

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Cavaliere
DOCKET NO.: 04-28839.001-I-1 through 04-28839.004-I-1
PARCEL NO.: See below.

The parties of record before the Property Tax Appeal Board are Cavaliere, the appellant, by attorney Arnold G. Siegel, Chicago, and the Cook County Board of Review.

The subject property consists of a 130,680 square foot parcel improved with a 16-year-old one-story masonry constructed industrial building containing 9,984 square feet of building area. The subject also has a 10,000 gallon underground gasoline tank and a 4,000 gallon underground diesel fuel tank. The subject is located in Hanover Township, Cook County.

The appellant, through counsel, appeared before the Property Tax Appeal Board claiming the subject's fair market value is not represented accurately in its assessment. In support of the market value argument, the appellant submitted an appraisal report authored by Mitchell J. Perlow and William L. Shulman of Property Valuation Services, LLC, Chicago. The report indicates Perlow is a State of Illinois certified general appraiser with a Member of the Appraisal (MAI) designation and Shulman is a State of Illinois licensed real estate appraiser. The appraisers indicated the subject has an estimated market value of \$625,000 as of January 1, 2004.

After a detailed description of the subject property and its environs, the appraisers indicated that the subject was valued as fee simple; the appraisers inspected the subject on March 23, 2005; and gathered and confirmed all information. The appraisers employed the three classic approaches to value; the cost, the income capitalization, and the sales comparison. In addition, the appraisers indicated the subject's highest and best use as vacant would be for development and it highest and best use as improved is its current use.

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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:

<u>DOCKET NO.</u>	<u>PARCEL NO.</u>	<u>LAND</u>	<u>IMPR.</u>	<u>TOTAL</u>
04-28839.001-C-1	06-25-204-004-0000	\$32,175	\$ 4,408	\$ 36,583
04-28839.002-C-1	06-25-204-005-0000	\$32,175	\$ 9,638	\$ 41,813
04-28839.003-C-1	06-25-204-006-0000	\$32,175	\$77,315	\$109,490
04-28839.004-C-1	06-25-204-007-0000	\$32,460	\$ 4,654	\$ 37,114

Subject only to the State multiplier as applicable.

A land value was determined utilizing the sales of four parcels located in the subject's general area. The comparable parcels ranged in size from 220,332 to 429,208 square feet. These sales occurred from March 2001 to April 2002 for prices ranging from \$260,000 to \$900,000 or from \$1.00 to \$2.73 per square foot of land area. All the comparable sales were adjusted for conditions of sale, location, time, size and other unique characteristics. Based on the adjusted sales, the appraiser estimated the subject's 130,680 square feet of the subject's land value to be \$2.75 per square foot of land area, or \$360,000, rounded. The appraisers also developed a value for 100,728 square feet of the subject's land of \$275,000, rounded, as they considered this excess land.

The appraiser estimated a replacement cost new (RPN) for the improvement. Employing the *Marshall Valuation Service* a RPN was estimated to be \$50.00 per square foot based on 9,984 square feet, or \$499,200. Total depreciation was estimated based on the age/life method. Using an effective age of from 20 to 25 years and an economic life of 50 years, total accrued depreciation from all causes was estimated to be 45%. Total depreciated value of the subject improvements, which included on-site improvements, was estimated to be \$279,560. Adding the estimated land value to the depreciated value of the improvements indicated a total value for the subject of \$640,000, rounded.

The second approach addressed by the appraiser was the income approach to value. The appraiser utilized four rent comparables located in market areas similar to the subject's market area. The leased spaces ranged in size from 7,500 to 18,000 square feet. The comparables are being offered on the market for net rents from \$5.00 to \$5.95 per square foot of leasable area. After an analysis of the market, the appraisers determined that a range of \$4.40 to \$5.20 would be actual rentals for these comparables. Further adjustments were made to the comparables for market conditions, location, size, age and other applicable items the appraiser concluded a stabilized potential gross income (PGI) for the subject of \$52,416. Vacancy and loss was stabilized at 10% resulting in an effective gross income (EGI) of \$47,174. From his research, the appraiser determined a total of \$15,454 was representative of the stabilized allowable expenses. The deduction of the expenses from the EGI resulted in a potential net operating income (NOI) of \$31,720. The NOI was then capitalized employing a capitalization factor of 09.0% to estimate a market value for the subject through the income approach of \$352,444, to which the appraisers added a value of \$275,000 for excess land as determined in the cost approach. This addition resulted in an indicated value for the subject via the income capitalization approach of \$625,000, rounded.

