FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Ford Motor Company Chicago Stamping Plant
DOCKET NO.: 04-23373.001-I-3
PARCEL NO.: 32-22-400-005-0000

The parties of record before the Property Tax Appeal Board are Ford Motor Company Chicago Stamping Plant, the appellant, by attorneys Gregory J. Lafakis and Ellen Bershire, of Verros, Lafakis & Berkshire, P.C. in Chicago; the Cook County Board of Review by Assistant State's Attorney Aaron Bilton with the Chicago Office of the Cook County State's Attorney; as well as the intervenors, Bloom Township High School District #206 and Ford Heights School District #169, by attorneys Jane Lee and Joel DeTello of Sraga Hauser, LLC in Flossmoor. After the hearing, intervenor, Bloom Township High School District #206, submitted a substitution of counsel reflecting new legal representation by attorney Eric T. Stach with the Del Galdo Law Group LLC in Berwyn.

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

LAND:	$ 1,081,559
IMPR.:	$ 5,038,441
TOTAL:	$ 6,120,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 132.821 acres of land improved with a 2,242,752 square foot industrial and heavy manufacturing complex. The subject's buildings contain 2,242,752 square feet of building area allocated as follows: 110,511 square feet of office area comprising two-stories with a finished mezzanine as well as 2,132,241 square feet of building area allocated to the press area, the manufacturing area, walkways and auxiliary buildings. There are 288,943 square feet of unfinished basement area located in the main building, which contains portions of the presses and scrap containment. The improvements include 21 drive-in truck doors, two drive-in doors to the office garage, eight exterior truck height docks, and six rail doors. The main building also contains two interior rail spurs, while the press area is equipped with several crane ways. The majority of the manufacturing area has a clear ceiling height of 22 feet, while the press area has a clear ceiling height of 36 feet. Other improvements include 2,650,000 square feet of pavement, 16,000 linear feet of rail, and 12,200 linear feet of chain-link fencing. The majority of the subject's complex was constructed between 1960 and 1964 with other additions constructed from 1979 through 1995.

Several preliminary matters were raised at hearing. The parties jointly stipulated to the land value of the subject property at $1,330,000, while also jointly agreeing to the expertise in real estate valuation of both the appellant's and intervenors' witnesses.

In addition, the appellant moved to Exclude Witnesses, which upon due consideration of the parties' positions was granted by the Board. Appellant's attorney also moved to Exclude the board of review's Hortsch Report, which upon due consideration of the parties' positions was denied by the Board.

Lastly, as a procedural matter, the appellant's attorney requested that the Board take judicial notice of the subject property's 2002 and 2003 Board decisions, while requesting to provide courtesy copies of dockets #02-26531-I-3 and #03-22791-I-3 into evidence. The board of review's and intervenors' representatives objected to such judicial notice. Upon due consideration of the parties' arguments, the hearing officer granted the appellant's motion to submit courtesy copies of the aforementioned dockets into evidence, but the hearing officer indicated that under the 'de novo' standard of review that the Board's decision in the 2004 property tax appeal year at issue would be based upon the evidence submissions within the record as well as the witnesses' testimony.

As to the basis of this appeal, the appellant argued that the fair market value of the subject is not accurately reflected in its assessed value.

As to the overvaluation argument, the appellant's pleadings included a copy of a complete, summary appraisal undertaken by appraiser, Terrence McCormick, with McCormick & Wagner LLC. McCormick holds the designations of Member of the Appraisal Institute (hereinafter MAI) as well as a Certified General Real Estate Appraisal License in Illinois. Based upon the parties' earlier stipulation, McCormick was accepted as an expert in real estate valuation by the Board.

The McCormick appraisal was a complete, summary appraisal addressing two of the three traditional approaches to value, specifically the cost and sales comparison approaches. In reconciling these approaches to value, he placed main emphasis on the sales comparison approach with secondary consideration to the cost approach to reflect his final value of $11,000,000 for the subject. McCormick testified that in his opinion the income approach to value was not germane to the subject's value estimate.

