



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

APPELLANT: Raymond Heyde
DOCKET NO.: 07-00537.001-R-3
PARCEL NO.: 07-07-36-400-001

The parties of record before the Property Tax Appeal Board are Raymond Heyde, the appellant, by attorney Gregory A. Hunziker, of Hunziker Law Group LLC in Peoria, and the Tazewell County Board of Review by Assistant State's Attorney Matthew Drake.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Tazewell County Board of Review is warranted. The correct assessed valuation of the property is:

F/Land:	\$3,060
Homesite:	\$4,100
Residence:	\$181,550
Outbuildings:	\$0
TOTAL:	\$188,710

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 60.25-acres, 1.48-acres of which has been classified as homesite and the remainder of which has been classified as farmland. The farmland assessment was not specifically on appeal in this proceeding. The Final Decision of the Tazewell County Board of Review dated February 6, 2008 set forth a 2007 farmland assessment of \$3,290. However, in response to this appeal the board of review requested that the farmland assessment be lowered to \$3,060.

The subject property is improved with a part one-story and part two-story single family dwelling of brick exterior construction built in 2000 and consisting of 4,021 square feet of living area. The dwelling features a 2,128 square foot walkout basement of which 2,000 square feet is finished, central air conditioning, three fireplaces, and an attached four-car garage of 1,287 square feet of building area. Additional amenities include dual water heaters, air conditioners and furnaces. There is also a 3,240 square foot metal-sided pole building with a concrete floor, one

service door and one sliding door on the property which is located in Danvers, Deer Creek Township, Tazewell County.

The appellant appeared before the Property Tax Appeal Board through legal counsel contending the subject property was assessed in excess of its market value. In support of the appellant's overvaluation complaint, an appraisal of the subject property with a valuation date of November 23, 2007 and an estimated market value of \$450,000 was filed with the Property Tax Appeal Board. In addition, at hearing, counsel for appellant requested that the Property Tax Appeal Board apply multipliers, if any, to the farmland and homesite assessments that were issued as to the subject's 2005 assessment as determined in Docket Number 05-02450.001-R-3 concerning this property. It should be noted that no timely appeal of the 2006 assessment of the subject property was filed before the Property Tax Appeal Board in accordance with Section 16-185 of the Property Tax Code (35 ILCS 200/16-185).

For this 2007 assessment appeal, the first witness called by appellant was Gary Pittenger, currently Chairman of the Tazewell County Board of Review. He has been a member of the board of review for seven years and has served as Chairman for six of those years. Pittenger also stated he is a Certified Illinois Assessment Official (CIAO) and obtains continuing education in the assessment field. As to the subject property, Pittenger acknowledged that at the time the 2007 appeal was heard by the board of review, the 2005 appeal was still pending with the Property Tax Appeal Board and had not been determined. Since the 2005 case was pending and there was no new evidence presented by the appellant, the board of review determined to make no change to the 2007 assessment at that time.

Appellant called as his next witness, appraiser Brad Glassey, who prepared the appraisal submitted herein by the board of review. For ease of reading, the direct testimony elicited by appellant's counsel from Glassey will be discussed below after a discussion of the entire appraisal prepared by Glassey.

Appellant's next witness was Joseph A. (Tony) Walsh of Peoria Heights, a licensed real estate appraiser since about 1992 and a broker since 1975. Walsh is also a member of the National Association of Real Estate Appraisers. He prepared an 18-page appraisal report of the subject property using the cost and sales comparison approaches to value. On page 4 of the report, the intended use of the appraisal was stated as a mortgage finance transaction, although the appraisal identifies the client as Huntziker [*sic*] Law Group LLC, appellant's legal counsel in this proceeding. The appraiser estimated a market value for the subject property of \$450,000 as of November 23, 2007.

Walsh reported a marketing time of over 6 months for the subject's rural neighborhood with stable property values. He also noted the area residential uses of one and two-story dwellings were inferior in quality to the subject. At hearing,

Walsh also stated the road to the subject was gravel with a concrete driveway to the residence. He agreed the parcel, other than the 1.48-acre homesite, was zoned conservation.

In describing the subject dwelling, Walsh reported in the appraisal that the dwelling is a one and one-half-story brick residence with an effective age of 3 years. He also determined the home contains 4,188 square feet of living area based on measurement, sketches and a prior appraisal. (TR. 87-88)¹ The home features a "partial" basement of 2,390 square feet that is partially finished; Walsh made no report of the walkout feature of the basement or the size of the finished basement area. He reported the condition of the subject was good, although the kitchen cabinets were not custom. He further reported that the subject does not conform to the neighborhood finding "the subject is super-adequate in quality, size, and amenities for this location and external obsolescence is noted close to the rural location and resulting distance from typical amenities."

Under the cost approach, Walsh stated the subject's land value as \$50,000, but set forth no support for that opinion. In testimony, Walsh clarified that the \$50,000 value was for the entire 60-acre tract. His opinion of about \$830 per acre for the subject land was "based on what Dr. Heyde paid for it . . . \$58,000 . . . back in 1998," the location, the non-productivity of the land, and the lesser quality soil types. (TR. 90-91) Next, the appraiser estimated the reproduction cost new of the subject dwelling, basement, and garage from consulting with local builders and various other sources, including the Marshall Valuation Service, of \$498,468. Physical depreciation of \$14,954 was reported along with external obsolescence of 20% or \$99,693 resulting in a depreciated value of improvements of \$383,821. Then, a value for site improvements of \$22,000 was added. Therefore, under the cost approach, the appraiser estimated a market value of \$455,821 for the subject.

Walsh testified the external obsolescence was due to location, the floodplain, and the over-improvement of the residence for the area. The 20% depreciation was Walsh's opinion; in part he considered the average area home price was about \$150,000. (TR. 88-89)

Under the sales comparison approach, Walsh set forth three sales comparables which were located in Groveland, Danvers, and Mackinaw and were said to be from .83 to 12.59-miles from the subject. These wooded parcels ranged in size from 2.41 to 4.7-acres. At hearing, Walsh testified that "some" of these parcels may be assessed other than as residential land. (TR. 86)

Each comparable was improved with either a one-story or a two-story frame or frame and masonry dwelling that ranged in actual age from 3 to 100 years old. The appraiser further reported the

¹ References to the two volumes of transcripts from the hearing are by page number(s).

dwellings had effective ages of either 1 or 5 years old and each was said to be in "good" condition. The homes ranged in size from 2,250 to 2,922 square feet of living area. Each comparable featured a full or partial basement, only one of which included finished area. The homes have central air conditioning, a fireplace, and a two-car or three-car garage. Two comparables also were said to have an outbuilding which was not further described in the report. The appraiser, however, did not report an outbuilding for the subject and further made no adjustment(s) to the comparables for outbuilding(s). These comparables sold between September 2006 and September 2007 for prices ranging from \$322,500 to \$420,000 or from \$125.53 to \$143.74 per square foot of living area including land. The properties were said to be on the market 1, 6, and 87 days, respectively. In the narrative description of the comparable sales, the appraiser noted sales were very limited due to the location and those presented were the best available. Walsh testified that guidelines suggest comparables should be within 1-mile of the subject and sales should not be more than six months old, but where the subject is 60-acres in a rural area with a volunteer fire department and no city utilities, the appraiser must either expand the distance or the date of sales. (TR. 84-85)

