

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Federal Express Corporation
DOCKET NO.: 04-25485.001-I-1
05-24805.001-I-1
PARCEL NO.: 08-34-402-046

The parties of record before the Property Tax Appeal Board (hereinafter PTAB) are Federal Express Corporation, the appellant, by attorney Michael E. Crane with the law firm of Crane and Norcross in Chicago and the Cook County Board of Review.

The subject property consists of a 155,408 square foot parcel of land containing a 19-year old, one-story, masonry constructed, industrial building with 36,028 square feet of building area. The appellant, via counsel, argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

As a procedural matter, the PTAB finds that these appeals are within the same assessment triennial, involve common issues of law and fact and a consolidation of the appeals would not

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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 #</u>	<u>PIN</u>	<u>LAND</u>	<u>IMPROVEMENT</u>	<u>TOTAL</u>
04-25485.001-I-1	08-34-402-046	\$237,774	\$185,226	\$423,000
05-24805.001-I-1	08-34-402-046	\$237,774	\$185,226	\$423,000

Subject only to the State multiplier as applicable.

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prejudice the rights of the parties. Therefore, under the *Official Rules of the Property Tax Appeal Board, Section 1910.78*, the PTAB consolidated the above appeals.

In support of the market value argument, the appellant submitted an appraisal of the subject property with an effective date of January 1, 2004. The appraiser used the three traditional approaches to value to arrive at market value of \$1,175,000. The appraiser determined that the highest and best use to be its current use.

In the cost approach to value, the appraiser reviewed the sales of six comparables ranging in price per square foot from \$4.05 to \$7.88 to arrive at a value for the land of \$5.00 per square foot or \$780,000, rounded. Using the *R.S. Means Square Foot Costs Manual*, the appraiser estimated a replacement cost new for the improvement of \$1,815,000. Based on a market analysis, the appraiser then determined a depreciation of 75% for a value of \$453,750 for the building. The land was then added in for a final value under the cost approach of \$1,235,000, rounded.

In the income approach, the appraiser reviewed the rent of five similar commercial properties and established a rental range of \$3.25 to \$4.20 per square foot on a triple net basis. After adjustments, the appraiser determined a potential gross income for the subject of \$4.00 per square foot or \$144,112. The appraiser then applied a 10% vacancy & collection factor for a net operating income of \$136,906. The appraiser applied a market and rental analysis and a mortgage equity method for a capitalization rate of 11.5% for a total value based on the income approach of \$1,190,000, rounded.

Under the sales comparison approach to value, the appraiser utilized five suggested comparable sales located in the same market as the subject. The properties contain one-story, masonry or masonry and concrete industrial buildings. These improvements range: in age from 22 to 41 years; in size from 24,000 to 49,364 square feet of building area; and in land to building ration from 1.72:1 to 3.31:1. The properties sold from July 2001 to June 2003 for prices ranging from \$800,000 to \$1,400,000 or from \$27.38 to \$33.33 per square foot of building area. The appraiser made several adjustments to the comparables. Based on this, the appraiser determined the subject property's value using the sales comparison approach to be \$1,155,000, rounded.

In reconciling the approaches to value, the appraiser gave maximum emphasis to the sales comparison approach, appropriate consideration to the income approach and less consideration to the cost approach for a final value for the subject as of January 1, 2004 of \$1,175,000.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$518,802. The subject's assessment reflects a market value of \$1,441,117 using the level of assessment of 36% for Class 5B property as contained in the Cook County Real Property Assessment Classification Ordinance. The board also submitted unadjusted sales information for a total of four properties suggested as comparable to the subject. These comparables are all located within the subject's market and are improved with one or two, one or two-story, masonry or mixed construction, industrial buildings. These buildings ranged in age from 30 to 35 years and in size from 30,154 to 48,500 square feet of building area. The comparables sold from April 2002 to May 2005 for prices ranging from \$1,300,000 to \$1,925,000 or from \$39.69 to \$45.26 per square foot of building area. As a result of its analysis, the board requested confirmation of the subject's assessment.

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

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, 331Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (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. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the PTAB concludes that the evidence indicates a reduction is warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal. Although the appraisal is in summary fashion, the appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; estimated a highest and best use for the subject property; utilized appropriate market data in undertaking the approaches to value; and lastly, used similar properties in the sales comparison approach while providing information as to adjustments that were necessary. The PTAB gives less weight the board of review's comparables as the information provided was raw sales data with no adjustments made.

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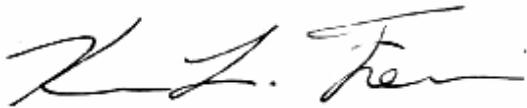
Therefore, the PTAB finds that the subject property contained a market value of \$1,175,000 as of the January 1, 2004 and January 1, 2005 assessment dates. Since the market value of the subject has been established, the Cook County Real Property Classification Ordinance level of assessments for Cook County Class 5B property of 36% will apply. In applying this level of assessment to the subject, the total assessed value is \$423,000 while the subject's current total assessed value is above this amount at \$518,802. Therefore, the PTAB finds that a reduction is warranted.

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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

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: October 26, 2007



Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

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"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.