Next the appraiser employed the sales comparison approach to value utilizing the sales of five industrial facilities in market areas similar to the subject's market area. The comparables are one-story or one and part two story masonry constructed

industrial facilities built from 1971 to 1988. The comparables range in building size from 10,000 to 20,875 square feet and in land size from 13,000 to 73,616 square feet. The comparables were sold from February 2002 to July 2003 for prices ranging from \$230,500 to \$685,000, or from \$23.05 to \$35.70 per square foot of building area including land. The appraisers adjusted the comparables for property rights conveyed, financing terms, conditions of sale, location, and other physical and economic conditions. After these adjustments to the comparables, the appraiser estimated a value for the subject of \$35.00 per square foot of building area, or \$349,440. The value of the excess land of \$275,000 was then added. The appraisers indicated value through the sales comparison approach was \$625,000, rounded.

In reconciliation placing primary weight on the sales comparison approach; secondary weight was placed on the income capitalization approach; and minimum weight was accorded the cost approach. The appraisers' final estimate of value was \$625,000 for the subject as of January 1, 2004.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$237,220 was disclosed. The subject's final assessment reflects a fair market value of \$658,944, when the Cook County Real Property Assessment Classification Ordinance level of assessments of 36% for Class 5B properties is applied. In support, the board of review offered a memorandum indicating the sales of five properties in the subject's area suggest an unadjusted range of from \$31.15 to \$64.66 per square foot of building area. . The writer also cautions that the memorandum "is not intended to be an appraisal or estimate of value and should not be construed as such." Cook County Assessor's Office sales sheets for the five comparables were offered in support. The comparable properties are one story or two story industrial buildings built from 1970 to 1994. The comparables range in size from 10,000 to 12,015 square feet of building area and in land size from 21,780 to 65,000 square feet. These sales occurred from May 1998 to May 2005. Based on the foregoing, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of this appeal. The issue before the Property Tax Appeal Board is the subject's fair market value. Next, when overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 728 N.E.2d 1256 (2nd Dist. 2000). 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. Section 1910.65 *The Official Rules of the Property Tax Appeal*

Board (86 Ill.Adm.Code §1910.65(c)). Having reviewed the record and considered the evidence, the Board concludes that the appellant has satisfied this burden.

The Property Tax Appeal Board accords primary and substantial weight to the appellant's appraisal. The Board finds that the appellant's appraisers utilized the three classic approaches to value to determine an estimated value for the subject as of the date at issue. The Board finds that the appraisers thoroughly explained the steps followed in each approach to value. The Board finds that the selection of comparables in each approach was suitable; the comparables were compared and contrasted to the subject suitably; the adjustments made were well defined; and the appraisers concluded a well reasoned final estimate of value for the subject from this information. Further, the Property Tax Appeal Board finds that the board of review failed to refute the appellant's contention this appraisal was representative of the subject's fair market value as of January 1, 2004.

In contrast, the Board accords the board of review's submission no weight. The Board finds that the board of review presented what appears to be an in-house memorandum summarizing raw data from the sales of six properties. The Board finds that the memorandum lacked analysis concerning the suggested comparables' similarity or dissimilarity to the subject. Further, there are no adjustments to the sales for time of sale, conditions of sale, condition of the buildings, location, size, or any other factor used in a conventional comparative analysis. In addition, the Board finds that the memorandum's writer plainly states that the documentation submitted by the board of review "is not intended to be an appraisal or estimate of value and should not be construed as such."

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$625,000, as of January 1, 2004. Since the fair market value of the subject has been established, the Board finds that the Cook County Real Property Assessment Classification Ordinance level of assessments of 36% for Class 5B properties shall apply and a reduction is accordingly 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.



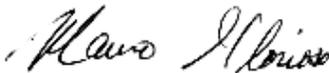
Chairman



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: June 19, 2009



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.