SUPREME COURT OF OHIO

Target Corp. v. Greene County Board of Revision

Target Corp. v. Greene Cty. Bd. of Revision, 122 Ohio St. 3d 142, 2009-Ohio-2492 (2009) · No. 2008-1231 · Decided June 3, 2009

SUMMARY

The Ohio Supreme Court affirmed the Board of Tax Appeals’ adoption of a $4.5 million valuation for Target Corporation’s large, owner-occupied retail store for tax year 2005. The court held that the valuation was supported by reliable and probative evidence concerning economic obsolescence and second-generation big-box retail comparables, particularly because the county presented no controverting evidence.

CASE DETAILS

COURT	Supreme Court of Ohio
WRITING FOR THE COURT	Per Curiam; Moyer, C.J.; O'Connor, J.; O'Donnell, J.; Lanzinger, J.; Cupp, J.; Pfeifer, J.; Lundberg Stratton, J.
JURISDICTION	Ohio
DECIDED	June 3, 2009
DOCKET	2008-1231
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Greene County Auditor and Greene County Board of Revision appealed the Board of Tax Appeals' decision reducing the taxable value of Target's property from the board of revision's valuation to $4,500,000.
STANDARD OF REVIEW	The Supreme Court of Ohio reverses a BTA decision based on an incorrect legal conclusion, but affirms factual determinations supported by reliable and probative evidence. It defers to the BTA's credibility determinations and weighing of evidence absent an abuse of discretion.
PRECEDENTIAL VALUE	Published opinion; binding Supreme Court of Ohio precedent.
PARTIES	Greene County Auditor, Greene County Board of Revision v. Target Corporation

TOPICS

property tax · tax · appellate procedure · standard of review

PRACTICE AREAS

property taxation · real property valuation · administrative appeals

QUESTIONS PRESENTED

1. Whether the Board of Tax Appeals could rely on sales of big-box properties sold to second-generation users rather than first-generation sales or build-to-suit leases in valuing Target's property.
2. Whether the evidence and the special-purpose-property doctrine required the Board of Tax Appeals to reject the appraiser's economic-obsolescence analysis and give greater weight to the cost approach.
3. Whether the Board of Tax Appeals' valuation decision was supported by reliable and probative evidence and was reasonable and lawful.

HOLDINGS

1. The BTA reasonably could rely on the second-generation sales comparables because the appraisal explained why first-generation rents and sales were not comparable, no first-generation sales were identified, and the county offered no contrary sale or lease evidence.
2. The special-purpose-property doctrine did not require reversal because the county presented no evidence that Target's store qualified as special-purpose property, and Ohio precedent concerning the doctrine required deference to the BTA's fact-finding rather than second-guessing its supported valuation.
3. The BTA's adoption of Target's appraised value of $4,500,000 was reasonable and lawful and supported by reliable and probative evidence.

KEY QUOTATIONS

> *"The BTA is responsible for determining factual issues and, if the record contains reliable and probative support for the BTA's decision, we will affirm."* (¶ 10)

> *"The present property is not so encumbered, and under these circumstances, comparability cannot be established without more evidence."* (¶ 13)

FACTUAL BACKGROUND

For tax year 2005, Target owned an 11.82-acre parcel improved in 1998 with a 122,522-square-foot discount store. The county auditor valued the property at $8,188,290. Target's appraisal relied principally on sales of abandoned Ames and Kmart big-box stores sold to second-generation users, concluded that substantial functional and economic obsolescence existed, and valued the property at $4,500,000. The county presented no competing market evidence supporting first-generation sales or leases or special-purpose treatment.

PROCEDURAL HISTORY

The auditor valued Target's property at $8,188,290 for tax year 2005. Target challenged the valuation before the board of revision, which reduced it to $7,659,380. Target appealed to the Board of Tax Appeals, which adopted

Target's appraisal and reduced the value to $4,500,000. The county appealed to the Supreme Court of Ohio, which affirmed the BTA.

DISPOSITION

affirmed

CASES CITED

- Satullo v. Wilkins, 111 Ohio St. 3d 399, 2006-Ohio-5856, 856 N.E.2d 954, ¶ 14
- Gahanna-Jefferson Local School Dist. Bd. of Edn. v. Zaino, 93 Ohio St. 3d 231, 232, 754 N.E.2d 789 (2001)
- Am. Natl. Can Co. v. Tracy, 72 Ohio St. 3d 150, 152, 648 N.E.2d 483 (1995)
- Strongsville Bd. of Edn. v. Cuyahoga Cty. Bd. of Revision, 112 Ohio St. 3d 309, 2007-Ohio-6, 859 N.E.2d 540, ¶ 15
- Natl. Church Residence v. Licking Cty. Bd. of Revision, 73 Ohio St. 3d 397, 398, 653 N.E.2d 240 (1995)
- Berea City School Dist. Bd. of Edn. v. Cuyahoga Cty. Bd. of Revision, 106 Ohio St. 3d 269, 2005-Ohio-4979, 834 N.E.2d 782
- Cincinnati School Dist. Bd. of Edn. v. Hamilton Cty. Bd. of Revision, 118 Ohio St. 3d 263, 2008-Ohio-2450, 888 N.E.2d 411
- Rhodes v. Hamilton Cty. Bd. of Revision, 117 Ohio St. 3d 532, 2008-Ohio-1595, 885 N.E.2d 236
- Columbus City School Dist. Bd. of Edn. v. Franklin Cty. Bd. of Revision, 118 Ohio St. 3d 262, 2008-Ohio-2449, 888 N.E.2d 410
- Meijer, Inc. v. Montgomery Cty. Bd. of Revision, 75 Ohio St. 3d 181, 661 N.E.2d 1056 (1996)
- Dinner Bell Meats, Inc. v. Cuyahoga Cty. Bd. of Revision, 12 Ohio St. 3d 270, 12 OBR 347, 466 N.E.2d 909 (1984)
- Oakwood Club v. Cuyahoga Cty. Bd. of Revision, 70 Ohio St. 3d 241, 638 N.E.2d 547 (1994)
- Fed. Res. Bank of Minneapolis v. State, 313 N.W.2d 619, 623 (Minn. 1981)