He stated that the purpose of his appraisal was to determine the market value of the unencumbered fee simple estate of the subject and that the effective date of his appraisal was January 1, 2002. This timely submitted appraisal was marked for the record as Appellant's Hearing Exhibit #1.

As to the subject property's immediate environs, the appraisal indicated that the subject was an extremely large, manufacturing-type, industrial complex located along the border of Ford Heights and Chicago Heights. It noted that railroad tracks are located along the southern border of the subject with a landfill located immediately south of the railroad tracks. The appraisal detailed the subject's neighborhood while stating in summary that the nearby industrial properties and surrounding commercial and residential improvements are generally in average to below average condition. Moreover, McCormick testified that his inspection of the subject's immediate area revealed several vacant commercial and industrial buildings; thereby, the subject is situated in an area with an abundance of vacant land available for future industrial development, but with limited industrial, commercial or residential development over recent years. The appraiser opined that the subject's market and immediate area were considered to be declining and indicated that this abundance of vacant land would have a negative impact on the subject's value. He also testified that the unit prices for these properties are lower than similar properties in other locations and that this opinion would be applicable to the appraisal's effective date of January 1, 2002 as well as two subsequent years. Further, McCormick testified that the subject would contain a similar market value in tax years 2002 and 2004.

As to the subject property, he testified that the length or marketing time would range from one to three years. He indicated that this length of marketing time is greater than typical for industrial properties due to several factors, such as: the subject's extremely large building size; the subject's location in an area with one of the highest local tax rates; as well as the subject's single-tenant use. He also stated that he has appraised over 1,000 industrial properties and that of that number approximately 100 properties contained over 500,000 square feet of building area, while the remaining 900 assignments contained less than 500,000 square feet of area. With this experience, he testified that the subject property is atypical of most industrial properties.

McCormick testified that he made personal inspections of the interior and exterior of the subject property on: October 29, 2002, November 8, 2002, and November 19, 2002 prior to this appraisal assignment as well as on March 29, 2006. As to the highest and best use analysis, he testified that the subject's highest and best use, as vacant, would be for industrial development or to remain vacant until there was sufficient demand for that use, while the subject's highest and best use as improved was the existing use of the property. He also estimated the subject's weighted age as 43 years with consideration given to the useful life of similar industrial properties. An economic life of 60 years was estimated to be reasonable for a property of this nature, while the subject's effective age of 55 years reflected a remaining economic life of 5 years.

As to the subject's complex, McCormick's appraisal detailed the industrial complex via facility composition, building type, building particulars, auxiliary buildings, loading facilities, rail service, as well as the crane ways and cranes. He indicated that the cranes were located in the press area and were considered personal property and not part of the realty. Moreover, he testified that 2,192,885 square feet or 98% of the subject's total building area was located in one main building, which contributed to the unique aspect of the subject property. Specifically, he stated that there are a limited number of users for such a building and that conversion to alternate uses would become more costly.

In addition, the appraisal provided descriptive detail regarding the subject's interior based upon the personal inspections. Overall, the appraisal indicated that the improvements appeared to be structurally sound and reasonably maintained, as well as in average condition compared to other complexes of similar size and age. In addition, the pavement and other site improvements were considered to be in average condition.

Even though the parties jointly stipulated to the subject's land value at $1,330,000, McCormick's appraisal estimated the value of the site and in doing so undertook an analysis of five vacant land sales of local sites that ranged in size from 22.349 acres to 75.281 acres and in price from $4,386 to $17,424 per acre. These properties sold from January, 1998, through January, 2000. After making adjustments to the sale properties, the appraiser estimated the subject's land value at $10,000 per acre or $1,330,000, rounded.

Using the <u>Marshall Valuation Service</u> as well as the <u>Boeckh's Automated Cost Estimator</u>, McCormick estimated a reproduction cost new for the multiple improvement components located on the subject property to reflect a total reproduction cost of $115,428,014. Site improvements were added to the main improvements resulting in a total reproduction cost of $121,000,000, rounded. McCormick based his depreciation estimate upon the market extraction method which indicated 92% depreciation or $111,320,000. Deducting depreciation while adding the land value resulted in a market value under the cost approach of $11,000,000, rounded, for the subject property as of January 1, 2002.

