross examined regarding the CAMA card. He was asked what information he presented to address equalization of the subject's assessment, which is not noted on the CAMA card. The witness responded he had not provided information other than his testimony and that he had not provided any data to support his contention the subject had suffered depreciation based on the market for structures similar to the subject. The witness reiterated his contention that much of the subject is being farmed, that he had visited the subject several times since 2003, but that the appellant had not submitted crop information regarding the subject. Finally, the witness was asked if the appellant had submitted any sales information regarding properties similar to the subject, to which he responded no.

The board of review submitted its "Board of Review Notes on Appeal", wherein the subject property's total assessment of \$942,320 was disclosed. The subject has an estimated market value of \$2,839,168, as reflected by its assessment and Peoria County's 2006 three-year median level of assessments of 33.19%.

In support of the subject's assessment, the board of review submitted information on one comparable sale. The comparable described in an accompanying letter "involved the appellant's company and was purchased in 1999 for \$437,125 and resold to Buckeye Terminal in 2004 for \$1,750,000." The board of review argued the sale and resale of this similar comparable property indicates "there has been a market increase in the oil and gas industry over the years." Finally, the board of review contends the subject's assessment experienced "just under a 4% increase since its purchase in 2001." The board of review contends the industrial sale submitted by the board demonstrates appreciation in the value of industrial properties.

During the hearing, the board of review's chairman testified "I would have liked to have seen other than just an aerial photo some type of proof that the land has been farmed since that period of time." The chairman also stated "I would also like to have seen some sales of farmland in that area - in that general area. Just to substantiate, you know, a value of acreage that is not prime land." In closing, the board of review argued the appellant submitted no evidence to support any claim of depreciation in the value of the subject's land or improvements since the 2001 sale and no evidence that a portion of the subject is being farmed.

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 Property Tax Appeal Board further finds no reduction in the subject property's assessment is warranted. The appellant argued overvaluation as a basis of the appeal. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). After analyzing the market evidence submitted, the Board finds the appellant has failed to overcome this burden.

The Board finds the appellant contends the subject is overvalued based on its 2001 sale for \$2,423,225. Neither party submitted any evidence that this sale was not an arm's length transaction. However, the Board finds this sale occurred too long before the subject's January 1, 2006 assessment date to be a reliable indicator of the subject's value. The board of review submitted evidence of a sale of similar industrial property. According to the board of review, the comparable "involved the appellant's company and was purchased in 1999 for \$437,125 and resold to Buckeye Terminal in 2004 for \$1,750,000." The board of review argued the sale and resale of this similar comparable property indicates "there has been a market increase in the oil and gas industry over the years." Again, the appellant submitted no evidence nor did he provide any credible testimony that the subject had lost value due to depreciation of the improvements or loss of land value through sales data of similar farm tracts. There was also no evidence provided that documented the subject's farm use per Section 10-110 of the Property Tax Code (35 ILCS 200/10-110).

The Board notes the appellant requested no reduction in the subject's land assessment on the petition, but did request a reduction in the improvement assessment. At the hearing, the appellant argued the subject's land assessment was excessive, based on its witness's testimony that 60% to 65% of it was being farmed. While the appellant's witness testified he had visited the subject property on several occasions and observed crops growing, the appellant submitted no photographs, crop income data, or other evidence to document such farm use. The appellant's witness was also unsure of exactly how many acres

were being farmed. The Board notes Section 16-180 of the Property Tax Code, reiterated in Section 1910.50(a) of the Official Rules of the Property Tax Appeal Board, states "Each appeal shall be limited to the grounds listed in the petition filed with the Property Tax Appeal Board" (35 ILCS 200/16-180). Since the appellant's petition requested no reduction in the subject's land assessment, the Board gives the land reduction argument little weight, in addition to the lack of substantive evidence of farming activity for two years preceding subject's January 1, 2006 assessment date.

In conclusion, the Board finds the appellant has failed to demonstrate overvaluation by a preponderance of the evidence. Therefore, the Board finds the subject property's assessment as established by the board of review is correct and no reduction is warranted.

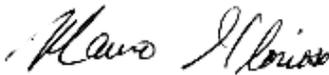
This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



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: August 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.