FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Ford Motor Company
DOCKET NO.: 03-27560-I-3, 04-24629-I-3 & 05-26563-I-3
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Ford Motor Company, the appellant, by attorneys Gregory J. Lafakis and Ellen Berkshire of Verros, Lafakis & Berkshire, Chicago; the Cook County Board of Review by Cook County Assistant State's Attorneys Aaron Bilton, Ayesha Khan and Joel Buikema; the City of Chicago, intervenor, by attorneys Richard Danaher and Bernard Murphy; and the Chicago Board of Education, intervenor, by attorney Cambi L. Cann of Pugh, Jones, Johnson & Quandt, P.C., Chicago.

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[1]:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
03-27560.001-I-3	25-36-100-018-0000	96,759	83,232	$179,991
03-27560.002-I-3	25-25-402-001-0000	1,035,393	2,924,867	$3,960,260
03-27560.003-I-3	25-25-401-017-0000	13,645	2,913	$16,558
03-27560.004-I-3	25-25-401-015-0000	109,602	136,317	$245,919
03-27560.005-I-3	25-25-401-010-0000	79,416	528,216	$607,632

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of five parcels containing 94.415 acres improved with a manufacturing industrial complex containing a total of 2,556,804 square feet of building area

[1] See page 34 for the correct assessed values for 04-24629-I-3 & 05-25663-I-3

used as an automobile assembly plant. The buildings were constructed in stages from 1924 to 2003.

The main industrial plant was constructed from 1924 to 1999 and contains a total building area of 2,169,679 square feet and is primarily a one-story building. The building is of wood and steel frame construction, with a poured concrete foundation and exterior walls of concrete knee walls and insulated metal panel construction. The industrial and warehouse areas for this building have clear ceiling heights ranging from 10 to 26 feet, the building is protected by a sprinkler system, there are 62 truck docks, 2 interior rail docks, two 4,000 pound capacity passenger elevators, one 2,500 pound capacity freight elevator, and 49 cranes ranging in capacity from .25 to 10 tons.

The second building is the body shop with 214,310 square feet of building area that was constructed in 1994 with an addition in 2003 of approximately 100,000 square feet. This building is primarily one story and is of steel frame construction with concrete knee walls and insulated metal panels. The building has a clear ceiling height of 35 feet. The building is protected by a sprinkler system with features that include 14 exterior truck height docks and one 20,000 pound capacity freight elevator.

The subject is also improved with various auxiliary buildings that range in size from 340 to 25,000 square feet for a total building area of 87,755 square feet. There is a 27,245 square foot steel frame and metal panel tube for a conveyor and walkway that connects the two main buildings. Also located on the subject property are 66 storage tanks that range in size from 6,000 to 400,000 gallons. Site improvements include 1,800,000 square feet of asphalt and concrete paving, 15,000 linear feet of rail siding and 15,000 linear feet of chain-link fencing.

The property is located in Chicago, Hyde Park Township, Cook County. The 2003, 2004 and 2005 appeals were consolidated.

Terrence McCormick

The appellant called as its first witness real estate appraiser Terrence McCormick, a co-owner and principal of McCormick & Wagner, LLC. McCormick has been a real estate appraiser since 1979. He has the Member of the Appraisal Institute (MAI) designation from the Appraisal Institute and is an Illinois State Certified General Real Estate Appraiser. McCormick identified Appellant's Exhibit 1 as the appraisal of the subject property he prepared for Ford Motor Company. The exhibit contains four pages providing a summary of his qualifications as an appraiser. McCormick has appraised in excess of 1,000 industrial properties with approximately 100 being industrial manufacturing plants of over half a million square feet. He was assisted in the appraisal by his business partner, John Wagner.

McCormick conducted full interior and exterior inspections of the subject property on October 29, 2002 and December 19, 2003. McCormick prepared a full narrative appraisal in a summary format. The purpose of the appraisal was to estimate the market value of the subject property, an existing industrial property, as of January 1, 2003. McCormick testified that market value was defined in his report as, "that value, estimated at the price it would bring in a fair, voluntary sale", which is from the Cook County classification ordinance. The appellant's appraiser appraised the fee simple interest of the subject property.

The appraiser explained the subject property is located on the southeast side of Chicago, two miles from the Indiana state border. The witness explained the subject property has frontage on the west side of Torrence Avenue, the north and south sides of 130th Street and the Calumet River. He explained that the area is an older industrial area with an abundance of vacant land from former industrial properties. The appraiser indicated that there had been little new development in the area with the exception of the addition to the Ford Plant and the Chicago Manufacturing Campus. McCormick testified that Torrence Avenue is a major north-south thoroughfare and 130th Street has access to the Bishop Ford expressway. He explained the subject site is served by rail and has access to the Calumet River.

McCormick concluded that the market for industrial property in the subject's area is limited. He reiterated the subject's area is an older industrial area and there is vacant land available for development, but not a lot of recent sales transactions have occurred in comparison to the amount of land available.

The witness testified that the Chicago Manufacturing Campus was a venture between the City of Chicago and Ford Motor Company to construct warehouse and manufacturing facilities that supply Ford with their products.

McCormick testified that his experience in analyzing sales of similar-sized properties is that the marketing time is very long and can range up to seven years, but he estimated the marketing time from one to three years for the subject. The appraiser also testified the market for this property would be regional if not national. The biggest characteristic in searching for comparable properties considered with this property is its extremely large size, which limits its marketability. A second characteristic in searching for comparables is the property's use, which is a manufacturing-type property. He also indicated that the fee-simple interest is another characteristic; therefore, you want comparable properties that are owner occupied or not leased at the time of sale. (Transcript, Vol. 1, pp. 27-28.)

McCormick determined the site contained approximately 95.4 acres based on the Cook County Assessor's Office records and Sidwell maps. The witness described the improvements as an extremely large manufacturing building with approximately 2,500,000 square feet built in stages from 1924 to 1999. The appraiser testified the weighted age was 47 years old. McCormick testified the ceiling heights varied from 14 to 35 feet with an average of 17 feet clear and there was a total of 5.2% office space. He testified there are numerous buildings with 85% of the building area contained in Building No. 1. The witness explained that Building No. 2 is connected to Building No. 1 by a conveyor and makes up another 10% of building area. The appraiser explained that Building No. 1 and Building No. 2 are connected by a conveyor because they are separated by railroad tracks and the next contiguous parcel had to be connected by a conveyor belt. The size of the improvements was determined using building diagrams provided by Ford Motor Company's engineering department. McCormick explained that an addition with approximately 100,000 square feet was made to Building No. 2 and a certificate of occupancy was issued on June 27, 2003, a copy of which was in the appraisal addendum. McCormick testified the addition was separately assessed as an omitted property, by the assessor's office, in 2003, 2004 and 2005.

McCormick was of the opinion the improvements were of average condition for their age with a weighted age of 47 years calculated based upon the percentage of the building area that was constructed during each period. McCormick testified he included in his appraisal 1,800,000 square feet of asphalt and concrete paving, 15,000 lineal feet of chain link fencing, 15,000 lineal feet of rail siding, auxiliary buildings and storage tanks. The appraiser further testified that the overhead cranes were treated as personal property, but the craneways were considered real estate and included in the appraisal.

McCormick determined the highest and best use as vacant would be for industrial development or to remain vacant until there is sufficient demand. The witness determined the highest and best use of the subject parcel as improved is a continuation of its current use as a manufacturing type industrial complex.

The appellant's appraiser estimated the subject had an economic life of 60 years, an effective age of 50 years and a remaining economic life of 10 years. The appraiser explained that the effective age is greater than the average age due to its utility in that there is no more room for expansion. He testified the only way they expanded the existing building was to connect it with a conveyor system so the improvement suffers from functional obsolescence. McCormick testified that the subject's total building area is primarily in use; however, the 18,000 square foot powerhouse is no longer used.

McCormick testified that the subject property has been owned by Ford Motor Company since 1924 and has been used as an automobile assembly plant through 2006.

McCormick considered all three approaches to value, but there were no rental comparables for anything similar to the subject so he concluded the income approach was not applicable. McCormick searched Chicago and the regional area for leases of industrial properties similar to the subject in size and age, but found no leases that were comparable. The witness explained the use of large space multi-tenant buildings for rental comparables would be a different use than the subject property, which is a single user property. He was of the opinion that to convert the property to a multi-tenant use would be speculative and would require some type of cost for converting the property to a multi-tenant use.

The first approach developed by McCormick was the cost approach to value. His initial step under this method was to estimate the land value as vacant using six land sales. The comparable land sales range in size from 15.95 to 206 acres. Four of the sales were located in Chicago and two were located in unincorporated Bloom Township. The sales occurred from January 1999 to September 2002 for prices ranging from $315,000 to

$8,950,164 or from $9,130 to $74,585 per acre. After considering differences from the subject and making qualitative adjustments, the appraiser estimated the subject land had a market value of $35,000 per acre or $3,340,000.

McCormick testified that in estimating the reproduction cost new of the improvements he used Boeckh's Automated Cost Manual by Marshall and Swift. The appraisal had a listing of the various improvement components and their associated reproduction costs. The appraisal also had a more detailed calculation for Building No. 1 and Building No. 2. The appraiser estimated the total reproduction cost of the building improvements to be $151,913,034. Site improvements were estimated to have a reproduction cost new of $4,960,000 and the exterior storage tanks were estimated to have a reproduction cost new of $779,000. Adding the components resulted in a total reproduction cost new of the complex of $157,652,034. The appraiser testified these costs include indirect costs appropriate for the property but no entrepreneurial profit, which is the difference between the value and the cost. He testified that a large, single-user manufacturing facility like the subject is not a real estate investment property and there would be no entrepreneurial profit.

