

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: George Chiarelli
DOCKET NO.: 05-26052.001-I-1
PARCEL NO.: 24-27-100-082

The parties of record before the Property Tax Appeal Board (hereinafter PTAB) are George Chiarelli, the appellant, by attorney Eugene P. Griffin with the law firm of Eugene L. Griffin and Associates in Chicago and the Cook County Board of Review.

The subject property consists of a 44,142 square foot parcel of land containing a 36-year old, one-story, masonry constructed, five unit, industrial building with 19,475 square feet of leasable 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.

In support of the market value argument, the appellant submitted an appraisal of the subject property with an effective date of January 1, 2005. The appraiser used the three traditional approaches to value to arrive at market value of \$700,000. The appraiser determined that the highest and best use to be 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:

LAND:	\$ 51,645
IMPR.:	\$200,355
TOTAL:	\$252,000

Subject only to the State multiplier as applicable.

PTAB/0489JBV

In the cost approach to value, the appraiser reviewed the sales of four comparables to determine a value for the land of \$4.50 per square foot or \$199,000, rounded. Using the *Marshall and Swift Computerized Cost Estimate Program*, the appraiser estimated a reproduction cost new for the improvement of \$891,753. An entrepreneurial profit was than estimated at 10% and applied to the replacement cost to arrive at a total cost of \$980,928. Using several methods, the appraiser then determined a depreciation of 50% for a value of \$490,464 for the improvements. The depreciated cost of the site improvements of \$22,500 and the land was than added in for a final value under the cost approach of \$710,000, rounded.

Under the sales comparison approach to value, the appraiser utilized five suggested comparable sales located in the same market as the subject. The comparables consist of one or part two-story, masonry, single or multi-tenant, industrial buildings. The buildings range: in effective age from 20 to 35 years; in size from 15,076 to 37,500 square feet of building area; and in land to building ration from 1.15:1 to 3.26:1. The properties sold from March 2002 to October 2004 for prices ranging from \$475,000 to \$830,000 or from \$20.53 to \$40.13 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 \$700,000, rounded.

In the income approach, the appraiser reviewed the rent of five comparable properties and established a range of \$3.50 to \$5.00 per square foot of rentable area on net basis. After adjustments, the appraiser determined a potential gross income for the subject of \$4.50 per square foot or \$87,638. The appraiser than applied an 8% vacancy & collection factor for an effective gross income of \$80,627. Expenses were estimated at \$8,261 to arrive at a net operating income of \$72,366. Using the market extraction and the band of investment methods, the appraiser applied a capitalization rate of 10.25% for a total value based on the income approach of \$705,000, rounded.

In reconciling the approaches to value, the appraiser gave primary weight to the sales comparison approach and ample weight on the income approach for a final value for the subject as of January 1, 2005 of \$700,000.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$274,998. The subject's assessment reflects a market value of \$763,883 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 raw sale information for five

properties suggested as comparable to the subject. These comparables are all located within the subject's market and are improved with one or two-story, masonry or steel, with one construction type unknown, multi-tenant, industrial buildings. These buildings ranged in age from 13 to 33 years, with one age unknown, and in size from 15,076 to 23,661 square feet of building area. The comparables sold from May 2002 to January 2005 for prices ranging from \$580,000 to \$975,000 or from \$35.15 to \$53.28 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. 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 sufficient detail regarding each sale as well as adjustments that were necessary. The PTAB gives little weight to the board of review's comparables as the information provided was raw sales data with no adjustments made.

Therefore, the PTAB finds that the subject property contained a market value of \$700,000 as of the January 1, 2005 assessment date. 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 \$252,000 while the subject's current total assessed value is above this amount at \$274,998. Therefore, the PTAB finds that a reduction is 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: December 7, 2007



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.