Unique characteristics of the subject according to Walsh were its 60-acre site size, the overall quality of the residence being superior to those in the immediate area, the over-improvement since there is so much external obsolescence, and the location of part of the property in a floodplain; "it's an outdoors paradise for blue-collar people, but very rarely do you have professionals like Dr. Heyde that want to live in those rural areas." (TR. 85)

The appraiser next adjusted the comparable sales for differences in location, site, quality of construction, room count, dwelling size, basement finish, garage stalls and fireplaces. For the site, Walsh made \$50,000 upward adjustments to each sale and for location Walsh adjusted only Sale #1 downward by \$50,000. In the narrative, Walsh stated a living area adjustment of \$20 per square foot above grade was indicated for all sales. He further reported that Sale #2 was closest to the subject and was given the most weight in the final reconciliation of the sales comparison analysis. Based on the adjustments made, Walsh determined adjusted sale prices for the comparables ranging from \$427,760 to \$483,820 or from \$165.58 to \$190.12 per square foot of living area including land. He then concluded a value for the subject under the sales comparison approach of \$450,000 or \$107.45 per square foot of living area including land based on his dwelling size determination of 4,188 square feet.

On cross-examination by the board of review's attorney, Walsh was asked about his uniform site size adjustment of \$50,000 regardless of the size of the comparable parcel. Walsh stated the basis for the adjustment was his "opinion of market value of the land." He further asserted the adjustment was derived from sales of vacant land in the area, although the data was not reported in the appraisal. (TR. 92-93) Walsh further

acknowledged that his opinion of the subject's land value of \$50,000 is less than the appellant's purchase price for the vacant parcel in 1998.

Even though his Sale #3 was near Mackinaw and on a well-traveled paved road, Walsh testified that it was not necessary to make a location adjustment to this comparable. (TR. 94) Walsh also acknowledged having made adjustments for bathrooms at \$2,000 per full bath, but contended that no adjustment for number of bedrooms was necessary since 3-4 bedroom homes were typical in the marketplace; the subject is said to have five bedrooms. The dwelling size adjustment of \$20 per square foot was based on what Walsh felt the property was worth, "as far as what the market was telling me it was worth." (TR. 99)

For Sale #1 with an actual age of 100 years and an effective age of 5 years, Walsh stated he made the effective age determined "on the way it was maintained and the remarks I read about the updates of the home" on the Multiple Listing Service (MLS) sheet. (TR. 95)

Walsh acknowledged that the subject basement of 2,390 square feet includes about 2,100 square feet of finished area including a wet bar and a fireplace. Walsh further reaffirmed his \$20,000 upward adjustment for no basement finish on Sales #1 and #2 even though those unfinished basements were about 900 and 1,559 square feet in size, respectively. (TR. 95-98)

The appraiser also acknowledged that he did not mention the outbuilding on the subject property as he did not view it, he was not aware of it, and it was a distance from the residence. Walsh acknowledged that Dr. Heyde was present when Walsh inspected the property. (TR. 98-99)

When questioned by the Hearing Officer about the 6 and 1 days on the market of his sale comparables #1 and #3, respectively, Walsh asserted they were priced right. (TR. 101) Although the subject was a complex design of more than one-story and not a standard two-story either, Walsh testified that he was unable to find another suitable comparable besides #3, a one-story dwelling.

The appraiser further explained the external obsolescence of the subject was because the dwelling does not conform to the neighborhood; it violates the economic principle of conformity as it is "way over-improved" for the area. The other external factors are the floodplain access. (TR. 102-104)

During further cross-examination by the board of review, Walsh acknowledged that buyers in the marketplace may jump on a low price first before one that is priced accurately. (TR. 104-105)

On re-direct examination, Walsh agreed in 2007 properties overall in central Illinois were still generally appreciating in value, although not necessarily in this location. As to the comparable

sales, each was listed for sale through the MLS and commissions would have been paid on the sales. (TR. 105-106)

In closing argument, counsel contended that neither the farmland assessment nor the land/homesite assessment of the subject property were being materially contested. In summary, counsel argued that appellant's appraiser estimated the dwelling and outbuilding had a value of perhaps \$425,000 and the board of review's appraiser opined in the cost approach that the improvements had a value of \$551,000. Counsel thus suggested the subject improvement's fair market value probably lies somewhere in the middle.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$475,410 was disclosed. The 2007 board of review improvement and homesite assessments as reflected on the final decision combine to reflect an estimated market value of \$1,432,838 or \$342.13 per square foot of living area including homesite land using the 2007 three-year median level of assessments for Tazewell County of 32.95%.

The board of review also proposed the following assessments for 2007 which were rejected by the appellant prior to hearing: farmland \$3,060; homesite \$4,100; and improvements \$262,290 (consisting of the residence at \$255,750 and a pole building at \$6,540) for a total assessment of \$269,450. The total proposed assessment of the improvement and homesite reflect an estimated market value of \$808,467 or \$201.06 per square foot of living area including homesite land using the 2007 three-year median level of assessments for Tazewell County of 32.95%.²

In support of the subject's assessment, the board of review submitted a three-page letter with attachments including an aerial photograph of the subject property and a summary appraisal of the subject property.

In the letter, the board of review noted that as required by the Property Tax Code (35 ILCS 200/16-180), where a change in assessed valuation of \$100,000 or more is sought, the board of review shall serve a copy of the petition on all taxing districts shown on the last available tax bill. A copy of the actual notice to the taxing districts was attached which stated in pertinent part:

If you intend to object to the proposed change you may submit your objection by mail or contact the Board of Review by phone . . . or mail . . . within 14 days of this letter. [Emphasis added.]

(Board of Review Notice to Taxing Districts dated May 19, 2008).

² Farmland, which receives a preferential assessment not calculated as 1/3 of fair market value, cannot be included to ascertain the estimated market value of the subject property based on its assessment.

Apparently in response to this notice, the Deer Creek-Mackinaw School District No. 701 submitted opposition by letter to the appellant's request to the Tazewell County Board of Review dated June 17, 2008. A copy of that objection letter was attached. The taxing district, however, did not properly intervene in the this pending appeal before the Property Tax Appeal Board in accordance with the Official Rules of the Property Tax Appeal Board (86 Ill.Admin.Code Sec. 1910.60(c)) and therefore, the Property Tax Appeal Board will not further address the purported objections made to this appeal which were sent only to the board of review by the taxing district. Furthermore, based on the applicable procedural rules before the Property Tax Appeal Board, the Board finds this taxing district is not properly a party to this proceeding.

In response to this appeal, the board of review presented an 85-page summary appraisal report prepared by Brad Glassey of Glassey & Glassey Appraisal Service in Pekin and called the appraiser to testify. The report indicates that Glassey is a Certified General Real Estate Appraiser. He utilized both the cost and sales comparison approaches to value to opine a market value for the subject property as of January 1, 2008 of \$865,000.