The appraiser then estimated depreciation using the extraction method based on the five comparable sales found in the sales comparison approach to value within the report. According to McCormick the comparable sales ranged in age from 17 to 40 years old and, after deducting the land values from the respective sale prices, had residual building values ranging from $115,000 to $10,370,440. The appraiser estimated the comparable buildings had reproduction costs new, as of the date of sale, ranging from $28,970,000 to $95,000,000. Deducting the respective residual building values from the cost new resulted in depreciation associated with the comparable buildings. The comparables had total depreciation ranging from 77.9% to 99.9% or from 2.5% to 4.6% per year. Based on this data the appraiser estimated the subject improvements suffered from 92% depreciation or approximately 2.0% per year for a total depreciation from all causes of $145,039,871. Subtracting the depreciation from the total reproduction cost new and adding the land value resulted in an estimated value under the cost approach of $15,950,000, rounded. The appraiser testified that he had inspected each of the comparable sales that were used to extract depreciation.

In considering the income approach McCormick stated within his report that the subject property was originally designed for single-use occupancy and has been occupied by the same user since it was constructed. The appraiser indicated that the subject property does not lend itself to multiple-tenant occupancy and would require a substantial amount of capital to convert it to multiple-tenant occupancy. He further stated in the report that demand for industrial space in the subject property's market is not strong enough to justify the expense associated with converting the subject property to multiple-tenant occupancy and that it is unlikely that the property would be leased in its entirety. The appraiser stated within the report that a thorough search for recent leases of industrial space similar to the subject property resulted in insufficient comparable data to utilize the income capitalization approach; therefore, the income capitalization approach could not be utilized in the appraisal assignment. (Appellant Exhibit #1, page 64.)

In developing the sales comparison approach the appraiser used five sales and two listings. He testified that all of the properties are single user manufacturing type properties that were not leased at the time of sale. The comparables that sold were located in Chicago Heights, Illinois; Edgerton, Wisconsin; Kentwood, Michigan; Bloomington, Indiana; and Decatur, Illinois. The two listings were located in Kalamazoo, Michigan and Sturgis, Michigan. The five sales ranged in size from 547,679 to 2,197,775 square feet of building area. Sales 1 and 4 were composed of multiple buildings and sale 5 was a part 1 and 2 story building. The sales had average weighted ages ranging from 17 to 40 years old. The comparable sales had ceiling heights ranging from 21 to 42 feet and office areas ranging from 2.9% to 9.8% of total building area. The appraiser indicated the sales had land to building ratios or adjusted land to building ratios ranging from 2.19:1 to 6.27:1. The sales occurred from December 1998 to August 2003 for prices ranging from $500,000 to $12,970,000 or from $.23 to $12.60 per square foot of building area, including land. The two listings were composed of industrial buildings of 877,355 and 2,075,022 square feet of building area, respectively. These properties had average ages of 35 and 45 years and ceiling heights ranging from 20 to 42 feet. The land to building ratios for these two properties were 2.77:1 and 7.53:1 and they had office areas totaling 1.0% and 6.9% of total building area. These properties were listed for sale in November 2002 for prices of $7,900,000 and $22,000,000 or $9.00 and $10.60 per square foot of building area, including land.

The appraiser testified that he made an effort to verify the terms and conditions of each sale. The appraiser made qualitative adjustments to the sales and determined comparable sales 1, 2, 4 and 5 were inferior to the subject while comparable 3 was superior to the subject. The appraiser also concluded the two listings were superior to the subject and further noted that an offering typically sets the upper limit of value. Factors in the adjustment process included size, age, land to building ratio, ceiling height, percent of office space, market conditions and location. The qualitative adjustments for the various factors considered by the appraiser are found on page 73 of Appellant's Exhibit 1.

The appraisal also contained two additional sales located in Davenport, Iowa and McCook, Illinois for discussion purposes relative to the difference between asking price and sales price and marketing times for large industrial properties. These two comparables consisted of industrial properties with 2,479,000 and 1,700,000 square feet of building area, respectively. The comparables were 19 and 52 years old and had land areas of 203 and 103 acres. The sales occurred in September 1995 and October 1997 for prices of $10,500,000 and $10,600,000 or $4.24 and $6.24 per square foot of building area, land included. The witness testified the property located in Davenport was on the market seven years and had an original asking price of $40,000,000. The property located in McCook, Illinois was available for approximately 4 years and had an asking price of $17,000,000.

McCormick was of the opinion these sales indicate there is limited demand for these types of properties; the final selling price was substantially lower than the asking price; and the unit prices indicated by these sale properties was substantially lower than what it may be for other properties in similar markets besides the differences in size.

As stated earlier, McCormick was of the opinion it would not be proper to use multi-tenant buildings to compare to the subject because the subject is a single-user manufacturing facility. He testified that a multi-tenant building is a different use and has different property rights.

McCormick estimated the subject property had an indicated value under the sales comparison approach of $6.00 per square foot of building area, land included, resulting in a total market value of $15,000,000.

In reconciling the two approaches to value, the appraiser placed secondary consideration on the cost approach and most weight on the sales comparison approach and estimated the subject property had a market value of $15,000,000 as of January 1, 2003.

McCormick testified he continued to be involved with the property and prepared another appraisal with an effective date of January 1, 2006. The appraiser testified the only change to the subject was a 100,000 square foot addition that came on after June 2003. He was not aware of any significant changes in market conditions that would affect the subject property between January 1, 2003 and January 1, 2006. The witness testified there would be no significant change in value for the subject from his 2003 value estimate in 2004 or 2005.

Under cross-examination the appraiser was questioned about the subject's location in the Chicago metro market and Chicago's economic ranking in the United States. The witness agreed the subject is serviced by a rail spur that primarily brings in materials. The witness also agreed the subject is approximately 1.25 miles from Interstate 94, which provides immediate access to the area's highway system.

With respect to the Chicago Manufacturing Campus, the witness explained that the City of Chicago was instrumental in making the project work. He agreed that the Chicago Manufacturing Campus was also known as the 126th Street and Torrence Redevelopment Project Area. The witness indicated that there are suppliers at the Chicago Manufacturing Campus that provide materials to Ford that are delivered by means of 130th Street and/or Torrence Avenue or 126th Street. The witness agreed the purpose of the redevelopment was to keep existing manufacturing facilities in the area and encourage development of manufacturing in undeveloped areas. McCormick also agreed the redevelopment included significant governmental expenditure for infrastructure. He was of the opinion that Ford would benefit indirectly from those improvements to the campus. He agreed that the infrastructure improvements made it easier for access of trucks to the Ford Motor Plant. He indicated that the infrastructure improvements were almost complete as of December 1, 2003.

The witness also agreed the subject property is served by the Calumet River, a navigable waterway.

With respect to selecting comparable sales, McCormick agreed that an important factor he was looking for were properties of extremely large size, such as properties with 1 million or more square feet of building area. He acknowledged that his first comparable, located in Chicago Heights, had 547,679 square feet. He stated this property was comparable to the subject based on size, use and location. He acknowledged this property was on the market for 9 months. The witness testified that the seller was willing to accept a lesser price in order to avoid associated carrying costs by marketing the property for a longer period. He testified this comparable is served by rail lines. He also indicated that the nearest interstate is approximately 2.5 miles from the comparable and there is not a navigable waterway that borders the sale.

McCormick agreed comparable 2 sold for $2,435,000 or $2.81 per square foot of building area after adjusting for excess land. This comparable had 868,000 square feet of building area. This comparable was located in Edgerton, Wisconsin, approximately 140 miles from Chicago and 30 miles from Rockford. This comparable is located approximately 3 miles from an interstate highway. This property is served by a rail spur, but has no navigable waterway that borders the property.

The witness agreed that comparable 3 sold in August 2003 for a price of $12,970,440. He calculated the size to be 1,029,591 square feet, which included 114,000 square feet of unfinished mezzanine area. McCormick explained by unfinished it meant the area is not used for office, but is being used for industrial space. He was of the opinion that it is common practice for appraisers to consider this space. He agreed this building is not served by rail spurs, there is no interstate expressway within two miles of the property and there is no navigable waterway that borders the property.

McCormick agreed that his comparable 4 sold in December 1998, four years prior to the January 1, 2003 assessment date. He explained this property was used to manufacture televisions and warehouse them as they sold. McCormick asserted that at the time of sale this property was used for both warehousing and manufacturing. The Ford plant does not warehouse any finished product. McCormick agreed that this property is served by rail.

This property is not located within a mile of an interstate expressway and there is no navigable waterway that borders the property.

McCormick agreed that at the time of sale, comparable 5 was closed. He agreed that Decatur is not a major metropolitan area and there is not a major interstate expressway within two miles of the comparable. Additionally, there is no navigable waterway that borders this property.

The witness agreed that the comparables 2, 3 and 4 were well over 100 miles from the Chicago market.

McCormick testified the offerings were being offered for sale as of November 2002. Offering 1 is located in Kalamazoo, Michigan, approximately 130 miles from Chicago. This property is served by rail, but there is no navigable waterway that borders the property.

Offering 2 is located in Sturgis, Michigan, approximately 130 miles from Chicago and is not among the top 15 or 20 metro markets in the United States. Interstate I-80 is approximately 4 miles north of the comparable sale and there is no navigable waterway that borders the property.

