



**A M E N D E D**  
**FINAL ADMINISTRATIVE DECISION**  
**ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: Richard Malacina, Sr.  
DOCKET NO.: 06-24398.001-I-1 through 06-24398.002-I-1  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Richard Malacina, Sr., the appellant, by attorney Huan Cassioppi Tran, of Flanagan/Bilton LLC in Chicago; and the Cook County Board of Review.

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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
06-24398.001-I-1	15-22-309-003-0000	45,728	138,009	\$183,737
06-24398.002-I-1	15-22-309-011-0000	10,185	2,278	\$12,463

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 36,545 square feet of land improved with a one-story, masonry constructed, industrial building containing 23,000 square feet of building area.

The appellant argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

In support of the market value argument, the appellant's pleadings included an appraisal report of the subject property with an effective date of January 1, 2005 undertaken by Liesel S. Fischer, Staff Appraiser, and Robert J. Boyle, who holds the designations of State General Real Estate Appraiser and Member of the Appraisal Institute. The appraisers estimated a market value for the subject of \$545,000.

As to the subject, the appraisal indicated that the subject's site was inspected by Boyle on November 1, 2005 and that the property rights appraised for the subject are the unencumbered

fee simple estate. The subject was found to be a rectangular-shaped parcel containing 36,545 square feet of land with 274.74 feet of frontage along the east side of 19<sup>th</sup> Avenue and 133.07 feet of frontage along the north side of Cermak Road in Broadview. The improvement was described as a one-story, masonry constructed, industrial building with 23,000 square feet of building area designated as follows: 21,850 square feet of warehouse area and 1,150 square feet of finished office area. The appraisal indicated that the building was constructed in 1965 reflecting an actual age of 40 years. In addition, building amenities included two depressed truck docks, 24 foot ceiling heights as well as approximately 10,000 square feet of asphalt paving used for parking and driveways.

The appraisers indicated that the subject's highest and best use as vacant was for similar industrial development consistent with surrounding uses, while the highest and best use as improved was for its current, industrial use. Moreover, they opined that the subject has an economic life of 60 years for properties similar to the subject with an actual age of 40 years, which resulted in a remaining economic life of 20 years.

The appraisers developed the three traditional approaches to value. The estimated market value: under the cost approach was \$530,000; under the income approach was \$540,000; and under the sales comparison approach was \$550,000.

The first approach developed was the cost approach. The initial step under this approach was to estimate the value of the site and in doing so the appraisers undertook an analysis of five suggested land sales. They ranged in land size from 20,904 to 525,769 square feet and in price from \$3.20 to \$6.70 per square foot. These properties sold from March, 2002, through July, 2003. After making adjustments to these properties, the appraisers estimated the subject's land value at \$4.00 per square foot or \$145,000, rounded.

Using the R.S. Means Square Foot Costs Manual, the appraisers estimated the subject's replacement cost new of \$1,205,000, rounded. Depreciation was estimated at 68% of \$819,400 resulting in a depreciated value of the improvements at \$385,600. Adding the land value of \$145,000 resulted in a value under the cost approach of \$530,000, rounded.

Under the income approach, the appraisers reviewed five rental comparables from the market. The rentals were one-story, industrial buildings. These industrial properties ranged in rental rates from \$1.40 to \$3.72 per square foot on a net basis, while the properties ranged in rental area from 15,000 to 122,433 square feet. Based upon this data, the appraisers estimated the subject's potential gross income at \$3.00 per square foot on a triple net basis or \$69,000. Deducting an allowance for management fees and a vacancy and collection loss of 10% resulted in a net income of \$63,100.

Using market data from various sources, the appraisers noted a range of capitalization rates from 11.2% to 13.1%. They concluded an overall capitalization rate for the subject based upon its size, age and location of 11.5%. Applying an overall capitalization rate of 11.5% to the estimate of net operating income resulted in a final value under the income approach of \$540,000, rounded.

Under the sales comparison approach to value, the appraisers utilized five sale comparables. These comparables sold from April, 2002, through September, 2003, for prices that ranged from \$18.94 to \$29.57 per square foot.

The properties were improved with an industrial building that ranged in age from 31 to 45 years. They ranged: in improvement size from 9,538 to 42,230 square feet of building area; in ceiling heights from 10 feet to 20 feet; and in office space from 3.0% to 16.0% of the building area. After making adjustments to the suggested comparables, the appraisers estimated the subject's market value was \$24.00 per square foot or \$550,000, rounded.

In reconciling the approaches to value, the appellant's appraisers placed less consideration on the cost approach due to the large amounts of estimated depreciation. Secondary consideration was accorded the income approach, while primary reliance was placed on the sales comparison approach to value; thereby, reflecting a final market value of \$545,000 for the subject property as of January 1, 2005. As a result of this analysis, the appellant requested a reduction in the subject's valuation.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$231,840 for tax year 2006. The subject's assessment reflects a market value of \$644,000 or \$28.00 per square foot using the Cook County Ordinance Level of Assessment for Class 5b, industrial property of 36%. As to the subject, the board submitted copies of the subject's property record cards.

In support of the subject's market value, raw sales data was submitted for six industrial or industrial/manufacturing properties. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold from January, 2001, to November, 2006, in an unadjusted range from \$33.89 to \$59.07 per square foot of building area. The properties contained buildings that ranged in size from 16,380 to 22,600 square feet and in age from 29 to 47 years. The printouts also indicate that sales #3, #4, and #6 failed to include any real estate brokers for the parties involved in the transactions, while the parties in sale #2 contained the same real estate broker. Moreover, the printouts reflect that sale #3 was not advertised for sale on the open market without further explanation. Lastly, the printouts indicated that sale #6 was a

multi-tenant building. As a result of its analysis, the board requested confirmation of the subject's assessment.

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

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the Board accorded diminished weight to the properties submitted by the board of review as the evidence provided unconfirmed, raw data on said properties.

Therefore, the Board finds the best evidence to be the appellant's appraisal. The appellant's appraisers utilized the three traditional approaches to value in developing the subject's market value. The Board finds this appraisal to be persuasive for the appraisers: have extensive experience in appraising and assessing property; personally inspected the subject property; estimated a highest and best use for the property; and utilized market data in undertaking the three approaches to value, while making adjustments to the comparables where necessary.

Therefore, the Board finds that the subject property contained a market value of \$545,000 for tax year 2006. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5b, industrial property of 36% will apply. In applying this level of assessment to the subject, the total assessed value is \$196,000, while the subject's current total assessed value is above this amount at \$231,840. Therefore, the Board finds that a reduction is warranted.

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

*Donald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*J. R.*

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: November 30, 2012

*Allen Castrovillari*

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.