The subject property is located in rural northeastern Tazewell County, very near to the Mackinaw River. The area is rural in nature with primarily agricultural usages, scattered single family residences (which are often situated on acreage and zoned agricultural), and some recreational ground, both private and State owned. Area residents typically commute to either Peoria or Bloomington-Normal for employment, shopping and entertainment which are accessible by interstate and state highway. Smaller area communities provide basic amenities such as gas, convenience stores and some limited shopping and restaurants. On page 81 of the report, Glassey set forth estimated marketing and exposure times for the subject property of 100 days.

Glassey described the subject parcel as large with considerable elevation changes and heavily wooded areas; the property is bisected by a creek, has a small pond, and is zoned Conservation District. Glassey described the subject's view as above average in that there are two bluffs, one overlooking both the Mackinaw River Valley and a tributary creek valley and the other bluff overlooking the tributary creek valley. The appraiser also reported that according to the homeowner, approximately 14-acres of the subject property are enrolled in a conservation program, although which program was not specified. (Glassey appraisal, p. 8, Item #6) Glassey reported that he assumed the enrollment was temporary, expiring in approximately 10 years, and did not include any significant restrictions on land usage unknown to the appraiser. (Id.)

Part of the subject parcel is located in a FEMA identified special flood hazard area, but the only improvement directly affected by the floodplain is the motorized gate as the residence is located at a considerably higher elevation and the outbuilding

also appears to be situated out of the floodplain. Glassey acknowledged that the floodplain does affect access to the property. (Glassey appraisal p. 20) The appraiser characterized access to the property as poor since the entrance is in a floodplain. Besides reporting an extraordinary assumption (Item #4, p. 7), the appraiser reported the homeowner's claim that there have been ten floods in eight years that blocked access to the subject property. (Glassey appraisal, p. 22) In addition, the public road fronting the subject is gravel with paving beginning about ½-mile south. (Id.) The very long access lane leading to the residence is initially gravel and then ¾ is concrete paved from just before the motorized gate and continuing up the bluff, then widening to a parking area in front of the garage. The property also features extensive landscaping, a private well, and a septic system along with an electric gate with brick pillars, a large deck overlooking the creek valley and a wooden privacy fence along the northern edge of the property near the dwelling.

Glassey inspected the subject property on October 10, 2008 and again on October 22, 2008. He reported the subject dwelling contains 4,021 square feet of above-grade living area based upon his measurement of the dwelling, even though this differs significantly from county records. (Glassey appraisal, p. 7, Item #1) Glassey testified he was not allowed to enter the master suite and a second floor study, although from the doorway he saw much of the study. The appraiser also was not permitted by the homeowner to take interior photographs of the dwelling for purposes of this appraisal. The property was said to be in overall average condition; it was well-maintained with no obvious deficiencies apart from physical depreciation due to typical wear and tear. The quality of the materials and workmanship was described by the appraiser as average for a home of this age, style and size. (Glassey appraisal, p. 27) On initial inspection of the property, the homeowner advised the appraiser that the only improvements were the dwelling and a 120 square-foot non-attached shed which the appraiser observed. Subsequently, an aerial photograph revealed an additional outbuilding on the property and a second inspection was made on October 22, 2008 at which time the building was locked, but exterior measurements were taken. The appraiser also viewed a portion of the interior through windows. The appraiser reported on page 7 of his report that:

The homeowner refused to sign a document stating the appraiser 'has been informed of and granted access to all real property improvements situated on the 60.25 acre ± site commonly known as 17500 King Rd, Danvers, IL.'

The appraiser noted the report is based on the assumption that there are no other significant improvements located on the subject site "and that the areas of the subject site unobservable by the appraiser are as described to the appraiser." (Glassey appraisal, p. 7, Item 3)

Glassey undertook a highest and best use analysis of the subject property both as vacant and as improved. (Glassey appraisal, p. 31-33) The appraiser concluded the highest and best use of the subject site as if vacant was for single family residential use. He further opined that the subject's value, as improved with a single family residence, far exceeded the value of the site as if vacant making this the highest and best use of the property as improved.

On page 34 of the report, Glassey engaged in an 'excess and surplus land analysis.' He noted the subject site was larger than typical for area residential properties which can range in size from 1 to over 50-acres, but typically range from 2 to 10-acres with newer homes typically on larger parcels. Due to configuration and zoning requirements, the subject cannot be split or divided into smaller parcels. The appraiser also found the subject site had considerable potential for private recreational use and therefore concluded, based on market data, that surplus land has significant contributory value in the market. (Glassey appraisal, p. 34)

While the income approach was deemed not relevant to the valuation of the property as a whole, Glassey recognized the subject has income producing capacity which does not preclude its primary use as single-family residential property. The land produced some income through enrollment in a conservation program and, alternatively, after the program expires a portion of the subject land could be cash rented for agricultural purposes, however, the tillable land is in a floodplain. Glassey also reported this land would be expected to produce a crop about nine of ten years and could include additional costs of replanting and prohibitively expensive crop insurance, if even available. The appraiser wrote the income producing potential of the land is not directly related to its highest and best use as determined in this report. The potential for income from some of the subject land does not compromise its primary use and is a relevant feature of the site as compared to other vacant and improved sales which the appraiser has considered in this report. (Glassey appraisal, p. 35)

In determining that the cost approach was an appropriate valuation method to be used for this appraisal, Glassey noted despite the newer age and lack of much physical depreciation or obsolescence, there was considerable external obsolescence due to poor access and a location which was a considerable distance from supporting facilities. He also found there was functional obsolescence due to overimprovement as the majority of area homes are smaller than the subject and the subject includes amenities (motorized gate and brick exterior) that have costs far higher than the market will support. While the cost approach was developed, it was also given less weight in the final analysis as the obsolescence is difficult to accurately gauge. Glassey also found replacement cost rather than reproduction cost was most

appropriate for the subject dwelling due to its significant functional obsolescence. (Glassey appraisal, p. 35 & 37)

Under the cost approach, the appraiser first had to determine a site value for the subject as if vacant. While there were few recent land sales in the subject's rural area, Glassey selected land sales based on similar highest and best use which properties are also generally ineligible for splits into smaller parcels. Glassey reported three vacant land sales located in Woodford and Tazewell Counties which sold between May 2005 and May 2007. The properties range in size from 24.1 to 58.55-acres and sold for prices ranging from \$135,250 to \$480,000 or from \$5,561.27 to \$8,205.13 per acre. Land Sales #1 and #3 are smaller than the subject, but are situated along bluffs in the same general area and Land Sale #2 is similar in size with primarily upland timber and a ravine, but is not situated on a river or creek. (Glassey appraisal, p. 39) No vacant land sales could be found that had access restricted by a floodplain. Land Sales #2 and #3 do not physically access public roads and #3 is further difficult to access due to topography.

