



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

APPELLANT: Larson Enterprises
DOCKET NO.: 10-01664.001-C-3
PARCEL NO.: 12-22-427-020

The parties of record before the Property Tax Appeal Board are Larson Enterprises, the appellant, and the Winnebago County Board of Review.

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 Winnebago County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$454,132
IMPR: \$735,328
TOTAL: \$1,189,460

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a one-story concrete block commercial structure containing 50,136 square feet of building area that operates as a furniture retailer. The improvement was constructed in 1998 and features a sprinkler system. There are 2,325 square feet of office space and 15,113 square feet of warehouse space. The property has a 168,965 square foot site and is located in Rockford Township, Winnebago County.

The appellant's appeal is based on assessment equity with regard to both the subject's land and improvement assessments. In support of these inequity arguments, the appellant submitted a spreadsheet with data on five comparable commercial properties located from nearby to 2.5-miles from the subject. The comparable parcels range in size from 46,880 to 505,857 square feet of land area. Each comparable is improved with a one-story concrete block or brick and concrete block structure that ranges in size from 19,100 to 118,307 square feet of building area. The improvements were constructed from 1968 to 1997 with four having been updated between 1997 and 2008. Features of the comparables include a sprinkler system.

For purposes of the assessment analysis, the appellant multiplied the assessments by three to arrive at estimated market values for the land and improvements separately. The appellant also

attached the underlying data sheets for the comparables to the appeal which reveals the appellant utilized 2009 assessments for the comparables presented in this 2010 assessment appeal. In any event, based upon the appellant's analysis, the comparables have estimated land market values ranging from \$324,510 to \$2,211,936 or from \$3.51 to \$6.92 per square foot of land area. The subject has an estimated land market value of \$1,362,396 or \$8.06 per square foot of land area. Based on this evidence, the appellant requested a land assessment of \$350,000 which would reflect an estimated land market value of approximately \$1,050,000 or \$6.21 per square foot of land area. As reported by the appellant, the comparables also have estimated improvement market values ranging from \$515,490 to \$4,703,574 or from \$19.60 to \$42.36 per square foot of building area. The subject's estimated improvement market value is \$2,555,877 or \$50.98 per square foot of living area. Based on this evidence, the appellant requested a reduction in the subject's improvement assessment to \$650,000 which would reflect an estimated improvement market value of approximately \$1,950,000 or \$38.89 per square foot of building area.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$1,306,091 was disclosed. The board of review presented evidence gathered by the Rockford Township Assessor including a memorandum.

The assessor contends that the appellant's suggested equity comparables have a median size of 111,050 square feet. Furthermore, the two lowest per-square-foot assessments are for buildings constructed in the 1960's.

In support of the subject's assessment, the assessor presented five equity comparables located within the immediate area of the subject. Each has the same neighborhood code as the subject property. Board of review comparable #5 was also reported by the appellant as its comparable #5. The parcels range in size from 95,788 to 502,274 square feet of land area. Each parcel is improved with a one-story concrete block, non-load bearing, concrete load bearing or brick and concrete block building that ranges in size from 24,740 to 109,487 square feet of building area. The dwellings were constructed from 1991 to 1998. Features of the comparables include either a full or 50% sprinkler system. These properties have estimated land values ranging from \$920,326 to \$2,118,017 or from \$4.22 to \$9.61 per square foot of land area. These comparables have estimated improvement values ranging from \$1,361,210 to \$4,055,322 or from \$37.04 to \$88.46 per square foot of building area.

In further support of the subject's estimated market value of \$3,918,272 based upon its assessment, the assessor presented data on four comparable sales with adjustments. The Property Tax Appeal Board finds that submission of sales comparables in response to the appellant's lack of assessment uniformity argument is not responsive and the board of review's additional market value comparables will not be further addressed herein.

In addition, the assessor submitted a "pro forma operating statement [that] utilizes a market rental rate of \$14.00 per square foot of net rentable area, a vacancy rate of 12 percent, operating expenses of \$1.50 per square foot, replacement reserves of \$0.25 per square foot, and a management expense of five percent of effective gross income resulting in a net operating income of \$499,054. Capitalizing this net operating income at a loaded cap rate of 12.77 percent (9.00 percent base rate plus 3.77 percent load factor) yield an indicated valuation of \$3,908,017 via the Income Capitalization Approach." The Property Tax Appeal Board finds that submission of an income approach to value analysis in response to the appellant's lack of assessment uniformity argument is not responsive and the board of review's additional market value argument will not be further addressed herein.

Based on this evidence, the board of review requested confirmation of the subject's land and improvement assessments.

After reviewing the record 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 warranted.

The appellant contends unequal treatment in the subject's land and improvement assessments 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 (1989); 86 Ill.Admin.Code 1910.63(e). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction.

The parties submitted a total of nine equity comparables to support their respective positions before the Property Tax Appeal Board. As this is a 2010 assessment appeal, to the extent the comparable is relevant to the analysis, the Board will utilize the value information presented for board of review comparable #5 rather than the 2009 data presented for this property by the appellant.

As to the land inequity argument, the Board has given most weight to board of review comparables #1 and #2 which contain 166,835 and 169,100 square feet of land area, respectively. These two comparables are most similar to the subject parcel of 168,965 square feet of land area. These two most similar comparables have estimated land market values of \$7.04 and \$8.06 per square foot of land area. The subject's estimated land market value of \$8.06 per square foot of land area is identical to one of these most similar comparables. The Board has given little weight to the other seven comparables presented by the parties as the lot sizes range from 46,880 to 505,857 square feet of land area and are thus either substantially smaller or substantially larger

than the subject parcel and have estimated market values ranging from \$3.51 to \$9.61 per square foot of land area. Based on this record, the Board finds the appellant did not demonstrate with clear and convincing evidence that the subject's land assessment was inequitable and a reduction in the subject's land assessment is not justified.

As to the improvement inequity argument, the Board has given reduced weight to appellant's comparables #2 and #3 due to their substantially older ages as these buildings were built in the 1960's and the subject is newer having been built in 1998. The Board has also given reduced weight to board of review comparables #3 and #4 as these two comparables are substantially smaller at about 25,000 square feet each as compared to the subject building of 50,136 square feet.

On this record, the Board finds the appellant's comparables #2, #4 and #5 along with board of review comparables #1, #2 and #5 are the most similar to the subject in location, size, style, exterior construction, features and/or age. Due to their similarities to the subject, these five comparables received the most weight in the Board's analysis, recognizing that there is one duplicate property presented by both parties. These comparables had estimated improvement market values that ranged from \$31.27 to \$46.58 per square foot of building area. The subject's estimated improvement market value of \$50.98 per square foot of building area falls above the range established by the best comparables in this record. While the subject is the newest building of these most similar comparables, it contains 50,136 square feet of building area with three of these comparables being nearly twice as large as the subject and two comparables containing about 40,000 square feet each. After considering adjustments and the differences in these five most similar comparables when compared to the subject property, the Board finds the subject's improvement assessment is not supported by the most similar comparable properties contained in the record and a reduction in the subject's improvement 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. Guit

Chairman

K. L. Ferr

Member

Member

Mario Morris

Member

JR

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 19, 2013

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.