As to McCormick's income approach, his appraisal indicated that the subject property was originally designed for single-tenant occupancy and has been occupied by the same user since it was constructed over 45 years ago. However, he stated that the subject, as is, does not lend itself to multiple-tenant occupancy and would require a substantial amount of capital to convert the property to multi-tenant usage. In addition, the appraisal indicated that the demand for industrial space in the subject's market was not strong enough to justify the expense associated with this type of conversion. Moreover, a thorough search for recent leases of industrial space similar to the subject resulted in insufficient comparable data to utilize within an income approach to value.

Under the sales comparison approach to value, McCormick testified that he utilized four suggested comparables that are large industrial complexes. Three of these properties were sited in Illinois, specifically in Chicago Heights, Clinton and North Silvis, while the fourth complex was located in Bloomington, Indiana. In addition, the appraiser also considered two large industrial/heavy-manufacturing complexes offered for sale as of November, 2002. These later properties were both located in Michigan. McCormick testified that Offering #1 comprised the former General Motors stamping plant, which is a usage similar to the subject property. He stated that he verified the sale data for each property with a party to the sale and where available the transfer declarations related to the sale.

The four properties sold from January, 1997, through August, 2001, for prices that ranged from $3.00 to $5.57 per square foot of building area including land prior to adjustments. The improvements ranged: in age from 21 to 45 years; in improvement size from 547,679 to 2,075,022 square feet of building area; in office space from 2.0% to 9.8%; and in land-to-building ratio from 3.51:1 to 6.27:1. McCormick's appraisal indicated that the subject property contained 5.4% office space with a land-to-building ratio of 2.58:1.

As to McCormick's two sale offerings, he testified that these properties were listed on the open market for prices that ranged from $877,355 to $2,075,022, or from $9.00 to $10.60 per square foot of building area including land. The appraiser testified that these two offerings would typically set the upper limit of value for the property. As of the hearing date, he testified that only offering #2 had sold, while confirming the sale with data from the assessor's office. He stated that offering #2 within his appraisal sold for $0.57 per square foot or $5,000. He also indicated that as of the valuation date of his appraisal that the market for industrial land ranged from $5,000 to $10,000 per acre.

An investigation of the industrial real estate market that was attached to the McCormick report detailed the industrial market while designating five categories of properties. McCormick identified these five categories of industrial real estate according to size and marketability. He opined that the subject property would fall within the fifth category comprising properties in excess of 500,000 square feet of building area and which would contain an extremely limited market.

He testified regarding each sale as follows: sale #1 was similar to the subject in the applicable tax rate, crane service, ceiling heights, heavy-manufacturing usage, and large building size; sale #2 was similar in the areas of market conditions, crane service, ceiling heights, heavy-manufacturing usage and office space; sale #3 was similar in market conditions, ceiling heights, crane service, heavy-manufacturing usage as a foundry for John Deere, and office space; and sale #4 was similar in market conditions but superior to the subject in building size, age and land-to-building ratio.

Furthermore, McCormick identified two sales of extremely large industrial complexes that have sold in the past within the subject's market area. These sales occurred from September, 1995, to October, 1997, for prices that ranged from $10,500,000 to $10,600,000 or from $4.24 to $6.24 per square foot of building area including land. Both sales involved industrial/heavy-manufacturing buildings. Sale #1 located in Davenport, Iowa was of a former Caterpillar facility, while sale #2 located in McCook, Illinois was the sale of a portion of a former General Motors facility. These properties ranged in size from 130 to 203 acres of land; in age from 19 to 52 years; in office space from 5.0% to 8.5%; and in building size from 1,700,000 to 2,479,000 square feet of building area. McCormick's analysis of the sales data for these properties determined that the sale prices ranged from 26% to 66% below the asking prices. In addition, he testified that both of these properties were exposed to the market for several years prior to selling and that the market for such extremely large, heavy-manufacturing facilities do not fluctuate over time. He indicated that these sales reflect that the market for such extremely large industrial building generate unit prices that are substantially lower than similar industrial properties in the same location which are smaller in size.

