REPRESENTATIVES FOR PETITIONER:
Michael Duff, Tax Representative, DuCharme, McMillen & Associates, Inc.

REPRESENTATIVES FOR RESPONDENT:
Kristin Rowe, Concord Township Assessor

BEFORE THE
INDIANA BOARD OF TAX REVIEW

Crown Audio, Inc.	)	Petition No.: 20-011-03-1-3-00021
	)	
Petitioner,	)	Parcel No.: 20061832600700011
	)	
v.	)	County: Elkhart
	)	
Concord Township Assessor,	)	Township: Concord
	)	
Respondent.	)	Assessment Year: 2003

Appeal from the Final Determination of
Elkhart County Property Tax Assessment Board of Appeals

June 6, 2008

FINAL DETERMINATION

The Indiana Board of Tax Review ("Board") having reviewed the facts and evidence, and having considered the issues, now finds and concludes the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

INTRODUCTION

1. This assessment appeal requires us to weigh competing appraisals that contain starkly different estimates of the property's value. The appraisers differed in their fundamental approaches. Crown Audio, Inc.'s appraiser relied most heavily on the sales comparison

approach while the Assessor's appraiser relied most heavily on the cost approach and didn't recognize any functional obsolescence. Given the building's age and segmented construction, we find the approach of Crown's appraiser more persuasive.

PROCEDURAL HISTORY

2. On November 21, 2005, the Elkhart County Property Tax Assessment Board of Appeals ("PTABOA") issued its determination denying Crown's request for a reduction in the assessed value of its property. On December 20, 2005, Crown timely filed its Form 131 petition asking us to review that determination. Indiana Code sections 6-1.1-15 and 6-1.5-4-1 give us jurisdiction over Crown's appeal.

3. On March 11, 2008, our designated administrative law judge, Jennifer Bippus ("ALJ"), held an administrative hearing in Goshen, Indiana. She did not inspect Crown's property.

4. The following persons were sworn in as witnesses:

For Crown:

Michael Duff, Tax Representative, DuCharme, McMillen & Associates
Steve Myers, Facilities Manager, Crown International
John Carnine, Appraiser, e-Valuate Commercial

For the Assessor:

Kristin Rowe, Concord Township Assessor
Richard Schlueter, Concord Township Deputy Assessor
Robert Brewer, Concord Township Deputy Assessor
Jeffrey Wilsey, Appraiser, FM Stone Commercial

5. Crown offered the following exhibits, which the ALJ admitted at the hearing:

Petitioner Exhibit 1: Pages 2 through 6 of the 2002 Real Property Assessment Manual,
Petitioner Exhibit 2: Appraisal of the property by John Carnine, Appraiser, e-Valuate Commercial.

6. The Assessor offered the following exhibit, which the ALJ admitted at the hearing:

Respondent Exhibit 1: Appraisal of the property by Jeffrey Wilsey, Appraiser, FM Stone Commercial.

7. We also recognize the following additional items as part of the record of proceedings:

Board Exhibit A – The Form 131 petition and attachments,
Board Exhibit B – Notice of Hearing,
Board Exhibit C – The Elkhart County Assessor's request for continuance,
Board Exhibit D – Order granting continuance,
Board Exhibit E – List of witnesses and exhibits from Michael Duff dated December 12, 2007,
Board Exhibit F – List of witnesses from the Concord Township Assessor dated December 27, 2007,
Board Exhibit G – Revised list of witnesses from Michael Duff dated January 4, 2008,
Board Exhibit H – List of witnesses and exhibits from Michael Duff dated February 18, 2008,
Board Exhibit I – Hearing sign-in sheet.

8. The subject property is an industrial facility located at 1718 W. Mishawaka Road, Elkhart.

9. The PTABOA valued the property's land at $319,200 and its improvements at $4,489,900 for a total assessment of $4,809,100.