With respect to the addition to the Body Side Building, McCormick testified the assessments for the property were the same for 2003, 2004 and 2005. McCormick testified he has the certificate of occupancy, but did not know if the assessor was aware of it.

McCormick agreed that he estimated the subject land had a value of $35,000 per acre or approximately $.80 per square foot of land area. His land sales ranged from $.21 to $1.71 per square foot. His lowest sale was comparable 2 which he identified as having 34.5 acres based on information from the attorney for the seller and the closing statement. The witness also indicated that he checks with the Sidwell maps. This property was served by rail and was located adjacent to improved sale 1.

McCormick determined land sale 1 had 695,000 square feet based on looking at the Sidwell map. McCormick testified land sale 6 is located approximately three miles northeast of the subject and is served by a rail spur.

McCormick agreed that his appraisal has an opinion of value as of January 1, 2003. He did not prepare a written summary appraisal summarizing market data or analysis concerning an opinion of value as of January 1, 2004 and January 1, 2005.

Under redirect examination McCormick testified that the Chicago Manufacturing Campus was developed by Centerpoint Realty Service and Ford Motor. Prior to development, the site was used for chemical storage and as a slag yard from a steel mill. He also explained there is environmental contamination north of Ford Motor Company that has a negative attribute to the area. Page 13 of Appellant's Exhibit 1 indicates that the estimated cost to clean up the cluster sites is between $18 and $87 million.

The witness also indicated the subject property has adequate accessibility. The witness explained that the transportation facilities at the subject were considered in the comparable sales approach and adjustments were made for location. McCormick explained the subject's location in a large metropolitan area was juxtaposed with the comparables for factors such as availability to transportation, work force, labor supply and cost. Adjustment to location was made for these factors. McCormick was of the opinion that location of an extremely large, older, heavy manufacturing plant in a large metropolitan area may not have an impact at all on the value paid by the buyer.

Gregory J. Hatfield

The City of Chicago called as its witness real estate appraiser Gregory J. Hatfield. Hatfield has had the MAI designation since 1999 and has been a real estate appraiser for approximately 15 years. He has been a licensed general real estate appraiser in the State of Illinois since 1995 and is a member of the Chicago Association of Realtors. The witness has been self-employed with Gregory J. Hatfield & Associates, LLC, since March 2000. He is the sole owner of the firm and performs commercial real estate appraisals. The witness indicated that he has prepared approximately 900 appraisals of commercial, multi-family, industrial, office and retail properties during his career. He testified approximately 40% of the 900 would be for industrial properties. The geographic area he concentrates in includes the Midwest, such as the Greater Chicago Metro Area including Michigan, Wisconsin and Indiana. His has appraised properties for tax purposes.

He testified that of the industrial properties appraised two were over 1 million square feet and one property was a single-user industrial manufacturing property just under 1 million square feet. Approximately a dozen were single-user industrial manufacturing properties greater than 400,000 square feet. He has previously been qualified to testify as an expert by the Property Tax Appeal Board. The witness was allowed to present opinion testimony.

Hatfield identified City Exhibits Nos. 1, 2 and 3 as the appraisal reports he prepared on the subject property with the effective dates of January 1, 2003; January 1, 2004; and January 1, 2005, respectively. Hatfield personally inspected the subject property on April 8, 2003. He met with the manufacturing manager and the facilities manager, obtained a site plan/floor plan from them and then did a walking tour of the plant and the outside areas.

Hatfield testified he obtained public records in the form of property record cards from the assessor, Sanborn maps, Sidwell maps and aerial photos. He also had a November 2000 appraisal by REAC prepared for Ford, a November 2004 appraisal by McCormick & Wagner prepared for Ford, and interior photographs provided by Ford.

With respect to City Exhibit 1, Hatfield was of the opinion the subject's highest and best use as vacant was for industrial development. He determined the highest and best use as improved was for the existing industrial use. The witness was of the opinion the subject property had a market value of $42,000,000 as of January 1, 2003.

Hatfield described the subject property site as having approximately 95 acres west of Torrence Avenue and bisected by 130th Street. He described the improvements as containing 2.456 million square feet of building area with the main facility having 2.181 million square feet. This building was constructed in stages from 1924 to 1999. The other main building at the subject is the Body Side Building constructed in 1995 with 193,850 square feet of building area. This building was expanded in 2002 and 2003. The witness explained this building is used to assemble and process sides to cars which are sent by conveyor to the main plant for assembly. Hatfield also explained that the second level area of approximately 320,000 square feet is included in the main building, which includes office area, employee welfare space and cafeteria space. The witness also explained that the south end of the building is basically for receiving and there are two rail spurs that run into the south elevation. He explained that shipping docks were at the north end of the plant where car testing also occurs.

Hatfield testified he relied on the year 2000 appraisal by REAC to obtain the square footage figures. He testified there are a number of ancillary buildings totaling about 81,000 square feet, which was rather precise in the REAC appraisal, which he used. He also explained that the REAC appraisal had the main plant ground floor plant area of 1.875 million, which was within a thousand square feet of the site plan Ford provided, so he was satisfied with that. He also used the REAC appraisal for the Body Side Building, which he fine tuned for January 1, 2004 based on the assessor's records. Hatfield identified City Exhibit 5 as the site plan/floor plan of the subject provided by the plant manager during the April 2003 inspection of the property. The appraiser used this as a check on the square foot calculations of the subject.

Hatfield described the subject property as being in average condition for a manufacturing plant with its various ages. He also was of the opinion the subject was in a good industrial manufacturing location given the I-94 cloverleaf location a mile west of the property, the property's location on the Calumet River, the rail service, Chicago utilities, and roadway access on 130th Street and Torrence Avenue.

The appraiser classified the subject as a single user, heavy industrial manufacturing property. In estimating the market value of the property Hatfield considered the cost, income and sales comparison approaches, but used the income and sales comparison approaches. The cost approach was not used because of the multi-sectional nature of the buildings and the advanced age.

Even though the cost approach was not developed, the appraiser did estimate the value of the land as vacant using five land sales located in Chicago. The comparables ranged in size from 239,580 square feet to 6,969,600 square feet of land area. The sales occurred from December 1999 to April 2002 for prices ranging from $450,000 to $8,950,164 or from $.74 to $2.98 per square foot of land area. The appraiser made adjustments to the sales for such factors as location, size, access, exposure and market conditions. Based on these sales, the appraiser estimated the subject site had a market value of $1.50 per square foot or $6,230,000.

In developing the sales comparison and income approaches to value, Hatfield gave greater weight to the sales comparison approach because the subject is a single-user, owner occupied facility. Hatfield agreed that the two primary characteristics of the subject property were being a single-user property and its square footage in excess of 2.4 million square feet. (Transcript, Vol. 1, p. 152.) The appraiser tried to stay in the Chicago metro area in selecting comparables to reflect the Chicago area characteristics and the demand characteristics of a major metro market. In developing the sales comparison approach, Hatfield used four sales located in the Illinois cities of Rockdale, Joliet, Wilmington and Harvey. The comparables were industrial manufacturing single user properties that contained from 328,500 to 2,877,165 square feet of building area. Two comparables were composed of multiple building improvements. Comparables 1 and 2 were built in 1970 and 1969, respectively. Comparable 3 was constructed in stages in 1961, 1972 and 1984. Comparable 4 was built in stages from approximately 1920 to 1968. The comparables had land areas ranging in size from 802,937 to 11,499,840 square feet of land area and land to building ratios ranging from 2.44:1 to 6.48:1 after making an adjustment to comparable 3 for 65 acres of excess land. These properties had clear ceiling heights ranging from 18 to 30 feet and office areas ranging from 7% to 18% of building area. The sales occurred from June 2000 to December 2003 for prices ranging from $3,351,534 to $70,234,028 or from $10.20 to $24.41 per square foot of building area. Comparable sales 1 and 2 were sales-leaseback transactions where the seller, Caterpillar, Inc., agreed to lease back comparable 1 for 10 to 15 years and to lease back comparable 2 for 3 years. The appraiser made an adjustment to comparable 3 for 65 acres of excess land in the amount of $370,000. The appraiser also added $500,000 to comparable 4 to account for required/needed improvements. After making these adjustments the comparables had prices ranging from $11.72 to $24.41 per square foot of building area, land included.

The appraiser testified he adjusted the price of comparable 1 downward because of the buyer getting a credit tenant on a long-term lease and due to its larger land element. Comparable 2 had a high land element which required a downward adjustment and a downward adjustment because of an over abundance of office space. Comparable 3 required a downward adjustment because of its higher land element and significantly smaller size compared to the subject. For comparable 4 an upward adjustment was made for location and over abundance of office, but that was partly offset by its smaller size. After considering these adjustments, the appraiser arrived at a value estimate of $17.00 per square foot of building area or $41,750,000, land included.