After making adjustments to the comparables, McCormick determined a unit of value for the subject of $5.00 per square foot of building area including land. His estimate of value for the subject under the sales comparison approach as of January 1, 2002 is $11,200,000, rounded.

In reconciling the two approaches to value, McCormick testified that he accorded primary consideration to the sales comparison approach indicating that the cost approach lent support to the sales comparison approach to value. Therefore, his final opinion of value for the subject property as of January 1, 2002 was $11,000,000.

Moreover, McCormick testified that he was not aware of any significant physical changes in the subject property from January 1, 2002 through January 1, 2004; that there were no significant changes to the market for similar properties in the subject's market area from January 1, 2002 through January 1, 2004; and that there would be no significant difference in the market value estimate for the subject from January 1, 2002 through January 1, 2004.

On cross examination, McCormick testified at length regarding the methodology he employed in the development of the cost approach to value including the allocation of an effective age based upon the subject's large size and heavy industrial usage as a stamping plant. He was also questioned regarding the building size and sales price applicable to his sale comparable #1. He convincingly testified regarding his usage of the sales contract, transfer declaration as well as the property's appraisal report and a market study conducted on this sale property. Therefore, he was able to clarify why the intervenor's assertions under examination were inaccurate as to building size, cranes and sales price. Moreover, he testified that he had personally viewed the sale comparables and the two sale offerings during the completion of his appraisal assignment. He also stated that his sale comparables #2 through #4 were purchased by different companies for investment purposes without the intention of being an owner-occupied location. Further, he indicated that as of the sales date of all four sale comparables, each was used for manufacturing and contained an amenity of rail service thereon.

The board of review timely submitted "Board of Review Notes on Appeal" wherein the subject's final assessment of $7,301,019 was disclosed indicating a market value of $20,280,608 applying the ordinance level of assessment of 36% for class 5b, industrial property as designated by Cook County Real Property Assessment Classification Ordinance. This market value reflects a value of $9.04 per square foot of building area.

In addition, the evidence included a summary appraisal report prepared by Jeffrey Hortsch of the assessor's office. The report contained a valuation date of January 1, 2003 while addressing two of the three approaches to value: the income and sales comparison approach. Mr. Hortsch was not offered as a witness at this hearing by the board of review.

At the commencement of the intervenors' case-in-chief, their attorney moved for a Directed Verdict. Upon due consideration of the parties' positions, the Board denied the intervenors' motion.

The intervenors submitted a summary appraisal report with a valuation date of January 1, 2004 and an estimate of value of $20,500,000. The appraisal was undertaken by James Gibbons who holds the MAI and State Certified General Real Estate Appraiser designations as well as his associate, Brian Fahey who holds the designation of Real Estate Appraiser. The parties jointly stipulated to Gibbons' expertise in the area of real estate valuation and was accepted as such by the Board.

The Gibbons appraisal was a complete, summary appraisal addressing two of the three traditional approaches to value, specifically the cost and sales comparison approaches. The appraisal had an effective date of January 1, 2004 while opining an estimated market value of $20,500,000. This timely submitted appraisal was marked for the record as Intervenors' Hearing Exhibit #1. The cost approach reflected a value of $26,310,000, while the sales comparison approach reflected a value of $20,185,000.

Gibbons testified that he personally undertook an exterior inspection of the subject and the surrounding area in 2004, 2005, 2006, 2007 and in January, 2010, while personally inspecting the interior and exterior of the subject for a previous appraisal assignment in 1990. He stated that the subject is surrounded by vacant land unlike his comparables. Moreover, he testified that the income approach to value was less than appropriate for a property of the subject's size for it would not be rented in the current marketplace; and therefore, this approach was not a reliable indicator of value.