10. On its Form 131 petition, Crown requested values of $200,000 for the land and $2,800,000 for the improvements for a total assessment of $3,000,000. At the hearing, however, Crown requested a total value of $2,000,000.

FINDINGS OF FACT

A. Crown's property and operations

11. Crown's property contains a large manufacturing facility. Although the evidence conflicts as to its exact size, it is approximately 220,000 square feet. *Myers testimony; Pet'r Ex. 2 at 1; Resp't Ex 1 at 7.* The entire property has either 11.76 acres or 14.36

acres of land, and it appears to be divided into multiple parcels for taxation purposes. *Resp't Ex. 1 at 7, 62-68; Pet'r Ex. 2 at 1, 91-94*. Crown has appealed only the 9.32-acre parcel to which its improvements have been assigned. *See Resp't Ex. 1 at 65 (property record card for parcel 20-06-18-326-007.000-011).*

12. Crown manufactures amplifiers. It is not a unique process. In fact, the process compares to other electronics manufacturing. *Myers testimony*. Nonetheless, because of the nature of its product, Crown devotes an approximately 2000-square-foot portion of its building to what its tax representative termed a "sound studio." *Duff testimony*. The building also has other special features related to its manufacturing processes, including special flooring designed to dissipate electric charges and special indirect lighting that reduces shadows. *Duff testimony*; *Wilsey testimony; Myers testimony*. The building also contains warehouse and office space and a bank branch. *Carnine testimony*.

13. The record doesn't clearly show the building's exact age—Steve Myers, Crown's facilities manager, said the building's oldest portion was 60-years old, while the two appraisers who valued the property list that portion as 31- and 44-years old, respectively. *Myers testimony; Pet'r Ex. 1 at 2; Resp't Ex. 2 at 7*. And a property record card attached to Mr. Wilsey's appraisal lists part of the building as having been constructed in 1961. *Resp't Ex. 1 at 65*. Regardless, Crown built the facility in several segments starting with what Mr. Myers characterized as "essentially a chicken coop." *Myers testimony*. Those additions were usually between 5000 and 20,000 square feet. *Id*. Fifteen years ago, Crown bought another building located at the end of its property. Crown then built additions between the two buildings to unite them into a single facility. The result is a long narrow building measuring approximately 1100 feet by 200 feet. *Myers testimony*.

14. The building's layout has created inefficiencies. For example, Crown's engineering staff must travel a long way to support its manufacturing operations. And it takes extra time for Crown to stock parts, because its stock room isn't near its shipping dock. In fact, the property's layout forced Crown to locate its shipping and receiving docks in the same place, which causes significant confusion. Trucks must wait because they don't have

sufficient room to come and go. Plus, the excessive number of joints from building so many additions causes the roof to leak. *Myers testimony*.

15. By contrast, Crown's parent company, Harmon International, designs its buildings as squares. Crown, however, didn't have that option because the lots on which its facility sits are long and narrow. *Myers testimony*.

B. Mr. Carnine's appraisal

16. Crown's tax representative engaged John D. Carnine to appraise Crown's property. *Carnine testimony; Pet'r Ex. 2*. Mr. Carnine is certified as a general real estate appraiser in both Indiana and Michigan. *Pet'r Ex. 2 at 89*. And Mr. Carnine certified that he developed his opinions and prepared his appraisal report in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP"). *Id*. at 90.

17. In his report, Mr. Carnine estimated the property's market value at $2,000,000 as of March 1, 1999. *Carnine testimony; Pet'r Ex. 2 at cover letter*. That valuation date was consistent with Mr. Carnine's engagement, but he did not believe that there would have been any difference in the property's value as of January 1, 1999. *Carnine testimony*.

18. Mr. Carnine estimated the property's value based on its highest and best use. And he determined that the property's highest and best use, as improved, was its current use as a light manufacturing facility. *Pet'r Ex. 2 at 60; Carnine testimony*.