On page 39 of the report, Glassey stated that he researched the effect on value of floodplains for other area properties (i.e., smaller improved sites with improvements in the floodplain) and the effect on value of other intermittent access problems (i.e., locations on roads that are impassable after heavy rains and locations where snow removal is often insufficient to guarantee access). Adjustments to the vacant land sales were made for site size, location, and access. From this data, the appraiser arrived at adjusted sale prices ranging from \$312,900 to \$340,200 or from \$4,561.27 to \$5,705.13 per acre. Based on this analysis, the appraiser estimated a land value for the subject's 60.25-acres at \$5,200 per acre or \$314,000, rounded.

Based primarily upon the Marshall Valuation Service (effective December 2007) along with data from local contractors, Glassey estimated the replacement cost for the dwelling of 4,021 square along with the basement (including finished area), garage, porch and patio for a total replacement cost new of \$623,936.66 with a quarterly adjustment and a regional adjustment. Next site improvements for the gate, driveway/sidewalk, deck, well, septic system, landscaping and outbuilding of \$40,000 were added. Then, depreciation deductions were made for physical depreciation (6.67%), functional obsolescence (5%) due to the superadequacies (all brick and above average quality level for the immediate area) and external or economic obsolescence (5%) due to location on an unpaved road which is in a floodplain for total depreciation of \$104,010.24 resulting in a depreciated cost of the improvements of \$519,926.42. Glassey then added \$40,000 for the "as-is" value of site improvements and added back the land value to arrive at a total estimate of market value under the cost approach of the property of \$874,000, rounded.

Glassey also found the sales comparison approach to value, which is based on the principle of substitution,³ to be relevant as the property is replaceable in the marketplace, assuming no costly delay in making the substitution. (Glassey appraisal, p. 36) On page 55, Glassey wrote:

The improved sales vary considerably from the subject. The subject is located in a rural area with few recent sales. Further, homes in this general area vary widely in terms of age, size, style, condition, site size, quality, and amenities. Thus, it was necessary to go out of the immediate area and further back in time to select sales. As the rural market in this area encompasses a large area, sales some distance from the subject are still reflective of the local market.

Glassey further reported he considered locational factors such as the area landscape to the northeast of the subject being similar and ease of access to major regional employment centers as a factor. Large partially wooded and scenic sites were desirable; the rural area has few newer custom built rural home sales. (Glassey appraisal, p. 55)

The appraiser next set forth six suggested improved sales comparables that were located in Goodfield, Leroy, Carlock, Danvers, and Metamora and were from .62 to 31.80 miles from the subject property.⁴ The parcels ranged in size from 4.72 to 54.38-acres and were improved with a one-story, two, one and one-half story, and three, two-story dwellings of frame, frame and masonry, or frame and stone exterior construction ranging in age from 1 to 27 years old. The comparables range in size from 2,471 to 5,050 square feet of living area. Five comparables feature full or partial basements, three of which include finished area. Each comparable has central air conditioning or a geothermal system. Five comparables have one to three fireplaces. Each comparable has a two-car or three-car garage and one comparable has a second garage. Five comparables have one to three outbuildings; one comparable also has a cabin and one comparable has an in-ground swimming pool. These comparables sold between May 2006 and August 2007 for prices ranging from \$328,000 to \$827,788 or from \$125.53 to \$226.79 per square foot of living area including land. Glassey also reported that these properties were listed on the market from 0 to 275 days prior to sale and all but one sold for less than its original list price with reductions from \$9,900 to \$130,000; Sale #3 sold before it was finished as a custom home with upgrades for about \$139,000 more than its original list price.

The appraiser then made adjustments to the six comparable sales for differences in site size, location, access, development potential, site features, zoning, quality of construction,

³ Value tends to be set at the cost of acquiring an equally desirable substitute property.

⁴ Glassey's Sale #6 is also Walsh's Sale #2.

design/style, condition, living area square footage, basement finished, basement unfinished, room count, exterior construction, geothermal, garage size, fireplaces, other structures, and differences in other amenities from the subject. After adjustments, the appraiser concluded adjusted sale prices for the comparables ranging from \$742,500 to \$994,588 or from \$179.60 to \$315.46 per square foot of living area including land. Based on the sales comparison approach to value, Glassey opined a market value for the subject of \$860,000 or \$213.88 per square foot of living area including land.

In his reconciliation, Glassey reported that most weight was given to the sales comparison approach and then concluded an estimated fair market value \$5,000 greater for the subject or \$865,000, which reflects \$215.12 per square foot of living area including land, as of January 1, 2008.

Glassey was next questioned about the appellant's appraisal. Glassey did not perform a formal review, but provided a one-page analysis which was re-printed within the board of review's letter (part of pages 2 and 3). Glassey first remarked that Walsh's comparable sales are parcels of less than 5 acres, each, but Walsh made a uniform adjustment of \$50,000 for site size. Glassey found this particularly confusing since in the cost approach, Walsh had determined the entire subject 60.25-acre parcel had a site value of \$50,000. Glassey testified that these two analyses are confusing and the document lacked an explanation for the methodology.

In addition, Glassey found the comparable sales considered by Walsh to be considerably smaller and inferior in quality and/or condition. In this instance, Glassey noted the appellant's appraiser failed to 'bracket' the subject by also presenting some comparables that were superior to the subject and which would require downward adjustments to balance the comparables presented that all required upward adjustments. Furthermore, Glassey found no reference to the consideration of the pole building on the subject property.

Glassey also found the amount of adjustments made by Walsh to be low whether on a per-square-foot, per bathroom, or per-garage-stall basis. Additionally, Glassey criticized the adjustments for exterior construction and site size. He further noted that no basement size data for the comparables was presented nor were specific adjustments for basement size/finish made by Walsh. Glassey opined the failure to properly adjust the sales had the effect of lowering the reported value.

During examination in appellant's case-in-chief, Glassey testified that he has about 14 years of appraisal experience in the Pekin area appraising residential, farm, commercial and multi-family properties. Glassey noted that of the three different levels of licensure in the State of Illinois, he has achieved the highest level, Illinois State Certified General. He also maintains his continuing education requirements semi-

annually and is working toward obtaining status as a Member of the Appraisal Institute (MAI) as a commercial appraiser, although he is currently an associate member of the Appraisal Institute.

Glassey was asked to elaborate on the following 'extraordinary assumption' in the report:

At the time of inspection, the homeowner showed the appraiser evidence of the water level during a recent flood (water marks on trees, neighboring corn, etc.) This level indicates the subject was inaccessible at the time of the recent flood. It is assumed this conclusion based on this evidence is correct, and thus that the subject property is at times inaccessible due to flooding.