Gibbons' description of the subject property mirrored details similar to the appellant's appraiser, McCormick. He indicated that the subject contained a very large manufacturing/industrial complex with 2,242,752 square feet of above grade building area. His appraisal stated that the great majority of the subject's building area was contained in a part one-story and part two-story, main building with 2,187,305 square feet of above grade area as well as unfinished basement area of approximately 288,943 square feet.

Moreover, Gibbons stated that the subject underwent modernization by Ford from 1992 to 2004 for a cost of $13,000,000. He testified that his source material for this information was obtained from a review of building records maintained by the City of Chicago Heights as well as newspaper articles.

As to the subject's area, Gibbons stated that Chicago Heights was primarily a working class community with the City's status as a suburban industrial center witnessing a significant decline over the past generation. At hearing, he testified that this decline was over the prior 20-year period.

Next, Gibbons developed the subject's highest and best use, which as vacant, given the subject's enormous size, was for industrial development when market conditions warrant, while the highest and best use as improved was for its continued use of the current improvements.

Notwithstanding that the parties jointly stipulated to the subject's land value at $1,330,000, Gibbons appraisal estimated the value of the site and in doing so undertook an analysis of four vacant land sales of local sites that ranged in size from 24.862 acres to 100.39 acres and in price from $4,386 to $15,687 per acre. After making adjustments to the sale properties, the appraiser estimated the subject's land value at $10,000 per acre or $1,330,000, rounded.

Using the Marshall Valuation Service, Gibbons described the subject as a Class C average complex with Low Cost and Class S Average and Low Cost Heavy Manufacturing buildings, having a replacement cost new base value of $76.15 per square foot applicable to the above grade finished building area of the main building prior to adding entrepreneurial profit. The appraisal indicated that this replacement cost included a lump sum of $8,000,000 for basement area, additional structures, paving, rail spurs, fencing and landscaping. He indicated that he did not estimate entrepreneurial profit because the subject is a massive heavy manufacturing building operated by an automaker as part of its manufacturing/assembling operation. The appraiser opined that the subject complex is ideally suited for use by a single occupant on a massive scale and that this type of building is unlikely to be constructed by an investor as opposed to an owner-occupier.

The appraisal indicated that since the subject is developed to its highest and best use, the economic age-life method was used to estimate depreciation. Gibbons opined that a Class C heavy manufacturing building such as the subject have blended physical life expectancies from 45 to 50 years, while Class S quality heavy manufacturing properties have a physical life of approximately 45 years. Therefore, he estimated that the subject's effective age is approximately 40 years even though the subject contained an actual weighted age of 45 years. This methodology resulted in depreciation of 85%. Deducting depreciation reflected a total depreciated cost of the improvements of $24,983,661. Adding the land value resulted in a market value under the cost approach to value for January 1, 2004 of $26,310,000, rounded.

Under the sales comparison approach, Gibbons utilized five properties, four of which were sited in Michigan with one property sited in Illinois. He testified that due to the subject's characteristics, size and usage that he broadened his search of comparable sales seeking out large facilities that had some automotive use or former use. The properties sold from January, 1998, through August, 2004, for prices that ranged from $6,750,000 to $70,234,028, or from $6.18 to $24.41 per square foot before adjustments. The improvements ranged: in land size from 1,698,840 to 11,499,840 square feet; in building size from 905,000 to 2,877,165 square feet; in age from 34 to 68 years; and in land-to-building ratio from 1.84:1 to 5.16:1. Gibbons testified that he personally took the photographs of these sale comparables when he viewed the properties. In addition, he stated that the details of each sale were confirmed with a party to the sale.