The appraiser explained the income approach was developed as a check on the value arrived at using the sales comparison approach. In estimating market rent, the appraiser used rental comparables located in Chicago, Joliet and Loves Park, Illinois. His rental comparable 3 was the same property as his comparable sale 2. Comparable 1 is a 563,553 square foot manufacturing/crane facility constructed in 1910 and renovated in 1990 with two tenants leasing 240,000 and 112,000 square feet of building area. The leases were for 7 year terms commencing in March 2000 and October 1999 for $2.25 and $2.28 per square foot net rent, respectively. Comparable 2 is improved with a part 1-story and part 2-story manufacturing complex with 8 buildings built in the 1920's through the 1950's. The appraisal reflected this comparable was multi-tenanted with three leases and an offering. The leased and offering areas ranged in size from 81,859 to 385,345 square feet with net rents ranging from $2.62 to $3.59 per square foot. Rental comparable 3 was a sale leaseback beginning in October 2002 for a three year term at a net rent of $2.50 per square foot. Rental comparable 4 was composed of 355,727 square feet in a 558,004 square foot building constructed in 1960 with an addition in 1970. This was a leaseback for 9.5 years starting in August 2003 with a net rental of $2.67 per square foot. The appraiser estimated the market rent of the subject to be $2.25 per square foot, net, resulting in a potential gross income (PGI) of $5,525,309. The appraiser deducted 12% of PGI for vacancy and collection loss to arrive at an effective gross income (EGI) of $4,862,272. The appraiser deducted $242,114 or 5% of EGI for management and re-leasing fees and, using the *Korpacz National Investor Survey*, $.15 per square foot or $368,354 for a replacement allowance to arrive at a stabilized net operating income (NOI) of $4,250,804.

The appraiser next estimated the capitalization rate to be applied to the estimated NOI. Developing the market extraction method using comparable sale 2, the appraiser arrived at a rate of 10.83%. Using investor surveys the appraiser arrived at rates ranging from 8.84% to 9.68%. The band of investment technique resulted in an estimated capitalization rate of 9.75%. The appraiser noted the subject's large size entails greater risk to an investor and the appraiser ultimately estimated the typical investor would require a 10% overall rate of return for an investment in the subject property. Capitalizing the NOI by 10% resulted in an estimated value under the income approach of $42,510,000.

In reconciling the two approaches to value the appraiser placed most emphasis on the sales comparison approach to value and estimated the subject had a market value of $42,000,000 as of January 1, 2003.

The appraiser also prepared an appraisal, City Exhibit No. 2, estimating the subject's market value as of January 1, 2004. The main difference at the subject property was an expansion to the Body Side Building. He explained that in walking through the building in April 2003 the shell was almost complete but his client told him not to include this area in the 2003 appraisal because it was not completed and there was no occupancy permit. Because the area was occupied by January 1, 2004, the appraiser included the area in the subject property for the 2004 appraisal. The appraiser estimated the subject property had 2,556,804 square feet of building area as of January 1, 2004.

Hatfield identified City Exhibit No. 6 as an aerial photo of the subject property that post-dates construction of the Body Side Building construction. He identified the addition as the "L-shaped" north section with 98,700 square feet, according to the assessor's records.

Hatfield identified City Exhibit No. 7 as the floor/plan site plan that was copied for him during his inspection. The exhibit contains the dimensions of the addition to the Body Side Building, which was the area outlined in blue (blue slash markings).

In estimating the market value of the subject property as of January 1, 2004, Hatfield considered all three approaches to value, but used only the income and sales comparison approaches to value. With respect to the sales comparison approach Hatfield used two new sales identified as sales 3 and 4. New comparable sale 3 was improved with an 8-building multi-tenant complex of one-story industrial buildings constructed in stages from 1916 through the 1950's located in Chicago, Illinois. The comparable had 987,929 square feet of building area. The property was purchased in 1990 and converted to multi-tenant use. In October 2004, the property was part of a portfolio sale where 16 properties were purchased for a price of $98,700,000. The properties purchased had a combined building area of 3.44 million square feet of industrial space. The appraiser indicated comparable 3 was purchased for a price of $15,103,315 or $15.29 per square foot of building area. At the time of sale this comparable had two tenants having a combined space of 624,210 square feet with net rentals of $2.62 and $3.56 per square foot, respectively. This property was used as the appraiser's rental comparable 2 in both the 2003 and 2004 appraisals.

New comparable sale 4 was improved with a one-story steel-frame and concrete panel industrial building with 915,000 square feet of building area constructed in 1979. The property is located in Kentwood, Michigan and sold in August 2003 for a price of $12,970,000 or $14.18 per square foot of building area. (This comparable was also used by McCormick as comparable sale 3.) The appraiser indicated in the report that the buyer's intent was to convert the property to a multi-tenant facility. The report indicated the seller leased back the property until the spring of 2004. In early 2005 the buyer had leased 575,000 square feet of the building. The asking rent was from $3.25 to $4.75 per square foot.

Sales 3 and 4 replaced two sales used in the 2003 appraisal because they sold more proximate in time to the date of value and were significantly larger.

In summary, using the sales comparison approach for assessment year 2004, the appraiser had four comparable sales ranging in size from 652,000 to 2,877,165 square feet. The comparables sold from October 2002 to October 2004 for prices ranging from $12,970,440 to $70,234,028 or from $14.18 to $24.41 per square foot of building area. The appraiser estimated the subject had a market value of $18.00 per square foot or $46,000,000, land included.

With respect to the income approach the appraiser used the same four comparables as in the 2003 appraisal and added three additional comparables. New comparables 5 and 6 were composed of 372,580 and 630,410 square foot industrial buildings built in 1988 and 1968, respectively. Comparable 5, located in Sauk Village, Illinois, had 201,345 square feet leased for a net rental of $2.75 per square foot for a 5 year term that started in November 2004. Comparable 6, located in Hodgkins, Illinois, was leased in December 2004 for a three year term for a net rental of $2.75 per square foot. Comparable 7 was an offering located in Decatur, Illinois. This property had 1,000,000 square feet offered for rent within a 2,200,000 square foot former manufacturing facility built in 1942. This comparable was available in June 2003 and divisible in 40,000 square foot increments for an asking rent of $2.96 per square foot.

Using this data, the appraiser estimated a market rent of $2.30 per square foot, resulting in a PGI of $5,880,649. The appraiser again deducted 12% of PGI or $705,678 for vacancy and collection loss to arrive at an EGI of $5,174,971. The appraiser deducted 5% of EGI of $258,749 for management and re-leasing fees and, based on market norms and using the *Korpacz* national *Investor Survey-Warehouse,* $.20 per square foot or $511,361 for a replacement allowance to arrive at a stabilized net operating income (NOI) of $4,250,804.

The appraiser next estimated the capitalization rate to be applied to the estimated NOI. Developing the market extraction method using comparable sale 2, the appraiser arrived at a rate of 10.83%. Using investor surveys, the appraiser arrived at rates ranging from 7.0% to 10.25%. The band of investment technique resulted in an estimated capitalization rate of 9.50%. The appraiser ultimately estimated the typical investor would require a 9.5% overall rate of return for an investment in the subject property. Capitalizing the NOI by 9.5% resulted in an estimated value under the income approach of $46,400,000.

In reconciling the two approaches to value the appraiser placed most emphasis on the sales comparison approach to value and estimated the subject had a market value of $46,000,000 as of January 1, 2004.

Hatfield identified City Exhibit No. 3 as the appraisal of the subject property he prepared with an effective date of January 1, 2005. As in the previous two appraisals, Hatfield considered all three approaches to value, but used only the income and sales comparison approaches to value. He used the same comparable sales in the 2005 appraisal and arrived at an estimate of value under the sales comparison approach of $46,000,000. The appraiser testified he used the same rental comparables in the income approach to value. Under the income approach the appraiser arrived at the same NOI as in the 2004 appraisal of $4,4O4,861. However, the capitalization rate used in the 2005 appraisal was 9.25%. Capitalizing the NOI resulted in an estimate of value under the income approach of

$47,600,000. In reconciling the two approaches to value, the appraiser again placed most emphasis on the sales comparison approach to value and estimated the subject had a market value of $46,000,000 as of January 1, 2005.

Under cross-examination Hatfield agreed he previously appraised two properties over 1 million square feet. One such property was a warehouse, not a manufacturing facility.

The appraiser agreed that he had appraised the property rights in fee simple. The appraiser testified as a licensed appraiser he has to follow the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines. The appraiser was shown Advisory Opinion 23 from USPAP, marked as Appellant's Exhibit No. 2, dealing with identifying the relevant characteristics of the subject property for a real property appraisal assignment. He agreed that the subject was an owner-occupied, extremely large, older, heavy industrial plant. These characteristics guided the appraiser in his valuation process, but he explained this guideline is more for identifying the subject property. He also testified he would "not necessarily" be dictated by these guidelines in using sales of fee simple interests rather than a leased fee or some other concept of value.

The appraiser agreed the subject has been used as an owner-occupied automotive assembly plant throughout its history and he has no indication that use was about to change. The appraiser testified he last inspected the property in 2003 and did not do inspections for his 2004 and 2005 appraisals.

Hatfield was aware the subject has different classifications assigned by the assessor's office, which are disclosed on page 13 of City Exhibits Nos. 1, 2 & 3. This data was taken from the assessor's records. The appraiser agreed that the total assessments for the subject did not change from 2003 through 2005. His reports indicated that the total assessment for each year reflected a market value of $26,592,710 or slightly over $10.00 per square foot of building area using the various levels of assessment. He agreed it would be incorrect to divide the total assessment by 36% to get an indication of value for the subject property.

Hatfield testified he included the addition in his 2004 and 2005 appraisals of the subject property. He agreed that the assessor had not added the addition to the 2004 and 2005 assessments.

Hatfield was shown Appellant's Exhibit No. 3, a Notice of Intent to List Omitted Assessments and a Final Result purportedly from the Cook County Assessor's Omitted Assessment Department, establishing omitted assessments for 2003, 2004 and 2005 for permanent index number (PIN) 25-25-402-001-0000 of $133,382, $258,996 and $258,996, respectively.[2] Hatfield was not familiar with the documents. The appraiser was of the opinion it would have been appropriate to value what was in place regardless of the assessment procedures.