(Glassey Appraisal, p. 7, Item #4). Glassey testified that the subject dwelling sits up on a bluff and the lane (road) goes down the bluff and out to the road in the Mackinaw River Valley resulting in low elevation for the access road, but high elevation for the dwelling. At the brick pillars that support the gate on the lane, Glassey saw the waterline which was also confirmed on neighboring trees. In addition, Glassey, who has been on the nearby road many times, has observed the area flooded. In the absence of observing flooding on the day of inspection, Glassey testified he had to make an assumption based on the facts, recognizing that flooding affects his consideration of the land. (TR. 18-19)

Glassey acknowledged that short of crossing neighboring grounds to the subject, the only ingress and egress to the property is on the lane and through the brick-pillared gate. The lane leading to the subject dwelling is gravel. Glassey was asked whether the inaccessibility of the subject property at times impacted the valuation and marketability of the property to which he responded it was difficult to answer and an unusual situation. The subject was rural and would be inaccessible at times whether due to snow or water and such condition would have an effect on the valuation and marketability of the property along with the quality of the road access to the property. Secluded property has the advantage of quiet, but unique access issues can be difficult to determine in each situation. (TR. 19-20)

Glassey testified that he has experience appraising other residential properties with egress and ingress through a floodplain; in the subject area, there are whole subdivisions in floodplains. Having analyzed the data, Glassey noted there is an effect on value, but not as much as might be assumed at first blush. Typically properties affected by flooding are by a river, creek or other landmark that is appealing which offsets the flooding issue a little bit. (TR. 20-21)

In the subject's area due to the terrain there are scattered homes. In the rural area there is a large variation in quality and style of homes. The subject home's all-brick exterior is

above average, but as an 8 year old home of 4,021 square feet, the interior had average quality materials and workmanship from what Glassey observed. (TR. 24-25) When asked whether maintenance of the home was below average, Glassey noted the dwelling was cluttered which meant it was difficult to entirely see floor coverings. (TR. 26)

Addressing a discussion on page 31 of his appraisal noting county zoning would not currently allow the subject parcel to be split or rezoned due to its limitation of 33 feet of street frontage, Glassey testified that unless zoning rules change or an exception were granted, the subject property does not have other legally permissible uses as of the time of the report beyond its current use. (TR. 26-27)

Glassey explained the need to develop a land value in order to perform a cost approach to value. In performing an analysis of sales to arrive at a land value, on page 39 of the report Glassey noted that he was unable to find land sales with a similar highest and best use that also had access restricted by a floodplain. Glassey further noted that many of his sales comparables for land had restricted access and were bisected by creeks, but none of the comparables had an entrance by a floodplain. (TR. 31) The land sale adjustment analysis is based on market data with as objective as possible adjustments; Glassey could not say that there is no subjective component. (TR. 31-32) For instance, land sale #1 had a different adjustment for access because it had an easement access as opposed to actual physical access. (TR. 33) The adjustment differences were based on the appraiser's observation, experience and market data considering sales of properties with only easement access. (TR. 34) Glassey testified that he uses either percentage adjustments or dollar value adjustments depending upon the market data that he has available to support the adjustment. (TR. 34-35)

On page 50 of his appraisal, Glassey opined a land value for the entire subject parcel as if vacant of \$314,000 or about \$5,200 per acre. Assuming that the appellant purchased the subject vacant land in 1998 for between \$60,000 and \$100,000, Glassey's estimated land value represents about a 600% increase over 12 years or almost 50% per year. Glassey acknowledged that this seems unusual. (TR. 35-36) Glassey noted that he does not know enough about the 1998 sale noting further that 10 years is a long time, but the appraisal was based on recent sales. (TR. 36)

When Glassey was asked his opinion of the value of the approximately 1.4-acre homesite, he stated that would be "an artificial split" as far as he was concerned. His assignment was to determine the market value of the property and zoning regulations would not allow splitting out 1.4-acres. Glassey opined, however, that the 1.4-acres would be worth considerably more per acre than the remaining 60-acres. (TR. 36-37) Glassey further testified that the value of the subject land would be different if it was in smaller pieces; the value of \$314,000 he opined only applies to the tract at 60.25-acres. (TR. 37)

In the cost analysis, Glassey made both a quarterly adjustment and a regional adjustment (Glassey appraisal, p. 52). These figures were derived from published cost manuals which have updates published quarterly and by region for labor and materials. (TR. 39-40)

On page 55 for the sales comparison approach, Glassey noted that the comparable sales vary considerably from the subject for a variety of reasons and that it was necessary to select sales away from the immediate area and more distant in time from the valuation date. (TR. 43-44) Glassey noted that generally in a rural area it is impossible to find a similarly-situated property that needed no adjustments. (TR. 44)

With regard to the comparable sales, Glassey stated "when you're including houses with a lot of acreage and that get thrown into that gross price per square foot, that can make the variation appear maybe larger than it really is because a lot of the difference is attributable to the acreage." (TR. 45)

As to the comparable sales adjustments, Glassey acknowledged that in most instances the largest adjustment probably was concerning the acreage. (TR. 45-46) The comparables were adjusted for size at about \$6,000 per acre with additional separate land adjustments for location and/or access. (TR. 46-47)

Glassey was asked about the total percentage of adjustments made to the comparable lands. He noted that appraisal guidelines indicate it is ideal to have gross adjustments of less than 25%, if possible; if it is not possible, the appraiser is to explain why. (TR. 48) These adjustments were diverse because it was hard to find properties similarly-situated to the subject; the comparables presented were the most similar, competitive, fairly recent sales available. (TR. 49)

Glassey testified it is improper to characterize the subject dwelling as having a 'fair market value' of \$551,000 without the land value of \$314,000; instead, the analysis is that the dwelling has a contributory value to the site of \$551,000. (TR. 49)

Appellant's counsel also queried Glassey on his analysis of the appellant's appraisal report prepared by Walsh. Glassey reiterated that in his appraisal, Glassey made a site size adjustment to the comparables on a set amount per acre whereas Walsh, regardless of parcel size, made a \$50,000 adjustment to the comparables for site size.

The Hearing Officer obtained clarification from Glassey that the flooding on the lane leading to the subject dwelling would have been three or four feet high making it impassable. Glassey also noted based on his observations of the area that the flooding remains for about three days before it drains. (TR. 57)

On additional examination by the board of review's counsel, Glassey expounded on his selections of comparable sale properties for the appraisal noting that a dwelling similar to the subject in Bloomington or Peoria is not comparable to the subject because the analysis also involves looking for dwellings that reflect the same market where the same buyers would be looking at the properties. Thus, Glassey's first criterion was a rural location with acreage, preferably wooded. Based on his experience, Glassey opined that buyers of rural properties find the land as much, if not more important, than the style of the dwelling. (TR. 51-52)

In closing argument, counsel for the board of review conceded that "the \$314,000 site value in Mr. Glassey's appraisal is not at all appropriate for consideration as part of the value of the improvements." (TR. 107) Instead, counsel urged the improvement value should reflect the depreciated value of the improvements plus the depreciated value of the site improvements for a total of about \$560,000.

As to written rebuttal in this matter, the appellant's brief postmarked on April 13, 2009 will be addressed herein. Also, in summary, by letter Order dated December 8, 2009, the Property Tax Appeal Board denied the appellant's Motion to Supplement Rebuttal Evidence which was postmarked on May 14, 2009. (See letter Order dated December 8, 2009) The Board hereby incorporates for this decision the ruling on the motion and will not address the substance of that second submission.