19. Mr. Carnine considered and developed the cost, sales-comparison, and income approaches in estimating the property's value. In each case, his analysis yielded an estimate of $2,000,000. *Pet'r Ex. 2 at 87*.

20. In performing his sales-comparison analysis, Mr. Carnine looked for "older industrial-manufacturer type buildings" that, like Crown's facility, either had multiple additions or didn't conform to new standards of construction. Carnine testimony. He identified four

comparable properties that sold between August 1997 and December 2003. *Pet'r Ex. 2 at 75*. One of those buildings, however, was being used as a cold-storage warehouse. *Carnine testimony on cross-examination*. Although he didn't explain how he quantified his adjustments, he adjusted the comparable properties' sale prices to account for various ways in which the properties differed from Crown's property, including their relative locations, ages, and construction qualities. *Id.* But he didn't adjust any of the comparable properties' sale prices to account for their lack of a sound studio, charge-dissipating flooring, or indirect lighting. While he acknowledged that those features were probably expensive to build, he felt that all manufacturing buildings have some unmarketable elements and that those elements simply transfer with the rest of the building. *Carnine testimony*.

21. For those same reasons, Mr. Carnine rejected characterizing Crown's property as a "special use" property. Ultimately, he believed that the building essentially compared to other light manufacturing facilities that had been built in segments over time. And he felt that enough industrial buildings transferred in the Elkhart-Goshen-South Bend region to establish a market. Thus, he did not believe that Crown's building had to be "costed out." *Carnine testimony*.

22. Nonetheless, at his client's request, Mr. Carnine developed a cost-approach analysis. To determine the building's replacement cost, he divided it into its industrial shell and office buildouts. He viewed the building's unique features, such as its sound studio, as business value that would be deducted as obsolete. He therefore did not value those features. *Pet'r Ex. 2 at 62*.

23. Mr. Carnine accounted for the building's physical deterioration using what he termed a "standard age/life" analysis under which he assigned the building an effective age of 20 years and an economic life of 35 years. *Pet'r Ex. 2 at 62*. He also found that the building suffered from functional obsolescence, which he accounted by applying a negative 17% adjustment to the building's replacement cost. *Id. at 62-68.*

24. Although Mr. Carnine explained that his estimates under the three approaches were interdependent because many of the same variables applied, he relied most heavily on his conclusions under the sales-comparison approach. *Pet'r Ex. 2 at 87; Carnine testimony*. In his view, the sales-comparison approach best reflects the actions of buyers and sellers in a competitive market. It also reflects economic conditions, the acceptance or rejection of a property's features, and general desirability trends. *Id*. Thus, he felt that the sales-comparison approach truly measured supply and demand and best accounted for all influential forces affecting the marketplace. *Id.*

25. By contrast, he felt that the cost approach didn't reflect how the market would view a building as old as Crown's and that the income approach was "a little bit sketchy" due to uncertainties in how expenses and capitalization rates would operate. *Carnine testimony*. In fact, in his appraisal report, he indicated that he didn't believe either of those approaches was indicated, but that he developed them at Crown's request. *See Pet'r Ex. 2 at 6, 61*. Nonetheless, he used his conclusions under those two approaches to support his sales-comparison analysis. *Id*.

C. Mr. Wilsey's Appraisal

26. The Assessor engaged Jeffrey Wilsey to appraise Crown's property. Like Mr. Carnine, Mr. Wilsey is a certified general real estate appraiser in both Michigan and Indiana. *Resp't Ex. 1 at 59*. And, like Mr. Carnine, he developed his analyses and conclusions in conformity with USPAP. *Id. at 58*.

27. Mr. Wilsey estimated the property's market value-in-use at $4,000,000 as of March 1, 1999. While he explicitly referred to the property's market value-in-use, he also determined that its highest and best use, as improved, was its current use for manufacturing audio equipment. *Resp't Ex. 1 at 14, 32*.

