



**FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: Fifth Third Bank
DOCKET NO.: 06-24979.001-C-1
PARCEL NO.: 04-10-300-037-0000

The parties of record before the Property Tax Appeal Board are Fifth Third Bank, 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:

LAND: \$ 97,256
IMPR: \$ 335,944
TOTAL: \$ 433,200

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 24,375 square feet of land improved with a two-story, masonry constructed, commercial building used as a bank branch.

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, 2004 undertaken by Kathleen Boyle, 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 \$1,140,000.

As to the subject, the appraisal indicated that the subject's site was inspected by Boyle on December 14, 2004 and that the property rights appraised for the subject are the unencumbered fee simple estate. The subject was found to be an irregular shaped parcel containing 24,375 square feet of land with

approximately 180.11 feet of frontage along the west side of Meadow Road. The improvement was described as a two-story, masonry constructed, commercial building used as a bank with 8,156 square feet of building area. The appraisal indicated that the building was constructed in 1969 and well maintained, thereby reflecting an effective age of 20 years. In addition, building amenities included four drive-through lanes, 1,305 square feet of drive-through canopy as well as approximately 15,000 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 office development, while the highest and best use as improved was for its current, commercial use. Moreover, they opined that the subject has an economic life of 50 years for properties similar to the subject with an effective age of 20 years, which resulted in a remaining economic life of 15 years.

The appraisers developed the three traditional approaches to value. The estimated market value: under the cost approach was \$1,090,000; under the income approach was \$1,090,000; and under the sales comparison approach was \$1,140,000.

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 48,525 to 319,164 square feet and in price from \$7.55 to \$13.74 per square foot. These properties sold from February, 2002, through August, 2003. After making adjustments to these properties, the appraisers estimated the subject's land value at \$15.00 per square foot or \$370,000, rounded.

Using the R.S. Means Square Foot Costs Manual, the appraisers estimated the subject's replacement cost new of \$1,320,000, rounded. Depreciation was estimated at 40% of \$528,000 while external obsolescence was estimated at \$73,725. These deductions resulted in a depreciated value of the improvements at \$718,275. Adding the land value of \$370,000 resulted in a value under the cost approach of \$1,090,000, rounded.

Under the income approach, the appraisers reviewed six rental comparables from the market. The rentals were commercial buildings used as bank branches. These properties ranged in rental rates from \$8.62 to \$25.00 per square foot on a net basis, while the properties ranged in rental area from 514 to 11,000 square feet. Based upon this data, the appraisers estimated the subject's potential gross income at \$32.00 per square foot or \$260,992. Deducting an allowance for vacancy and collection loss of 5% resulted in a net income of \$247,942. Total expenses of \$66,200 were estimated and deducted indicating a stabilized net income or \$181,742.

Using market data from various sources, the appraisers noted a range of capitalization rates from 9.9% to 11.7%. They concluded

an overall capitalization rate for the subject based upon its size, age and location of 10.5% as well as an effective tax rate of 6.2%. Applying this total capitalization rate of 16.7% to the estimate of net operating income resulted in a final value under the income approach of \$1,090,000, rounded.

Under the sales comparison approach to value, the appraisers utilized five sale comparables. These comparables sold from February, 2000, through June, 2004, for prices that ranged from \$134.53 to \$189.96 per square foot. The properties were improved with a one-story or two-story, commercial building used as a bank branch, all of which include drive through teller lanes. They ranged in improvement size from 2,590 to 15,749 square feet of building area and in age from 18 to 27 years. After making adjustments to the suggested comparables, the appraisers estimated the subject's market value was \$140.00 per square foot or \$1,140,000, 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 \$1,140,000 for the subject property as of January 1, 2004. 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 \$494,258 for tax year 2006. The subject's assessment reflects a market value of \$1,300,679 or \$112.61 per square foot using the Cook County Ordinance Level of Assessment for Class 5a, commercial property of 38%. As to the subject, the board submitted copies of the subject's property record cards, which indicated that the subject property contained 11,550 square feet of building area inclusive of 3,075 square feet of finished basement area.

In support of the subject's market value, raw sales data was submitted for six retail/bank 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 July, 2001, to June, 2007, in an unadjusted range from \$80.86 to \$700.00 per square foot of building area. The properties contained buildings that ranged in size from 5,000 to 8,213 square feet. The printouts indicate that sales #2, #4, and #5 failed to include any real estate brokers for the parties involved in the transactions and were not advertised for sale on the open market. In addition, the printouts reflected that properties #1 and #3 were multi-tenant buildings, while sale #6 contained parties which were both involved in 1031 exchanges as part of this transaction. 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 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the 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 properties submitted by the board of review as the evidence provided unconfirmed, raw data on these properties. Moreover, the Board found that the data that was submitted reflected a less than arm's length transaction for properties #2, #4, #5, and #6.

Therefore, the Board finds the best evidence of the subject's building size and market value 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 \$1,140,000 for tax year 2006. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5a, commercial property of 38% will apply. In applying this level of assessment to the subject, the total assessed value is \$433,200, while the subject's current total assessed value is above this amount at \$494,258. 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: July 20, 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.