In the timely filed rebuttal brief, counsel first contends that the board of review has failed to provide substantive, documentary evidence sufficient to support its assessment of the subject property (as required by Sec. 1910.63(c)) as the 2007 assessment reflected a market value of approximately \$1.4 million, but the appraisal presented by the board of review reflects a market value of \$865,000.

Next, appellant's counsel raises several reasons that the board of review's appraisal should be seen as flawed and should not be relied upon in determining the correct assessment of the subject property. First, appellant disputes the inclusion of a fair market value for the entire 60.25-acre parcel when only 1.48-acres are assessed at market value, with the remainder having a preferential farmland assessment that is not based on market value. Further, in reliance upon the land value set forth in the cost approach, appellant's counsel urges deduction of \$314,000 from the total fair market value opined by Glassey. Second, appellant disputes inclusion of a market value for the pole building in improvements when "[t]his outbuilding is clearly a farm building." Third, appellant contends that Glassey over estimated the marketability of the subject property. In support of this contention, appellant attached an electronic mail message from appraiser Walsh with a two-page listing of four years' of real estate listings in Danvers with indications whether the properties sold, were active listings or expired listings.

Walsh asserted that 66% of the listings became expired; in the four year period, only eight sold and two were still active listings at the time. Walsh reiterated based on the data, the subject was an over-improvement to the area. Fourth, appellant asserted the Glassey appraisal was unreliable and in support of this contention submitted a review appraisal prepared by Stephen Whitsitt.

In his desk review, Stephen D. Whitsitt of Whitsitt & Associates, Inc. in Champaign, examined Glassey's appraisal submitted by the board of review in this matter.⁵ Whitsitt's four-page review begins by recognizing value of the subject property was affected by entrance access in a floodplain and that the subject site cannot be split, suggesting portions of the lot are surplus land. Whitsitt criticized Glassey for not having identified the subject property itself on the floodplain map in the report.

On page 37 of Glassey's report, various definitions are set forth and appear materially accurate, but Whitsitt noted they reflect a 1975 source. Whitsitt also criticized the lack of a definition for replacement cost in the report.

In the land sales analysis, Whitsitt found Glassey did not describe the method of access to two properties which lacked physical road access. He also found that Glassey's adjustments were in dollar amounts, which can be a reasonable method of adjustment. Whitsitt further reported, however, in this matter since there were significant price variances between the sales, as percentages the adjustments vary greatly. In this regard Whitsitt found the dollar adjustments were consistent, but the percentage adjustments were not. Furthermore, as to the land value conclusion, Whitsitt recognized the opinion was bracketed by the sales analyzed, however, he noted that the subject was acquired 10 years ago for \$52,000 or less than \$900 per acre which, according to Whitsitt, "appears to recognize that only limited portions of the site are viable and buildable"

Whitsitt did not dispute the replacement cost new figures presented by Glassey. However, for depreciation, Whitsitt found there was no substantiation provided for the 5% functional and 5% external obsolescence adjustments.

For the sales comparison approach, Whitsitt noted the weakness of this approach as set forth in Glassey's appraisal since the subject is unique and there are no truly comparable properties. Whitsitt found the adjustments to the comparables were mostly consistent at \$6,000 per acre of upward adjustments, except for Sale #4 which had an adjustment of \$6,133 per acre. In this regard, Whitsitt also noted the per-acre adjustment was greater than Glassey's per-acre value conclusion for the subject as if vacant of \$5,200. In addition, Whitsitt pointed out that Glassey

⁵ Appellant's request for a continuance due to the inability of Whitsitt to attend the scheduled hearing date was denied. (See letter Order of January 18, 2011) Said ruling is incorporated herein.

determined the subject site could not be split, meaning it is surplus land. Whitsitt contended that surplus land commands something less than the prices of excess land, "suggesting that the adjustment for land area within the sales comparison approach should be at a rate less than that identified in the cost approach."

In analyzing other adjustments made to the sales comparables, Whitsitt found Sale #2 lacked an adjustment for development potential despite a description on page 71 that this property was superior to the subject in this regard. Therefore, Whitsitt found that a negative adjustment should have been applied resulting in a reduction in the adjusted sale price for Sale #2. Whitsitt also analyzed and questioned the need for a zoning category adjustment given the highest and best use determination and the fact that these were already developed properties (presumably with legally conforming uses to the zoning classification). While Glassey made no age adjustments to the comparable dwellings despite the varying ages, Whitsitt presumed the differences were accounted for in the condition adjustment which Glassey did make. However, Whitsitt further found significant size variances "would suggest varying effective ages which would require adjustments." He also found that while quality adjustments were made, the report did not make clear what quality features were being adjusted for since they were not delineated for the comparables. Whitsitt wrote, "[i]t is recognized that the adjustment process is hard to quantify." Having found various consistent and inconsistent adjustments made by Glassey, Whitsitt reported "[t]he most significant of these adjustments which come into question is that of site size adjustments. Recognizing that the subject offers surplus, as opposed to excess land, and that the value of surplus land is minimized by the type of land and inability to sell it, the adjustment of \$6,000 per acre appears excessive and contrary to what one would anticipate following typical appraisal methodology."

Whitsitt also found the 100 day marketing time appeared inadequate given the limited pool of buyers for the subject, a unique rural property appealing to high end buyers. Whitsitt further asserted that Glassey's marketing time inferred the subject would sell rapidly and thus not require much discounting from a price perspective.

At the end of the report, Whitsitt concluded that Glassey's adjustment for site variations between the comparables would result in an inflated valuation for the subject property.

After hearing the testimony and reviewing the record, 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 rendered a decision on November 25, 2009 lowering the 2005 total assessment of the subject property to \$266,297 based on the evidence submitted by the parties with

the farmland having an assessment of \$990 and the homesite having an assessment of \$2,562. As to the appellant's request through counsel made in opening statement to carry forward the farmland and homesite assessments from the 2005 decision subject only to multipliers, if any, the Board finds such a remedy is not appropriate for several reasons.

First, as to farmland the Property Tax Code (Code) mandates the specific manner in which property properly classified as farmland shall be assessed annually based on various factors including productivity, soil type and other factors. (35 ILCS 200/10-110, 10-115, et. al.) Furthermore, as stated in the Code, farmland is not subject to equalization. (35 ILCS 200/10-135)

Second, Section 16-185 of the Code (35 ILCS 200/16-185) provides in part:

If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel on which a residence occupied by the owner is situated, such reduced assessment, subject to equalization, shall remain in effect for the remainder of the general assessment period as provided in Sections 9-215 through 9-225, unless that parcel is subsequently sold in an arm's length transaction establishing a fair cash value for the parcel that is different from the fair cash value on which the Board's assessment is based, or unless the decision of the Property Tax Appeal Board is reversed or modified upon review. [Emphasis added.]

Assessment year 2007 began a new general (quadrennial) assessment period in Tazewell County and therefore, the Property Tax Appeal Board finds that Section 16-185 is inapplicable to the instant appeal for purposes of requiring the reduced homesite assessment issued for 2005 to be maintained for the remainder of the general assessment period (35 ILCS 220/16-185).