28. In reaching his overall valuation opinion, Mr. Wilsey developed only the cost and sales-comparison approaches. He rejected using the income approach because of difficulties in obtaining and verifying the underlying data. *Wilsey testimony.*

29. Mr. Wilsey estimated the property's value at $3,700,000 and $4,000,000 under the sales-comparison and cost approaches, respectively. But he gave little weight to the sales-comparison approach because he didn't find any other facilities in the area that were used to manufacture, support, and test audio equipment. Under those circumstances, he felt that his adjustments to comparable properties' sale prices were subjective. In his view, the cost approach allowed him to remove that subjectivity from the equation. He also felt that the cost approach best reflected the building's physical nature and specific use. *Wilsey testimony*.

30. Mr. Wilsey used data from the Marshall & Swift Valuation Service to estimate the cost new of Crown's improvements. *Resp't Ex. 1 at 40, 42-43*. He then used an overall 50-year economic life to estimate physical deterioration of the building's basic structural components like its foundation, frame and floor. He used a shorter economic life to calculate depreciation for other components. *See Resp't Ex. 1 at 41-42*.

31. In his appraisal report, Mr. Wilsey said that a "58% general depreciation factor was indicated." *Id*. His report, however, contained a table summarizing his calculations. And that table showed that he assigned an overall "depreciated cost" that was 57.26% of the building's reproduction cost. *See Resp't Ex. 1 at 42*.[1] When asked on cross-examination why he listed a depreciation factor of 58% but actually applied a factor closer to 42%, he responded that he couldn't answer without looking at his spreadsheet. *Wilsey testimony*. He also noted that reports always contain "typos." *Id.*

32. Mr. Wilsey acknowledged that a building's functional obsolescence might cause it to depreciate beyond its mere physical deterioration, but he did not find any such

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[1] He calculated a total replacement cost of $5,461,585 and a "Total Dep. Cost" of $3,127,413. Thus, the building's total depreciated cost is 57.26% of its replacement cost ($3,127,413 ÷ $5,461,585 =.57262)

obsolescence in Crown's facility. *Wilsey testimony; Resp't Ex. 1 at 41*. Although he agreed with Mr. Carnine that buildings constructed in sections have problems, he felt that the subject building's overall configuration was typical for the use to which Crown put it. *Resp't Ex. 1 at 42*. He therefore did not assign any functional obsolescence. *Id.* He also noted that the building contained an abnormal amount of heating and cooling systems and he highlighted its charge-dissipating flooring and its unusual indirect lighting. *Wilsey testimony.*

CONCLUSIONS OF LAW AND ANALYSIS

A. Burden of Proof

33. A taxpayer seeking review of an assessing official's determination must establish a prima facie case proving both that the current assessment is incorrect and what the correct assessment should be. *See Meridian Towers East & West v. Washington Twp. Assessor*, 805 N.E.2d 475, 478 (Ind. Tax Ct. 2003); *see also, Clark v. State Bd. of Tax Comm'rs,* 694 N.E.2d 1230 (Ind. Tax Ct. 1998). If a taxpayer meets that burden, the assessing official must offer evidence to impeach or rebut the taxpayer's evidence. *See American United Life Ins. Co. v. Maley*, 803 N.E.2d 276 (Ind. Tax Ct. 2004); *Meridian Towers*, 805 N.E.2d at 479. But the burden of persuasion remains at all times with the taxpayer. *Thorntown Tel. Co. v. State Bd. of Tax Comm'rs*, 629 N.E.2d 962, 965 (Ind. Tax Ct. 1995).

34. The taxpayer's burden of proof, however, must be viewed in the context of Indiana's assessment system. Indiana assesses real property based on its true tax value, which the 2002 Real Property Assessment Manual defines as "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or a similar user, from the property." 2002 REAL PROPERTY ASSESSMENT MANUAL at 2 (incorporated by reference at 50 IAC 2.3-1-2). The appraisal profession traditionally has used three methods to determine a property's market value: the cost, sales-comparison, and income approaches. *Id*. at 3, 13-15. Indiana assessing officials generally use a mass-appraisal

version of the cost approach set forth in the Real Property Assessment Guidelines for 2002 – Version A.