With respect to the rental comparables[3] the appraiser agreed: comparable 1 was only a portion of a multi-tenant manufacturing building and was 10% of the subject's building area; comparable 2 was converted to a multi-tenant facility with four different rental areas with different sized leasable areas each of which was much smaller than the subject; comparable 3 was a sale-leaseback transaction; comparable 4 is a sale-leaseback transaction that is less than 10% the size of the subject property; rental comparable 5 is less than 10% the size of the subject property; and rental 7 sold for less than a dollar per square foot. The appraiser testified he was not assuming the subject to be a multi-tenant facility in his analysis.

With respect to the rental surveys relied upon by Hatfield in estimating the capitalization rate, he testified that the surveys don't get specific with the size of the properties used in calculating the capitalization rates.

With respect to comparable sale 1, which was used in all three appraisals, Hatfield agreed this was a sale-leaseback with an undisclosed lease rate. He agreed the lease was negotiated at the same time the sale was negotiated. The appraisal indicated the public record reported the sales price of $70,234,028 while the buyer reported a price of $78,267,672. Hatfield used the recorded legal document as the sales price. He did not verify the sale directly with a party. With respect to comparable sale 2, which was used in all three appraisals, Hatfield agreed the sale was a sale-leaseback transaction. Hatfield agreed that the seller was the same as that in comparable 1, but the buyer was a difference Real Estate Investment Trust (REIT). The lease in

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[2] The Body Side PIN is 25-25-401-010 as noted in each of Hatfield's appraisals at pages 11 and 13 (City Exhibits Nos. 1, 2 & 3), which differs from the PIN receiving the omitted assessments for 2003 through 2005.

[3] Rental comparables 1 through 4 were common to all three appraisals while rental comparables 5 through 7 were used only in the 2004 and 2005 appraisals.

comparable 2 was for 3 years and was also used as his rental comparable 3. The lease was negotiated concurrent with the sale of the property. Hatfield agreed comparable sale 3 in City Exhibit No. 1 was significantly smaller than the subject at 430,000 square feet. This property was purchased with the intent to convert it to multi-tenant use. Hatfield agreed comparable sale 4 in City Exhibit No. 1 was slightly over 300,000 square feet. Hatfield agreed that comparable sale 3, used in City Exhibit Nos. 2 and 3, was an eight-building complex with tenants in place at the time of sale. He also agreed this property was part of a larger sale involving 16 properties with a purchase price in excess of $98 million. Hatfield was not sure if this was an allocation and it was hard to verify. The appraiser agreed 70% of this property was leased at the time of sale to several tenants. Hatfield agreed that comparable sale 4, used in City Exhibit Nos. 2 and 3, was purchased with the intent to convert it to multi-tenancy. Hatfield did not inspect this comparable and agreed it is less than half the size of the subject. The appraiser indicated this comparable was multi-sectional but a single structure and the intent of the purchaser was to convert the property to multi-tenant use.

Hatfield agreed that he gave the sales comparison approach most weight due to the long-term owner occupied status of the subject and its size.

The Chicago Board of Education adopted the evidence of the City of Chicago and did not call any witnesses. The report the Chicago Board of Education submitted prepared by Susan Enright was withdrawn and stricken from the record.

Cook County Board of Review

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject property for each of the years under appeal totaling $7,745,975 was disclosed. In each appeal, the board of review submitted printouts from the Costar Comps website on various sales. The board of review called no witnesses to testify with respect to the sales data or to explain the basis for calculating the assessment of the subject property.

In the 2003 appeal, the board of review had a summary of the assessed values for the parcels under appeal. The table was as follows:

Property Number	Land	Imprvmnt	Total	Class

25-25-401-010-0000	79,416	921,354	1,000,770	6-63
25-25-401-015-0000	109,602	237,774	347,376	5-93
25-25-401-017-0000	13,645	5,081	18,726	5-80
25-25-402-001-0000	1,035,393	5,101,772	6,137,165	6-63
25-36-100-018-0000	96,759	145,179	241,938	6-70
Totals 5	1,334,815	6,411,160	7,745,975	

The record also contained a memorandum from Jeffrey M. Hortsch to Tom Jaconetty, dated April 24, 2005, stating the subject had a total assessment of $7,745,975 which yields a market value of $26,592,625 or $10.64 per square foot. No testimony or documentation was provided with respect to how the assessment was converted to a market value estimate in light of the differing classifications assigned to the parcels. The assessment equates to 29.13% of market value ($7,745,975 ÷ $26,592,625). The memorandum also made reference to four comparable sales and had attached pages from the CoStar Comps website for the four comparables.

The four comparables were located in Chicago, Joliet and University Park. The properties were improved with industrial buildings built from 1901 to 2002 that had from 907,920 to 2,877,165 square feet of building area. The sales occurred from June 2003 to December 2004 for prices ranging from $3,806,000 to $68,596,000 or from $3.81 to $33.15 per square foot of building area. Sale 1, located on Torrence Avenue in Chicago, was described as a multi-tenant industrial building constructed in 1901 with Cargill Incorporated as a major tenant. Sale 2, located in Joliet, was the same property utilized by Hatfield as his comparable sale 1 in all three appraisals. The data indicates this was a subsequent sale occurring in December 2004 for a price of $68,596,000 or $23.84 per square foot of rentable area. The information indicated that the comparable was fully leased by a single tenant, Caterpillar Tractor, on a 10 to 15 year lease. Sale 3 submitted by the board of review was also utilized by Hatfield as his sale 3 in the 2004 and 2005 appraisals of the subject property. The data sheet indicates this was a bulk/portfolio sale and also identified four major tenants on the property. This was an eight building complex with buildings ranging in size from 4,500 to 621,558 square feet. Sale 4, located in University Park, was a 907,920 square foot pre-cast concrete building with 30 foot truss heights constructed in 2002. The data sheet indicates this property was a single tenant industrial building that was "built to suit." The information indicated this property had Sweetheart Cup Company as a major tenant.

With respect to the 2004 appeal, the record also contains a memorandum from Jeffrey M. Hortsch to Tom Jaconetty, dated January 15, 2006, stating the subject had a total assessment of $7,745,975 which yields a market value of $26,592,625 or $10.64 per square foot. Again, no testimony or documentation was provided with respect to how the assessment was converted to a market value estimate. The memorandum also made reference to six comparable sales and had attached pages from the CoStar Comps website for the six comparables.

The data disclosed the comparables were located in the Illinois cities of Chicago, Franklin Park, Blue Island and University Park. The comparables were improved with industrial buildings that ranged in size from 500,000 to 907,920 square feet with land areas that ranged in size from 5.8 to 55 acres. The information indicated the buildings were constructed from 1955 to 2004. The comparables sold from December 2002 to April 2005 for prices ranging from $4,103,666 to $30,094,000 or from $7.34 to $33.15 per square foot of building area, land included, with five of the sales ranging in price from $7.34 to $12.17 per square foot of building area, land included. The information from the board of review indicated that sale 1 was a part 1, 3 and 9 story building where the buyer was the owner/user and the property was not on the market at the time it sold for a price of $7.34 per square foot of building area. Sale 2 was a multi-tenant warehouse distribution building constructed in 1972. This property was reported to have 5 tenants and sold for a price of $7.43 per square foot. Sale 3 was a multi-tenant industrial building that had 50,000 square feet leased at the time of sale. This one-story building constructed in 1943 with 862,056 square feet sold for a price of $7.54 per square foot. Sale 4 was a 4-story multi-tenant building constructed in 1955. The data identified 5 tenants. This property sold for a price of $10.60 per square foot. Sale 5 was described as being composed of 3, 1-story buildings of precast concrete construction with 574,985 square feet built from 1991 to 2004. The comparable sold by an owner/user to a buyer/user in May 2004 for a price of $12.17 per square foot of building area. Sale 6, which was also submitted by the board of review in the 2003 appeal, was a 907,920 square foot one-story pre-cast concrete building with 30 foot truss heights constructed in 2002. The data sheet indicates this property was a single tenant industrial building that was "built to suit." The information indicated this property had Sweetheart Cup Company as a major tenant. The property sold for $33.15 per square foot of building area.

With respect to the 2005 appeal, the board of review submitted the same six sales described in the same CoStar Comps data sheets as contained in its 2004 submission that were previously discussed.

Michael MaRous

The City of Chicago called as its rebuttal witness Michael MaRous. MaRous is a real estate consultant and real estate appraiser. He is the owner of MaRous & Company, an Illinois corporation that specializes in real estate valuation issues. MaRous is licensed as an Illinois Certified General Real Estate Appraiser and has the MAI designation. He has been an appraiser for 32 years. MaRous is also a member of the Counselors of Real Estate. The witness has appraised a variety of properties including heavy manufacturing for a variety of clients. His geographic focus is the Chicago metropolitan area. He has prepared over 1,000 industrial property appraisals and has appraised industrial properties in the Chicago metro area and in Central Illinois.

MaRous identified Appellant's Exhibit No. 1, McCormick's appraisal, as the appraisal he reviewed on behalf of City of Chicago. MaRous reviewed and analyzed the McCormick appraisal and provided a written appraisal review concerning the McCormick report. MaRous visited the property site in April 2008, driving the area, stood and looked at the property and reviewed aerials available by Google Earth.

MaRous identified City Exhibit No. 8 as a copy of his appraisal review of the McCormick report. MaRous testified that his first bullet point on page 2 was in error with respect to the 36% assessment level and the assessor's indicated market value. MaRous disagreed with McCormick's conclusion that the access to the subject and its immediate environs is average and the subject has adequate accessibility for industrial property. MaRous was of the opinion that access to the subject is very good with its rail, proximity to the expressway, water access and location in a metropolitan area with 8 million people. MaRous was of the opinion these factors are a prime focus in suggesting the proper locational selection of comparables. MaRous also was of the opinion the subject was in a location with a significant amount of highly skilled labor.