Third, the Board finds the evidence submitted in the 2005 assessment appeal by the parties differed substantially from the evidence submitted in this 2007 appeal. The appellant submitted a new appraisal from an appraiser in the 2007 appeal who had not prepared an appraisal for the 2005 appeal. Also, the board of review's appraiser was allowed access to the subject dwelling for purposes of his 2007 appraisal. Therefore, in this report the board of review's appraiser was not relying solely on the property record card that reported a dwelling size in excess of 10,000 square feet of living area and other assumptions necessitated by the lack of inspection.

Fourth, the evidence in this record reveals the existence of a pole building on the subject parcel which was previously unknown to the assessing officials. Thus, it would be inappropriate to simply carry forward the previous assessment, even if 2007 were within the same general assessment period, as the provisions of Section 9-180 of the Code would apply to assess "new or added

buildings, structures or other improvements" on the subject parcel. (35 ILCS 200/9-180)

Thus, in conclusion, the instant appeal will stand on its own merits and be based on equity and the weight of the evidence submitted in this record, not based on application of equalization factors, if any. (35 ILCS 200/16-185)

As to the appellant's contention in rebuttal that the board of review did not comply with the requirements of Section 1910.63(c) of the Official Rules of the Property Tax Appeal Board, the Board finds no merit to this contention either. (86 Ill.Admin.Code Sec. 1910.63(c)) The provision states as follows:

. . . The board of review must provide substantive, documentary evidence or legal argument sufficient to support its assessments of the subject property **or some other, alternate valuation.**

[Emphasis added.] (86 Ill.Admin.Code Sec. 1910.63(c)) Under the appellant's erroneous and abbreviated depiction of the rule, under no circumstances after an appeal was filed before the Property Tax Appeal Board could a board of review stipulate or propose a reduced assessment of the subject property, whether based on the appellant's evidence or the board of review's own re-examination of its evidence. This is an absurd result and clearly contrary not only to the rule cited but also to other provisions of the Official Rules of the Property Tax Appeal Board such as Sections 1910.55 and 1910.72. (86 Ill.Admin.Code Secs. 1910.55 & 1910.72) Furthermore, Section 1910.40(a) also instructs boards of review to submit "all written and documentary evidence supporting the board of review's **position**" in response to a given appeal, not necessarily documentation only supporting the current assessment of the subject property. [Emphasis added.] (86 Ill.Admin.Code Sec. 1910.40(a)) The appellant has incorrectly construed Section 1910.63(c) for purposes of this contention and there is simply no basis to do so. Therefore, the Board denies the appellant's rebuttal contention that the board of review failed to comply with Section 1910.63(c).

As noted previously, the board of review requested a reduction in the 2007 farmland assessment of the subject property to \$3,060. On the Residential Appeal form, the appellant actually requested an increase in the land assessment of the subject "land" (presumably for both the farmland and homesite acreage) to \$16,000 from its current total farmland and homesite assessment of \$7,390. However, at hearing counsel for the appellant contended the land assessments were not at issue. Furthermore, the Property Tax Appeal Board finds that the appellant provided no substantive evidence of undervaluation as to the land assessments, either homesite or farmland.

The Property Tax Appeal Board will reduce the farmland assessment in accordance with the request of the board of review made in this record. The requirements of the Code are specific to

farmland assessments (35 ILCS 200/10-115 & Publication 122 of the Illinois Department of Revenue) and the appellant provided no evidence to dispute the farmland assessment. The Board further finds that the appellant provided no evidence to support an increase in the subject's homesite assessment. Therefore, no change in the subject's homesite assessment will be made on this record.

Another preliminary matter concerns the treatment for assessment purposes of the pole building. The Board finds the record is clear that the subject's pole building was not previously known to the assessing officials. As an improvement to the property, it is to be assessed. In written rebuttal, the appellant's counsel argued this building should be assessed as a farm building whereas the board of review contended it should be included in improvements.

The Property Tax Code and accompanying case law are clear that farm buildings are valued according with their current use and contribution to the productivity of the farm. The present use of land and buildings is the focus in issues involving farmland classification and assessment. Santa Fe Land Improvement Co. v. Illinois Property Tax Appeal Board, 113 Ill. App. 3d 872 (3rd Dist. 1983). In particular, the Board finds Section 1-60 of the Property Tax Code is relevant:

Improvements, other than farm dwellings, shall be assessed as a part of the farm and in addition to the farm dwellings when such buildings contribute in whole or in part to the operation of the farm. [Emphasis added]. (35 ILCS 200/1-60)

Furthermore, Section 10-140 of the Property Tax Code provides:

Other improvements. Improvements other than the dwelling, appurtenant structures and site, including, but not limited to, roadside stands and buildings used for storing and protecting farm machinery and equipment, for housing livestock or poultry, or for storing, feed, grain or any substance that contributes to or is a product of the farm, shall have an equalized assessed value of 33 1/3% of their value, based upon the current use of those buildings and their contribution to the productivity of the farm. [Emphasis added.] (35 ILCS 200/10-140)

Where farm structures do not contribute to the productivity of the farm, then the buildings would add nothing to the value of the farm. O'Connor v. A&P Enterprises, 81 Ill. 2d 260, 267-68 (1980); see also Peacock v. Illinois Property Tax Appeal Board, 399 Ill. App. 3d 1060, 1071-1073 (4th Dist. 2003).

The record in this appeal is void of any evidence regarding the use of the pole building on the subject property. Appellant did not appear to testify that the building was used in the farming

operation. Appellant's appraiser did not include the pole building in his report and seemed to be unaware of its existence and provided no opinion as to its use. Glassey, the board of review's appraiser, was not allowed to enter the building and only was able to determine its exterior measurements. He indicated that he peered in a window and found that the building had a concrete floor. He provided no testimony as to the building's actual use with regard to the subject property. In the cost approach, Glassey set forth a depreciated replacement cost new for the pole building of \$21,000. On this record, the Property Tax Appeal Board finds that the appellant has failed to establish that the subject pole building should be properly classified as a farm building due to its use in the farming operation. In the absence of substantive evidence of the building's use in relation the farming operation, the Board finds that the subject pole building can only be properly assessed as an improvement to the subject parcel and the only record evidence as to its value was presented by the board of review.

As to the merits, the appellant argued that the subject's assessment was not reflective of market value. Except in counties with more than 200,000 inhabitants that classify property, property is to be valued at 33 1/3% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). The Illinois Supreme Court has construed "fair cash value" to mean what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing, and able to buy but not forced so to do. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill. 2d 428 (1970). When market value is the basis of the appeal, the value of the property must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 728 N.E.2d 1256 (2nd Dist. 2000); National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). 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 Sec. 1910.65(c)). The Board finds this burden of proof has been met and a reduction in the subject's assessment is warranted.