35. A property's market value-in-use, as determined using the Guidelines, is presumed to be accurate. *See* MANUAL at 5; *Kooshtard Property VI, LLC v. White River Twp. Assessor*, 836 N.E.2d 501, 505 (Ind. Tax Ct. 2005) *reh'g den. sub nom. P/A Builders & Developers, LLC,* 842 N.E.2d 899 (Ind. Tax 2006). But a taxpayer may rebut that presumption with evidence that is consistent with the Manual's definition of true tax value. MANUAL at 5. A market value-in-use appraisal prepared according to the Uniform Standards of Professional Appraisal Practice ("USPAP") often will suffice. *Id*.; *Kooshtard Property VI*, 836 N.E.2d at 505, 506 n.1. A taxpayer may also offer sales information for the subject or comparable properties and any other information compiled according to generally accepted appraisal principles. MANUAL at 5.

B. Crown rebutted the assessment

36. We have little trouble finding that Crown rebutted the presumption that the property's assessment is correct. The parties offered expert opinions from two appraisers, both of whom certified that they complied with USPAP. And each of those appraisers estimated that, as of a date at or near the relevant January 1, 1999, valuation date, the property was worth significantly less than its $4,809,100 assessment.

37. The Assessor nonetheless argues that its Guidelines-based assessment is more probative of the property's value than are the appraisers' USPAP-compliant valuation opinions. The Assessor rests its argument on Indiana Code § 6-1.1-31-6(c), which provides, "[w]ith respect to the assessment of real property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under the rules of the department of local government finance." IND. CODE § 6-1.1-31-6(c). Thus, the Assessor reasons that because it followed the DLGF-promulgated Guidelines in assessing Crown's property, its assessment is the very definition of market value-in-use.

38. But the DLGF's regulations belie the Assessor's point. Those regulations specifically recognize that a USPAP-compliant market value-in-use appraisal may be used to rebut the presumption that a Guidelines-based assessment is correct. MANUAL at 5. And the Indiana Tax Court has amplified that point. *See e.g. Kooshtard Prop. VI,* 836 N.E.2d at 506 n.5.[2]

C. Mr. Carnine's valuation opinion is more persuasive than Mr. Wilsey's

39. Of course, recognizing that Crown has rebutted the assessment's presumption of correctness doesn't end our inquiry. The two appraisers differed sharply in their valuation opinions. We therefore must decide, based on a preponderance of the evidence, what the property's true tax value actually is.

40. We start by focusing on the reasons for the extreme divergence between the two appraisers' valuation opinions. And we find two primary differences. First, the appraisers relied on different approaches—Mr. Carnine relied most heavily on the sales-comparison approach while Mr. Wilsey relied on the cost approach. Second, they differed sharply in their views about the building's depreciation.

1. Sales-comparison approach v. cost approach

41. The appraisers' conclusions about the property's highest and best use drove their respective choices about the most appropriate valuation approach. Both appraisers felt that Crown was using the property for its highest and best use. But they characterized that use differently. Mr. Wilsey felt that the property's highest and best use as improved was for audio-electronics manufacturing while Mr. Carnine didn't distinguish between audio-electronics and other light manufacturing operations.

[2] "[T]he most effective method to rebut the presumption that an assessment is correct is through the presentation of a market value-in-use appraisal, completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP)." 836 N.E.2d at 506 n.5.