In his report MaRous also contends that McCormick failed to explain the locational benefits to the Chicago Manufacturing Campus (CMC), ¼ mile east of the subject property. This industrial redevelopment was completed in partnership with Ford Motor Company and designed with the subject property in mind. According to MaRous this campus houses nine of Ford's parts suppliers. The business benefits include allowing suppliers to produce parts and immediately send them to the assembly line, eliminating transporting and storing inventories.

With respect to each of the improved comparable sales used by McCormick, MaRous explained in his review that the most notable difference between these sales and the subject is location. MaRous was of the opinion each comparable had an inferior location as compared to the subject property. MaRous testified comparable 1 located in Chicago Heights had a tax rate more than double that of the subject, which he considered a huge negative factor in site selection by major industrial users. He also testified this property was on the market for nine months, which was a relatively short marketing period for a larger industrial complex that is usually marketed for 6 to 18 months. According to the witness, sale 2 located in Edgerton, Wisconsin, is a rural setting not comparable to a metropolitan area of 8 million people and access to an interstate system, rail spur and variety of labor force. He agreed the comparable was a very large industrial complex. With respect to comparable 4, located in Bloomington, Indiana, MaRous testified this was located in an area with a relatively small population. In addition, he noted this comparable had warehousing, which costs less by as much as half the cost of manufacturing space. He agreed this is a large property which would make it similar to the subject on size alone. With respect to comparable 5, located in Decatur, MaRous described this as an older industrial facility that has been hit hard by closing of major plants over the last 30 years. He described this as an older obsolete facility in a far less than secondary, totally different, market than the subject. He also indicated that because it was so depreciated, 99.9% as calculated by McCormick, it should not have been considered. With respect to offerings 1 and 2, located in Kalamazoo and Sturgis, Michigan, MaRous stated these were second tier locations not comparable to the Chicago metropolitan area. Additionally, as offerings these properties show availability in Michigan, but no meeting of the minds. MaRous was of the opinion McCormick's sales comparison approach was not reliable.

Under the cost approach MaRous testified his research disclosed land sale 1 used by McCormick had 12.83 acres, not 15.95 acres, and had a sales price of $1.25 per square foot. The witness identified City Exhibit No. 9 as the source for his information on the land sale. He testified this land sale occurred 3 years prior to the lien date and therefore would need to be an upward adjustment to the price due to redevelopment in the area. The witness testified land sales 2 and 3 were located in the far south section of Cook County, an area with higher tax rates and a significant amount of vacant land, making the area less desirable. MaRous would not have used these sales. According to MaRous, land sale 5 was east of the subject, but had poor soils and contaminated soils that required between $5 and $8 million to mitigate for redevelopment. MaRous was of the opinion McCormick's estimate of land value is very low. MaRous was of the opinion that McCormick's opinion of market value reached under the cost approach is extremely low. MaRous was of the opinion the effective age of 50 years was incorrect due to ongoing maintenance and upgrading at the plant. In his appraisal review, MaRous explained that the cost new per square foot for the subject was greater than that of the comparable sales used to extract depreciation, which was not adequately explained and suggests these properties are not comparable to the subject. He also noted that due to the inferior locations of the comparables, the magnitude of external obsolescence for the comparables would be greater and result in the development of an inflated estimate of depreciation for the subject.

In the appraisal review, MaRous noted that McCormick did not include an income capitalization approach. MaRous opined that given the fact the property is owner-occupied and is designed and built as a large single-user manufacturing facility, it is not likely to be purchased by an investor for leasing purposes. (City Exhibit No. 8, p. 7).

Overall, MaRous concluded the opinion of value in the McCormick report is not reliable for any of the years under appeal.

Under cross-examination MaRous testified he had not done an ad valorem appraisal for an industrial facility of over 2 million square feet. MaRous was of the opinion McCormick made a reasonable description of the improvements. MaRous understood that McCormick's assignment was to value the fee simple interest in the property. MaRous was of the opinion that Chicago is the most desirable major city in the Midwest for virtually all types of real estate. He agreed that there is significant vacancy in older, very large industrial properties in the City of Chicago.

MaRous acknowledged McCormick discussed in his report the subject's railroad access, north-south thoroughfares, the CMC and the locational aspects of that redevelopment project. As part of that discussion he agreed that McCormick concluded that the market area is stable and growing. He also acknowledged that the redevelopment in the subject's area required a massive infusion of public funds from the State of Illinois and the City of Chicago. He also agreed the property is aided by an enterprise zone and a TIF district.

He agreed that a lot of his criticism of McCormick's report was his handling of locational attributes. MaRous agreed that McCormick considered land sales 2 and 3 to be inferior to the subject, but was of the opinion they should not have been included in the appraisal at all.

In the context of extracting depreciation from the comparable sales, MaRous was quoted his statement from the last sentence of the first paragraph on page 6 of his review providing in part that, "[A]ppraisal theory states that reproduction cost estimates as of the effective date of the appraisal be used in each case." He was asked to compare a statement from *The Appraisal of Real Estate, Twelfth Edition*, page 389, number 4, discussing the Market Extraction Method that provides in part, "Estimate the cost of the improvements for each comparable at the time of sale." MaRous stated this was a difference of opinion.

He agreed that McCormick not having included the 100,000 square foot addition was an error, particularly for 2004 and 2005. He was of the opinion McCormick should have included the addition even if the assessor's office missed this area.

With respect to McCormick's comparable sale 3, located in Kentwood, Michigan, which was also used by Hatfield as his comparable 4 in both the 2004 and 2005 appraisals, MaRous was of the opinion this was an inferior location even though it has access to transportation, access and proximity to related businesses, and a good labor supply. With respect to this comparable MaRous stated on page 9 of his review that, "It is our opinion that this sale demonstrates there is a segment of the heavy industrial sector of the market that is acquired at a much higher range than that indicated by the remainder of the improved sales." He also noted this property was purchased with the plan to fill the building with one tenant or to demise it into a multitenant building.

MaRous agreed that all of McCormick's sales exhibited manufacturing use except possibly for comparable 4, which had warehousing.

With respect to the cost approach MaRous agreed that McCormick used reproduction cost new, which is used with the intent to duplicate an existing building. In using such an approach an appraiser needs to make floor adjustments and adjustments for office space. He did not observe that McCormick made such adjustments. MaRous did agree with McCormick's conclusion that the income approach was inapplicable to the subject property.

PTAB Findings and Conclusions

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 the appeal.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. The evidence disclosed Section 1(B)(2) of the Cook County Real Property Assessment Classification Ordinance defines "market value" as, "[t]hat value, estimated at the price it would bring at a fair voluntary sale." Similarly, the law in Illinois requires real property to be valued at fair cash value, estimated at the price it would bring at a voluntary sale. Cook County Board of Review v. Illinois Property Tax Appeal Board, 384 Ill.App.3d 472, 480, 894 N.E.2d 400, 323 Ill.Dec. 633 (1st Dist. 2008). Correspondingly, fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). Fair cash value is synonymous with fair market value. Cook County Board of Review v. Illinois Property Tax Appeal Board, 384 Ill.App.3d 472, 480 (1st Dist. 2008). The Supreme Court of Illinois has construed "fair cash value" to mean what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing, and able to buy but not forced to so to do. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970). When market value is the basis of the appeal the value of the property must be proved 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). The Board finds the evidence in the record supports a reduction in the subject's assessment.

The record disclosed the subject property had a total assessment in each of the years under appeal of $7,745,975. The data provided by the board of review indicated that the subject's total assessment reflects a market value of $26,592,625. The assessment did not equate to 36% of market value as provided by the Cook County Real Property Assessment Classification Ordinance (Ordinance) for Class 5b industrial property due to the fact that certain parcels or portions thereof qualified for industrial incentives as provided in the Ordinance. The subject's assessment equates to 29.13% of market value ($7,745,975 ÷ $26,592,625). No testimony or documentation was provided by the board of review with respect to the calculations converting the assessments to a market value estimate. The Board finds the appellant did have attached to its Industrial Appeal Petition for the 2005 appeal a breakdown of assessments by PIN disclosing the classifications and assessment levels. In support of its contention of the correct assessment the appellant submitted an appraisal in each of the appeals prepared by McCormick estimating the subject property had a market value of $15,000,000 as of January 1, 2003. In support of the assessments in each of the appeals the board of review submitted comparable sales and had attached pages from the CoStar Comps website for the comparables utilized in each of the respective appeals. The intervening taxing districts submitted three appraisals prepared by Hatfield providing estimates of value of $42,000,000 as of January 1, 2003; $46,000,000 as of January 1, 2004; and $46,000,000 as of January 1, 2005. The two appraisers were called as witness by the parties and the intervenors also called MaRous as a rebuttal witness with respect to the McCormick appraisal.