In addition, Gibbons testified that: sale #1 was a smaller building used as a glass fabricating facility for automobile manufacturing which was to be converted to multi-tenant space; sale #2 was of a two-building warehouse complex formerly a Ford facility wherein he adjusted the sale price to account for renovation and upgrades undertaken after the sale; sale #3 was a sale-leaseback transaction of a Caterpillar facility located in Will County comprising a four-building industrial complex wherein there was a subsequent leased fee sale of a portion of the buildings in December, 2004 relating to portions of this property; sale #4 was a sale of a former automobile stamping plant with a smaller building, but a higher land-to-building ratio than the subject; and sale #5 was a sale of a part one-story and part two-story, smaller manufacturing plant for interior auto parts built in stages from 1945 wherein the property was converted to multi-tenant usage because the buyer was not the user-occupier. Moreover, he stated that he had no personal knowledge of whether the tax structure in Michigan is similar to that of Illinois or whether any of the suggested sale comparables contained rail spurs thereon.

Gibbons appraisal also indicated that sale #2 sold in February, 2004 for $6.18 per square foot of building area with the buyer reportedly spending $4,000,000 on building upgrades; therefore, Gibbons adjusted the sale price to $9.83 per square foot of building area including land to reflect this cost. Moreover, he testified that he considered the four sales in the Detroit area to be inferior to the subject from a locational standpoint. After making adjustments, Gibbons estimated a value for the subject property under the sales comparison approach to value of $9.00 per square foot, or $20,185,000, rounded.

In reconciling the two approaches to value, Gibbons accorded greater weight to the sales comparison approach to value with less weight to the cost approach due to the subject's massive and relatively unique industrial property which is an automotive manufacturing facility built and operated for that purpose. Therefore, he estimated a final market value for the subject at $20,500,000, rounded.

Under cross-examination, Gibbons testified that he viewed the subject's exterior from the roadway and that his description of the subject property would not be contrary to McCormick's description of the improvements. He also indicated that the subject is a massive, single-tenant manufacturing facility located in an area where there is a deterioration of the Chicago Heights' industrial base within the last generation or last 20 years. Moreover, he testified that his sale comparables have the same highest and best use, as is the subject, for the properties are also former automobile-related facilities. He noted that he would not use an office building to compare to an industrial facility for this would be a change in use and eliminate comparability. He indicated that there is an inverse relationship between size and unit sale price, where the larger the facility is the less broad the market for that property.

Specifically, Gibbons stated that as to sale #1 which had an industrial use for automotive parts, he was aware that the sale occurred with a continued industrial use, but with multiple tenants. As to sale #2, he stated that the sale related to two buildings with warehouse and office usage, with the building area less than half the size of the subject's improvements. Sale #2 was also converted to multi-tenancy usage, but he admitted that the renovation expenses allegedly totaling $4,000,000 which he added to the sale price in undertaking his sale comparison approach were not verified. Moreover, he testified that the aforementioned dollar amount could have been used to convert this building to multi-tenant use. As to sale #3, Gibbons elaborated on his prior testimony regarding this leased-fee sale. He opined that the purchaser in this sale most likely converted the buildings to multiple-tenancy usage and subsequently sold the portion of the premises which contained the buildings while retaining the vacant land portion of the original parcels totaling approximately 8,500,000 square feet of land. As to sale #4, Gibbons stated that based upon his research he believed this property to be a stamping plant even though appellant's attorney opined that it was used for automobile wheel manufacturing.

Under further examination, Gibbons testified he has undertaken approximately 1,000 industrial appraisal assignments while an appraiser and that based upon this personal knowledge the average size of an industrial property is considerably smaller than this subject property. He stated that a typical industrial building would contain less than 100,000 square feet of building area. Therefore, he concurred that the subject property is an atypical industrial property due to its massive size. As to the area surrounding his sale comparables, he stated that his five sale properties are not sited within a large amount of vacant land, as is the subject. Furthermore, he indicated that he was unaware of whether the tax structure in Michigan or in other Illinois counties compare with the subject's tax structure while being located in Cook County.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

When overvaluation is the basis of the appeal, the value of the property must be proved by a preponderance of the evidence. *86 Ill.Admin.Code 1910.63(e)*. Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. *86 Ill.Admin.Code 1910.65(c)*.