42. The building's sound studio, special flooring, and lighting lay at the heart of the appraisers' differences. Mr. Wilsey believed that those features were so unique to audio-electronic-equipment manufacturing that he couldn't adequately account for their value by examining the sales of other buildings used for light manufacturing activities. He therefore discounted his own sales-comparison analysis. By contrast, while Mr. Carnine recognized that the building contained unique and expensive features, he felt that most industrial facilities have some unique features that don't readily adapt to other manufacturing operations. And he explained that appraisers could account for those features through the process of adjusting sale prices for otherwise comparable properties. *Carnine testimony*.

43. We find Mr. Carnine's view more persuasive for several reasons. First, we agree that many buildings used for manufacturing likely have features unique to their owners' specific processes. We therefore are not persuaded that generally accepted appraisal principles call for ruling out the sales-comparison approach whenever an industrial property has some unique features. That is especially true where, as here, the unique features may comprise a relatively small portion of the total facility.

44. Of course, our answer might be different in the case of a truly special-purpose property—like a steel mill or theatre—that is so uniquely designed for the business conducted upon it that it could only be converted to another use at significant expense. MANUAL at 4; *see also* 2002 REAL PROPERTY ASSESSMENT GUIDELINES, GLOSSARY at 19 (defining "special purpose design"). In such a case, there may be no market for the property, rendering the sales-comparison approach inapplicable. *Id.* But as the Manual explains, where others could use the property "for the same general commercial or industrial purpose, e.g. light manufacturing, general retail or other use type defined in this manual . . ." the sales-comparison approach may well be feasible. *See id*. And based on the testimony of Messrs. Myers and Carnine, we believe that Crown's facility reasonably could be adapted to other light industrial manufacturing operations without unreasonable expense.

45. Second, Mr. Wilsey didn't explain why his cost-approach analysis captured the value of the building's unique features better than a sales-comparison analysis would have. In fact, Mr. Carnine didn't separately value the building's unique features in his cost-approach analysis, and he estimated a higher overall replacement cost new for the building than Mr. Wilsey did.[3]

46. Finally, Mr. Carnine persuaded us of his view that the building's age and segmented construction make estimating its depreciation too subjective and difficult for the cost approach to be the most reliable indicator of its value. And we are not alone in questioning the efficacy of using the cost approach to value older buildings. *E.g. Congoleum Corp. v. Hamilton Twp.,* 7 N.J. Tax 436, 443 (N.J. Tax Ct. 1985). Indeed, the stark difference in the depreciation levels estimated by the two appraisers[4] illustrates the inherent difficulty and subjectivity of applying the cost approach to a building like Crown's.

2. Depreciation estimates

47. And that leads us to the second reason for the divergence in the appraisers' valuation opinions—their respective views about the building's depreciation. We trace the appraisers' differences primarily to two factors—their respective estimates about the building's remaining economic life and their views about whether it suffered from functional obsolescence.

48. Mr. Wilsey assigned a 50-year economic life to the building's main structural components, although he assigned shorter economic lives to other components, like the heating, cooling, and electrical systems. *Resp't Ex. 1 at 42*. Mr. Carnine, by contrast, assigned a 35-year economic life to the building as a whole. *Pet'r Ex. 2 at 63*. Neither appraiser, however, did much to enlighten us about his choice.

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[3] In his appraisal report, Mr. Carnine said that he neither priced nor deducted "the unique elements of the property such as the sound studio." *Pet'r Ex. 2 at 62*. Mr. Carnine estimated the building's replacement cost new at $6,437,881 while Mr. Wilsey estimated it at $5,461,585. *See Pet'r Ex. 2 at 63; Resp't Ex. 1 at 42.*

[4] Mr. Carnine applied $4,865,525 while Mr. Wilsey applied $2,334,172. *See Pet'r Ex. 2 at 63; Resp't Ex. 1 at 42.*

49. We do note that, when questioned on cross-examination, Mr. Wilsey struggled to justify his depreciation total. He didn't clearly explain why his appraisal report said that a 58% general depreciation factor was indicated when he actually depreciated the building's replacement cost new by approximately 42%. Ultimately, though, the discrepancy only moderately detracts from the weight afforded to Mr. Wilsey's testimony because he didn't use a uniform factor in calculating depreciation. He instead calculated each component's depreciation based on that component's effective age and economic life. *See Resp't Ex. 1 at 42*.