Both the appraisers providing value estimates described the subject as a being improved with an industrial complex with approximately 2.5 million square feet of total building area. The Board finds Hatfield's estimate of size for the building improvements to be better supported. Hatfield estimated the subject had 2,455,693 square feet of building area in 2003. He then estimated the subject had 2,556,804 square feet in 2004 and 2005 due to the expansion of the Body Side Building. The appellant contends this addition should not be considered because the addition was omitted property and assessed subsequently in 2008 as omitted property, as evidenced by Appellant's Exhibit No. 3. Based on the record before it, the Board finds this aspect of the appellant's argument was not proven by a preponderance of the evidence. A review of Appellant's Exhibit 3 identified the property receiving the omitted assessment as PIN 25-25-402-001-0000. The evidence in the record, particularly Hatfield's appraisals, identify the parcel improved with the Body Side Building as being PIN 25-25-401-010(-0000), a different PIN from that receiving the omitted property assessed value. Considering these facts the Board finds it was not proven that the addition to the Body Side Building was assessed as omitted property and should not be considered as part of the building improvements in 2004 and 2005. Both of the appraisers agreed not to value the addition to the Body Side Building as part of the improvements in 2003.

The Board finds that both of the appraisers indicated the property rights being appraised were the fee simple estate. The Board finds that both appraisers agreed that the highest use of the subject property as improved was for its current or existing industrial/manufacturing use. The Board finds both appraisers indicated in their testimony that the primary characteristics of the subject property were its large building area and its use as a manufacturing property by a single owner/user. Considering these factors, the Board finds the comparable sales used by McCormick and the overall analysis by McCormick were more consistent with the property rights appraised and the property's highest and best use. As explained below, the Board finds those comparables that were composed of larger, single user industrial manufacturing plants were more probative in establishing the market value of the subject property than the multi-tenant industrial properties or properties involved in sale-leaseback transactions used primarily by Hatfield.

In estimating the market value of the subject property, both appraisers estimated the value of the subject's land as vacant. McCormick estimated the subject land had a market value of approximately $.80 per square foot or $35,000 per acre resulting in a total land value of $3,340,000. In each of the years under appeal Hatfield estimated the subject had a land value of $1.50 per square foot or $65,340 per acre for a total land value of $6,230,000, rounded. As reflected by the assessment as set forth on the appellant's petition filed for 2005, the total land assessment of $1,334,815 reflects a market value of $3,983,569 or approximately $41,750 per acre or $.96 per square foot using the appropriate levels of assessment. McCormick used six land sales ranging in size from 15.95 to 206 acres with unit prices ranging from $.21 to $1.71 per square foot. Hatfield used 5 sales ranging in size from 239,580 to 6,969,600 square feet that sold for unit prices ranging from $.74 to $2.98 per square foot of land area. The appraisers had three common land sales. Of these three common sales, two were most similar to the subject parcel in size, McCormick's land sales 4 and 5, which are the same as Hatfield's land sales 3 and 1, respectively. These comparables had unit prices of approximately $.71 and $1.75 per square foot of land area. Of these two properties, both appraisers agreed that the land with the highest price should have a negative adjustment because it was superior to the subject. The appraisers differed with respect to the other comparable with McCormick contending the comparable is equivalent to the subject while Hatfield argued an upward adjustment was needed. Considering these land sales, the Board finds the subject's current land assessment reflecting a value of $.96 per square foot, which is bracketed by the two best land sales in the record, is correct and no change is warranted in the land assessment for the subject property.

Of these two appraisers, only McCormick developed the cost approach to value. McCormick placed secondary weight on the estimate of value arrived at using this approach. The Board gives little weight to the conclusion of value arrived at under the cost approach. The Board finds due to the subject's age and multi-building configuration, estimating the cost new is not particularly meaningful and estimating depreciation is subjective and difficult to calculate. Furthermore, as previously stated, the Board found that McCormick understated the value of the subject land which in turn would result in an understated estimate of value under the cost approach.

Of these two appraisers, only Hatfield developed an estimate of value using the income capitalization approach. The Board gives the conclusion of value arrived at under this method very little weight. The evidence disclosed that both McCormick and MaRous agreed that the income capitalization approach had little applicability to an industrial property with the characteristics of the subject property. McCormick stated within his report that the subject property was originally designed for single-use occupancy and has been occupied by the same user since it was constructed. McCormick indicated that the subject property does not lend itself to multiple-tenant occupancy and would require a substantial amount of capital to convert it to multiple-tenant occupancy. McCormick further stated in the appraisal that demand for industrial space in the subject property's market is not strong enough to justify the expense associated with converting the subject property to multiple-tenant occupancy and that it is unlikely that the property would be leased in its entirety. McCormick also stated within his appraisal report that a search for recent leases of industrial space similar to the subject property resulted in insufficient comparable data to utilize the income capitalization approach; therefore, the income capitalization approach could not be utilized in the appraisal assignment. (Appellant Exhibit #1, page 64.) In his review of the McCormick appraisal, MaRous stated that given the fact the subject property is owner-occupied and is designed and built as a large single-user manufacturing facility, it is not likely to be purchased by an investor for leasing purposes.

Additionally, the Board finds a review of the data presented by Hatfield disclosed that the rental comparables were significantly smaller than the subject except possibly for the comparable rental located in Decatur, Illinois, which was described by MaRous as being an older industrial facility that has been hit hard by closing of major plants over the last 30 years. He further described the Decatur property as an older, obsolete facility in a far less than secondary, totally different, market than the subject. Furthermore, this large industrial building was being rented as a multi-tenant facility, divisible to 40,000 square foot increments, which is a different use than the subject property. The Board further finds that rental comparables 3 and 4 used in each of the appraisals were sale-leaseback transactions and should be given little weight. Additionally, the Board finds rental comparable 2 used in each appraisal and rental comparable 5 in the 2004 and 2005 appraisals were multi-tenant properties, dissimilar to the subject in use as a single tenant, extremely large industrial multi-building facility. The Board finds this rental information is not particularly reliable in establishing the market rent for a 2.5 million square foot, single tenant industrial facility like the subject property. For these reasons the Property Tax Appeal Board finds that the value estimated by Hatfield under the income approach is not credible and is not reflective of the market value of the subject property for the assessment years under appeal.

Both these appraisers developed the sales comparison approach to value and gave primary weight to this method in estimating the market value of the subject property. Additionally, the board of review submitted data on comparable sales using information from the CoStar Comps service. In developing the sales comparison approach, McCormick used five sales and two listings. He testified that all of the properties are single user manufacturing type properties that were not leased at the time of sale. The comparables that sold were located in Chicago Heights, Illinois; Edgerton, Wisconsin; Kentwood, Michigan; Bloomington, Indiana; and Decatur, Illinois. The two listings were located in Kalamazoo, Michigan and Sturgis, Michigan. The five sales ranged in size from 547,679 to 2,197,775 square feet of building area. Sales 1 and 4 were composed of multiple buildings and sale 5 was a part 1 and 2 story building. The sales had average weighted ages ranging from 17 to 40 years old. The comparable sales had ceiling heights ranging from 21 to 42 feet and office areas ranging from 2.9% to 9.8% of total building area. The appraiser indicated the sales had land to building ratios or adjusted land to building ratios ranging from 2.19:1 to 6.27:1. The sales occurred from December 1998 to August 2003 for prices ranging from $500,000 to $12,970,000 or from $.23 to $12.60 per square foot of building area, including land. The Board gives little weight to McCormick comparable sale 4 due to its sale approximately 5 years prior to the 2003 valuation date. The Board also gives little weight to McCormick's comparable sale 5 due to its location in Decatur, Illinois and its sales price of $.23 per square foot of building area appears to be extremely low compared to the other data in the record. Comparable sales 1, 2 and 3 were significantly smaller than the subject building ranging in size from 547,679 to 1,029,000, making them superior to the subject in that aspect. Comparables 1 and 2 had inferior locations compared to the subject and the data provided by McCormick indicated the seller for comparable 1 did not want to market the property for an extended period. These three sales had unit prices of $3.00, $2.81 and $12.60 per square foot of building area, respectively.

The two listings were composed of industrial buildings containing 877,355 and 2,075,022 square feet of building area. These properties had average ages of 35 and 45 years and ceiling heights ranging from 20 to 42 feet. The land to building ratios for these two properties were 2.77:1 and 7.53:1 and they had office areas totaling 1.0% and 6.9% of total building area. These properties were listed for sale in November 2002 for prices of $7,900,000 and $22,000,000 or $9.00 and $10.60 per square foot of building area, including land. The listing prices set the upper limit of value for these properties.

Using this data, McCormick estimated the subject property had an indicated value under the sales comparison approach of $6.00 per square foot of building area, including land.

Hatfield has six comparables in his three appraisal reports. Comparable sales 1 and 2 were used in all three reports. The Board gives these sales less weight because these are sale-leaseback transactions where the seller is leasing the property back from the buyer for either 10 to 15 years as in sale 1, and for 3 years as in sale 2. Sale 3 used in the 2003 appraisal is significantly smaller than the subject with 430,000 square feet and the buyer intends to convert at least part of the property into a multi-tenant warehouse/distribution facility. The Board finds this proposed multi-tenant warehouse use differs from the subject's highest and best use determination in Hatfield's appraisal. Thus, the Board gives this comparable less weight. Comparable 4 is located in Harvey, Illinois, and involved an owner-user seller and an owner-user buyer. This comparable was significantly smaller than the subject with 328,500 square feet of building area in 5 buildings, including a 3-story brick office building that comprised 18% of the building area. This property sold in June 2000 for a price of $3,351,534 or $10.20 per square foot of building area. This property had an asking price of $5,000,000, which corroborates McCormick's testimony that the asking price of industrial properties sets the upper limit of value for that property. With respect to 2003, Hatfield estimated the sales provided an estimate of value for the subject property of $17.00 per square foot, land included.