While the appellant requested that the Board take judicial notice of the Board's decisions in the subject's 2002 and 2003 tax appeals and provided courtesy copies of the same into the record, the Board finds that these prior Board decisions are distinguishable from the current case, the 2004 tax year. The Board notes that the parties and the evidence submissions vary from the 2002 and 2003 tax years in comparison to the 2004 tax year at issue.

Under a 'de novo' standard of review, the Board considered the appellant's and intervenors' appraisal evidence with supporting testimony from expert witnesses. The Board accorded little weight to the board of review's evidence submission, due to the failure of the board of review to present the preparer for testimony and cross-examination concerning his qualifications, the methodology regarding data used therein, and his conclusions.

The Board initially finds that both experts tendered at hearing were experienced in this field of appraisal assignments and were credible in their testimony at hearing.

In looking to the appellant's and intervenors' appraisals, the Board finds many similarities. Specifically, both experts agreed: that the subject property is a massive industrial/heavy manufacturing complex which is uniquely owner-occupied; that there was limited rental comparable data available in the market therefore an income approach to value was less than germane to this subject property; that the subject's immediate area comprised an abundance of vacant land which was available for development; that the subject's market and immediate area were considered declining; that the subject's land value was $1,330,000; that the cost approach to value for this uniquely large and aged industrial complex was less reliable than the sale comparison approach to value; and that the market for suggested sale comparables for this unique subject complex extended beyond the State of Illinois' borders. Moreover, both experts developed similar highest and best uses for the subject property.

As to the cost approach, the Board finds accorded less weight to Gibbons' appraisal due to his disclosure that he had accorded a lump sum amount of $8,000,000 for basement area, crane ways, additional structures, paving, rail spurs fencing and landscaping. The Board finds this lump sum allocation unpersuasive without supporting foundation. In addition, the Board finds unpersuasive Gibbons blended effective age for the subject. Moreover, the Board finds that both expert appraisers testified that main reliance was accorded the sale comparison approach to value for this subject property.

The courts have stated that where there is credible evidence of comparables 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 further held that significant relevance should not be placed on the cost approach or the income approach especially when there is market data available. Id. Moreover, 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 purposes of real estate taxes, the preferred method is the sales comparison approach.

Therefore, the Board will also place significant weight on the sale comparables submitted into the record. The Board shall accord no weight to the two sale offerings referred to within McCormick's appraisal. In developing the sales comparison approach to value, McCormick used four sale comparables as well as reference to two additional, yet dated, sale properties.

Gibbons used five sale comparables, some of which were similarly dated in sale dates. Of these 11 sale comparables, the Board accorded no weight to Gibbons sale comparable #3 due to the variation in property rights, for this property was a leased fee sale. Moreover, as to Gibbons sale comparable #2, the Board finds unpersuasive his inappropriate augmentation of the initial sale price of this property. Gibbons adjusted the sale price to reflect an unverified renovation amount that he testified could have been used to convert the property to multi-tenant usage. Therefore, the Board shall consider this comparable as to its actual data and sale price of $6.18 per square foot of building area.

Therefore, the Board shall consider the parties' 10 comparables all of which comprise larger, atypical industrial complexes. The universal opinion of both appraisers was that the subject is a massive, heavy-manufacturing complex, which is why the appraisers extended the subject's market area beyond the borders of Cook County and Illinois in order to obtain appropriate comparables. The 10 comparables sold from September, 1995, to August, 2004, for prices that ranged from $1,645,000 to $14,000,000, or from $2.66 to $12.11 per square foot of building area. They ranged: in age from 19 to 52 years; in building size from 547,679 to 2,479,000 square feet; and in land size from 30 to 203 acres.

After making adjustments to the sale comparables for date of sale, varying highest and best use, location, variations in surrounding area, building and/or land size as well as variations in building amenities, the Board finds that the subject's fair market value for tax year 2004 is $17,000,000 and that a reduction is warranted to the subject property's assessment.

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

Chairman

Member

Member

Member

Member

DISSENTING:

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: February 24, 2012

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.