A specific finding as to dwelling size is also necessary in this matter. The Board recognizes that in the 2005 appeal, the parties stipulated to a dwelling size of 4,021 square feet of above grade living area. This figure was testified to by Glassey based on the instant appraisal of the dwelling after he gained access to the property. The Board finds the dwelling size determination of Walsh of 4,188 square feet is less reliable and credible because he relied on 'measurements, drawings and a prior appraisal.' Walsh did not identify who performed the prior appraisal or why reliance on any such size calculation would be appropriate. Under the circumstances, the Board finds the best

and most credible evidence of dwelling size was presented by Glassey's appraisal and testimony. Therefore, the Board finds the dwelling contains 4,021 square feet of above-grade living area.

The appellant submitted an appraisal estimating the subject property had a market value of \$450,000 or \$111.91 per square foot of living area of 4,021 square feet including land as of November 23, 2007. The Tazewell County Board of Review submitted an appraisal estimating the subject property had a market value of \$865,000 or \$215.12 per square foot of living area including land as of January 1, 2008. The 2007 board of review improvement and homesite assessments as reflected on the final decision combine to reflect an estimated market value of \$1,432,838 or \$342.13 per square foot of living area including homesite land.

Both appraisers presented value conclusions for the property as of late 2007/early 2008 when the actual valuation date at issue for this appeal is January 1, 2007. Both appraisers also included the entire 60.25-acre parcel in their opinions of market value for the subject property, even though the farmland is preferentially assessed and not at issue in this appeal. In this appeal, the Property Tax Appeal Board must determine the correct assessment of the subject homesite and improvements consisting of a 1.48-acre homesite, the residence and the pole building. The assessment on the homesite has been determined above along with the farm land, thus, the only remaining value dispute concerns the improvements.

The appraisers both chose to consider the cost and sales comparison approaches to value as the most appropriate to arrive at a value conclusion for the subject property. In the cost approach, both appraisers had to determine a land value. As noted previously, the appraisers included all 60.25-acres in their opinion of site value. The Board finds the site value determination was the first point of significant divergence between Glassey and Walsh. The Board finds Walsh's site value determination of \$50,000, less than the 1998 purchase price of the subject parcel, lacks credibility, foundation and/or support in the record. The Board finds Glassey's conclusion of land value has greater support in the record.

After reviewing the appraisals and considering the testimony provided by both appraisers, the Board finds Glassey has the more credible and better supported value conclusion of the subject property.

For the sales comparison approach, both appraisers determined that there were few similar homes in the subject's immediate market area and found they had to seek sales further from the subject property and more distant in time to arrive at a sufficient sampling of sales. Both appraisers were able to find one sale in relatively close proximity to the subject for consideration, despite its dwelling size of 2,613 square feet and it's parcel size of only 4.72-acres. In summary, both appraisers

found it difficult to gather sales of similar properties and both found it necessary to make substantial adjustments to the comparables in order to arrive at an estimated market value for the subject property.

The Board finds the appraisers both made numerous adjustments to those sales comparables and based on the appraisal reports themselves and supporting testimony, the Property Tax Appeal Board finds that Glassey's adjustments were better explained and supported than those made by Walsh. The sales considered lack much similarity to the subject property whether in land size and/or dwelling size as both appraisers acknowledged. The courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill. App. 3d 207 (2nd Dist. 1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill. App. 3d 9 (5th Dist. 1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach. The Board finds Glassey's opinion of market value based primarily on the sales comparison approach is the best evidence in the record of the subject's market value and was better supported than the conclusion drawn by Walsh. Thus, the Board placed most weight on Glassey's value conclusion. From this value conclusion of \$865,000, the land value of \$314,000 must be removed which results in a total improvement value, including the pole building, of \$551,000.

In the cost approach, the appraisers both used standard cost manual data to arrive at replacement/reproduction cost new for the subject dwelling. However, beyond slight differences in dwelling size, the appraisers arrived at substantially differing total replacement cost new figures. Walsh estimated a reproduction cost new of \$439,740 or \$109.36 per square foot of living area based on 4,021 square feet. Glassey initially estimated a similar per-square-foot replacement cost new of \$108.84 per square foot, but then made lump sum adjustments for fireplaces, and built-ins such as range/oven, compactor and vacuum raising the per-square-foot cost to \$112.14. The Property Tax Appeal Board finds Glassey's slightly higher cost new for the above-grade area to be more credible and better supported than the calculation made by Walsh.

On the basement costs, the appraisers differed greatly in that Walsh estimated \$18.00 per square foot for the basement and Glassey estimated a base cost of \$19.49 per square foot along with a finish area addition of \$36.18 per square foot. Walsh's total basement cost new was \$43,020 whereas Glassey's was \$113,844.47. The Board finds Glassey's estimate of the basement cost is more supported and persuasive given the extent of the finish of the basement area.

Base costs for the garage again differed between the appraisers. Walsh estimated \$14.00 per square foot and Glassey estimated \$33.84 per square foot. There was also a discrepancy in garage size with Glassey reporting 1,287 square feet whereas Walsh reported 1,122 square feet for the garage. As with the dwelling, the Board finds Glassey's garage size calculation more persuasive and credible on the record. In addition, the Board finds Glassey's cost new estimate for the garage is better supported and more persuasive on this record.

Next, Glassey had further additions for a front porch and covered patio not specifically identified by Walsh in his cost approach. In the cost approach, Glassey estimated a total replacement cost new for all of the foregoing items of \$613,808.81 whereas Walsh had a total cost new of \$498,468. The Property Tax Appeal Board finds the calculations made by Glassey were well-supported on the record and in total have more credence than those presented by Walsh.

Glassey next made a quarterly adjustment to his cost estimate of .95. (Glassey appraisal, p. 52) He also made a regional adjustment of 1.07. Then the appraisers each calculated physical depreciation with Walsh finding a 3% deduction appropriate and Glassey finding a 6.67% deduction appropriate. The Board accepts the estimate made by Glassey as more reflective of physical depreciation.

Both appraisers agreed the subject property suffers from obsolescence, whether termed functional and/or external, due to its location, the entrance way being in a floodplain, and the over-improvement of the subject dwelling for this rural market area. Both appraisers found the subject's rural location has a negative effect on the value of the property. Both appraisers also found the entrance to the property being located in a floodplain and thus, sometimes restricting access to the property for several days has a negative effect on its market value. And, both appraisers agreed that the subject all brick dwelling given its size, design and quality of improvements for the market area was an over-improvement and/or a super-adequacy where essentially the expenditure to construct the dwelling may not be recouped in this rural area. Walsh calculated obsolescence in the cost approach at 20% and Glassey calculated obsolescence in the cost approach at 10%.

The next step was to add site improvements, which included the pole building in Glassey's appraisal, but not in Walsh's. Other than the pole building, Walsh had a similar calculation for site improvements of \$22,000 in his appraisal.

Having fully analyzed the cost approach, the Board finds Glassey's indicated value in the cost approach is better supported and, less the land value, supports the previous analysis of the value of the improvements set forth under the sales comparison approach.

In conclusion the Property Tax Appeal Board finds the subject improvements have a market value of \$551,000 as of January 1, 2007. Based on this record, a reduction in the subject's assessment 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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario M. Louie

Member

Shawn R. Lerski

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: July 22, 2011

Allen Castrovillari

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.