In support of the assessment, the board of review submitted information on four comparable sales utilizing the CoStar Comps data sheets, but provided no testimony concerning the comparability of the sales to the subject property. The Board considered but gave less weight to this data because there was no corroborating testimony. The properties were improved with industrial buildings built from 1901 to 2002 that had from 907,920 to 2,877,165 square feet of building area. The sales occurred from June 2003 to December 2004 for prices ranging from $3,806,000 to $68,596,000 or from $3.81 to $33.15 per square foot of building area. Sale 1, located on Torrence Avenue in Chicago, was described as a multi-tenant industrial building constructed in 1901 with Cargill Incorporated as a major tenant that sold for $3.81 per square foot, including land, in March 2004. Sale 2, located in Joliet, was the same property utilized by Hatfield as his comparable sale 1 in all three appraisals. The data indicates this was a subsequent sale occurring in

December 2004 for a price of $68,596,000 or $23.84 per square foot of rentable area. The information indicated that the subject was fully leased by a single tenant, Caterpillar Tractor, on a 10 to 15 year lease. As previously explained, due to this being a sale-leaseback transaction, less weight is give this sale. Sale 3 submitted by the board of review was also utilized by Hatfield as his sale 3 in the 2004 and 2005 appraisals of the subject property. The data sheet indicates this was a bulk/portfolio sale and also identified four major tenants on the property. This was an eight building complex with buildings ranging in size from 4,500 to 621,558 square feet. The property sold in October 2004 for a price of $15,103,315 or $15.30 per square foot of building area. Less weight was given this property due to its being part of a portfolio sale and use as a multi-tenant industrial building that is smaller than the subject. Sale 4, located in University Park, was a 907,920 square foot pre-cast concrete building with 30 foot truss heights constructed in 2002. The data sheet indicates this property was a single tenant industrial building that was "built to suit." The information indicated this property had Sweetheart Cup Company as a major tenant. This property is clearly superior to the subject and was given little weight.

With respect to the 2003 appeal, the Board finds three sales and two listings contained in McCormick's appraisal provide the best indication of the subject's market value. These three sales had unit prices of $3.00, $2.81 and $12.60 per square foot of building area, respectively. The Board finds the two listings in the McCormick appraisal also give some guidance with respect to the market value of the subject. The listings were large industrial properties containing 877,355 and 2,075,022 square feet of building area, with listing prices in November 2002 of $7,900,000 and $22,000,000 or $9.00 and $10.60 per square foot of building area, including land. As evidenced by the data in McCormick's appraisal and Hatfield's comparable sale 4 in the 2003 report, the listing prices set the upper limit of value for these properties. The Board finds only comparable 4 in Hatfield's 2003 appraisal involved an owner-occupied seller and an owner-occupied buyer. This property did not have many attributes similar to the subject in terms of size and construction. This property sold for a price of $3,351,534 or $10.20 per square foot of building area. None of the board of review's comparables was similar to the subject. Considering this data, and giving more deference to McCormick's sales comparables after eliminating his sales 4 and 5, the Board finds that the subject property had a market value of $7.00 per square foot of building area, including land, as of January 1, 2003, resulting in an estimated market value of $17,200,000, rounded.

With respect to the 2004 and 2005 appraisals, Hatfield provided two different comparable sales as numbers 3 and 4. As previously explained, new comparable sale 3 was improved with an 8-building multi-tenant complex of one-story industrial buildings constructed in stages from 1916 through the 1950's located in Chicago, Illinois. The comparable had 987,929 square feet of building area. The property was purchased in 1990 and converted to multi-tenant use. In October 2004, the property was part of a portfolio sale where 16 properties were purchased for a price of $98,700,000. The properties purchased had a combined building area of 3.44 million square feet of industrial space. The appraiser indicated comparable 3 was purchased for a price of $15,103,315 or $15.29 per square foot of building area. At the time of sale this comparable had two tenants having a combined space of 624,210 square feet with net rentals of $2.62 and $3.56 per square foot, respectively. Due to the nature of the portfolio sale and the multi-tenant use, the Board gives this sale little weight.

New comparable sale 4 was improved with a one-story steel-frame and concrete panel industrial building with 915,000 square feet of building area constructed in 1979. The property is located in Kentwood, Michigan and sold in August 2003 for a price of $12,970,000 or $14.18 per square foot of building area. (This comparable was also used by McCormick as comparable sale 3.) The appraiser indicated in the report that the buyer's intent was to convert the property to a multi-tenant facility. The report indicated the seller leased back the property until the spring of 2004. In early 2005 the buyer had leased 575,000 square feet of the building. The asking rent was from $3.25 to $4.75 per square foot. The Board finds this comparable is superior to the subject in age, size and construction. This property is also smaller than the subject building and used as a multi-tenant building different from the subject. These factors detract from the weight that can be accorded this sale and demonstrate a downward adjustment to the sales price is justified.

Hatfield was of the opinion the subject property had an indicated value under the sales comparison approach in both 2004 and 2005 of $18.00 per square foot of building area, land included.

In support of its assessments for both 2004 and 2005, the board of review submitted information on 6 comparable sales utilizing the CoStar Comps data sheets, but provided no testimony concerning the comparability of the sales to the subject property. The Board considered, but gave less weight to this data because there was no corroborating testimony. The comparables were located in the Illinois cities of Chicago, Franklin Park, Blue Island and University Park. The comparables were improved with industrial buildings that ranged in size from 500,000 to 907,920 square feet with land areas that ranged in size from 5.8 to 55 acres. The information indicated the buildings were constructed from 1955 to 2004. The comparables sold from December 2002 to April 2005 for prices ranging from $4,103,666 to $30,094,000 or from $7.34 to $33.15 per square foot of building area with five of the sales ranging in price from $7.34 to $12.17 per square foot of building area. The information from the board of review indicated that sale 1 was a part 1, 3 and 9 story building with 770,000 square feet of building area where the buyer was the owner/user and the property was not on the market at the time it sold for a price of $7.34 per square foot of building area. This sale is given some weight by the Board. Sale 2 was a multi-tenant warehouse distribution building constructed in 1972. This property was reported to have 540,000 square feet of building area with 5 tenants and sold for a price of $7.43 per square foot. Due to size and multi-tenant use, this sale was given little weight. Sale 3 was a multi-tenant industrial building that had 50,000 square feet leased at the time of sale. This one-story building constructed in 1943 with 862,056 square feet sold for a price of $7.54 per square foot. Due to its multi-tenant use, little weight was given this sale. Sale 4 was a 4-story multi-tenant building constructed in 1955. The data identified 5 tenants. This property sold for a price of $10.60 per square foot. Due to its multi-tenant nature little, weight was given this sale. Sale 5 was described as being composed of 3, 1-story buildings of precast concrete construction with 574,985 square feet built from 1991 to 2004. The comparable sold by an owner/user to a buyer/user in May 2004 for a price of $12.17 per square foot of building area. The Board will give this sale some weight, but finds that a downward adjustment would be needed to account for size, construction and age. Sale 6, which was also submitted by the board of review in the 2003 appeal, was a 907,920 square foot one-story pre-cast concrete building with 30 foot truss heights constructed in 2002. The data sheet indicates this property was a single tenant industrial building that was "built to suit." The information indicated this property had Sweetheart Cup Company as a major tenant. The property sold for $33.15 per square foot of building area. This property is clearly superior to the subject and was given little weight.

With respect to the 2004 and 2005 appeals, the Board finds sales 1, 2 and 3 as well as the two listings contained in McCormick's appraisal, sale 4 in Hatfield's appraisals (which is the same sale as McCormick's sale 3), and comparables 1 and 5 contained in the board of review's submission are the best indication of the subject's market value. The five sales had unit prices of $3.00, $2.81, $12.60, $7.34 and $12.17 per square foot of building area, respectively. The Board again finds the two listings in the McCormick appraisal give some guidance with respect to the market value of the subject. The listings were large industrial properties containing in 877,355 and 2,075,022 square feet of building area with listing prices in November 2002 of $7,900,000 and $22,000,000 or $9.00 and $10.60 per square foot of building area, including land, which would need to be adjusted downward because the listing prices set the upper limit of value for these properties. Considering this data, and giving more deference to McCormick's sales comparables after eliminating his sales 4 and 5, the Board finds that the subject property had a market value of $7.00 per square foot of building area, including land, as of January 1, 2004 and January 1, 2005, resulting in an estimated market value of $17,900,000, rounded.

As a final point, the evidence disclosed the subject's assessment for each of the years under appeal equates to 29.13% of market value rather than 36% of market value as established by the Ordinance for Class 5b industrial property due to the fact that certain parcels or portions thereof qualified for industrial incentives as contained in the Ordinance. Based on this fact the Board finds that the assessments for the subject property for each of the years under appeal shall be set at 29.13% of market value.

(Correct assessed values continued from page 1.)

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
04-24629.001-I-3	25-25-401-010-0000	79,416	557,520	$636,936
04-24629.002-I-3	25-25-401-015-0000	109,602	143,879	$253,481
04-24629.003-I-3	25-25-401-017-0000	13,645	3,075	$16,720
04-24629.004-I-3	25-25-402-001-0000	1,035,393	3,087,132	$4,122,525
04-24629.005-I-3	25-36-100-018-0000	96,759	87,849	$184,608

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
05-26563.001-I-3	25-25-401-010-0000	79,416	557,520	$636,936
05-26563.002-I-3	25-25-401-015-0000	109,602	143,879	$253,481
05-26563.003-I-3	25-25-401-017-0000	13,645	3,075	$16,720
05-26563.004-I-3	25-25-402-001-0000	1,035,393	3,087,132	$4,122,525
05-26563.005-I-3	25-36-100-018-0000	96,759	87,849	$184,608

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 23, 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.