50. Thus, the record contains little evidence to aid us in determining which appraiser's view of the building's economic life is more supportable.

51. The record, however, does permit us to weigh the appraisers' respective judgments about whether the building suffered from functional obsolescence. And we find Mr. Carnine's opinion more reliable. Functional obsolescence is "a loss in value caused by inutility within an improvement." GUIDELINES, App. F at 4; *see also Resp't Ex. 1 at 41* (describing functional obsolescence as an "impairment of function, capacity or efficiency" that "reflects the loss in value brought about by deficiencies or over-capacity."). It differs from physical deterioration, which represents a "loss in value caused by building materials wearing out over time." GUIDELINES, App. F at 4.

52. After inspecting Crown's facility, Mr. Wilsey felt that its "overall configuration reflects a design that is typical" for its "particular use." *Resp't Ex. 1 at 41*. But given the building's long narrow layout and segmented construction, we agree with Mr. Carnine that it suffers from some functional obsolescence. Indeed, Mr. Meyers testified to specific inutilities caused by the building's design, such as confusion on the loading and shipping docks. *Meyers testimony*. That directly contradicts Mr. Wilsey's opinion that the building was well designed for what he believed to be its specific use—manufacturing audio equipment.

53. Because he relied so heavily on the cost approach, Mr. Wilsey's unsupported conclusion that the building did not suffer from functional obsolescence significantly detracts from the reliability of his overall valuation opinion.

54. Our observations about the reliability of Mr. Wilsey's appraisal do not mean that Mr. Carnine's appraisal is flawless. To the contrary, Mr. Carnine did not provide much detail about how the four properties he relied upon in his sales-comparison analysis actually compared to Crown's property. *See Carnine testimony; Pet'r Ex. 2 at 69-76*. Indeed, he acknowledged on cross-examination that one of those building was being used as a cold-storage warehouse rather than as a manufacturing facility. *Carnine testimony*. And he similarly avoided providing significant detail when explaining his adjustments to the comparable properties' sale prices. *Id*.

55. But appraising real estate is more art than science. We do not require or even expect an appraiser's opinion to be indisputable. We, however, do require his opinion to be reliable. And Mr. Carnine's valuation opinion more than passes that test.

56. Thus, while Mr. Carnine's opinion isn't perfect, we find it more persuasive than Mr. Wilsey's opinion. We reach that conclusion largely because Mr. Carnine's reliance on the sales-comparison approach over the cost-approach better conformed to Indiana's true-tax-value system and generally accepted appraisal practice. Too, we harbor significant reservations about Mr. Wilsey's finding that Crown's building did not suffer from any functional obsolescence. We therefore find that Crown proved, by a preponderance of the evidence, that the true tax value of its property is $2,000,000.

SUMMARY OF FINAL DETERMINATION

57. Crown proved by a preponderance of the evidence that the subject property's true tax value is $2,000,000. We therefore order that the assessment for parcel 20-06-18-326-007.000-011 be reduced from $4,809,100 to $2,000,000.

This Final Determination of the above captioned matter is issued this by the Indiana Board of Tax Review on the date first written above.

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Commissioner, Indiana Board of Tax Review

IMPORTANT NOTICE

- Appeal Rights -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5, as amended effective July 1, 2007, by P.L. 219-2007, and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required within forty-five (45) days of the date of this notice. The Indiana Tax Court Rules are available on the Internet at <http://www.in.gov/judiciary/rules/tax/index.html>. The Indiana Code is available on the Internet at <http://www.in.gov/legislative/ic/code>. P.L. 219-2007 (SEA 287) is available on the Internet at <http://www.in.gov/legislative/bills/2007/SE/SE0287.1.html>