FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Hagemaster Motor Services, Inc.
DOCKET NO.: 06-26706.001-I-1
PARCEL NO.: 25-26-600-001-8002

The parties of record before the Property Tax Appeal Board are Hagemaster Motor Services, Inc., the appellant, by attorneys Dean H. Bilton and Huan 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:	$ 0
IMPR.:	$ 34,200
TOTAL:	$ 34,200

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 131,551 square feet of land improved with two distinct, one-story, industrial buildings. The eastern building is used for maintenance or as a storage shed, while the western building is used as a warehouse. The eastern building is 42 years old with metal panel exterior construction containing 1,500 square feet of building area. The western building is a part one-story and part two-story, 42-year old, building with metal panel and stone exterior construction containing 17,123 square feet of building area as well as 480 square feet of mezzanine area.

The appellant's attorney argued that the subject's market value is not accurately reflected in its assessment as the bases of this appeal.

As to the overvaluation argument, the appellant submitted an appraisal report of the subject property with an effective date of January 1, 2006 undertaken by Raymond R. Rogers, who holds the designations of State Certified General Real Estate Appraiser and Member of the Appraisal Institute. The appraiser estimated a market value for the subject of $95,000.

As to the subject, the appraiser noted that the subject's details as previously identified. The appraisal stated that Rogers had personally and thoroughly inspected the subject on September 27, 2006. Rogers' appraisal noted that the subject property is located on leased land from the Port Authority, which is not part of this appraisal. Therefore, the report rendered an opinion of market value of the fee simple interest in only the two buildings or the improvements on the leased property. Rogers indicated that the subject's buildings are old and severely neglected while in overall fair to poor condition. The appraiser stated that buildings in this type of condition are generally demolished daily; therefore, he believed that the subject's improvements were at the end of their useful life. Due to the difficulty in estimating accrued depreciation and obsolescence, a cost approach was not considered to be applicable to this subject property.

In addition, Rogers indicated that the buildings are leased, but are part vacant and part used on a month-to-month lease for the tenant's warehouse storage. Since the buildings are in such poor and aged condition, the appraiser stated that he could not locate any meaningful rental comparables; therefore, an income approach to value was not considered applicable to this subject property.

The appraisal developed one of the three traditional approaches to value, the sales comparison approach, which estimated a value of $95,000.

The appraiser indicated that the subject's highest and best use as vacant was for industrial development in accordance with current zoning regulations, while the highest and best use as improved was for its current use as an industrial facility after making some major needed repairs and replacements or in demolishing the current improvements and constructing a new building on site.

The appraisal reflected numerous interior and exterior color photographs of the subject's buildings. The eastern building contains 1,500 square feet of area used as an open storage area with one drive-through door and one overhead door as well as three separate canopies. Photographs of these canopies reflect a severely deteriorated and rusted through in certain areas. The appraiser noted that at the time of inspection, the exterior siding and overhead doors were rusted and in need of repairs, while the electricity was inoperable. In addition, he indicated that the building had rough plumbing, but without operable bathrooms.

The western building contains 17,123 square feet of area with approximately 480 square feet of mezzanine area. The two-story office area comprising 23.4% of the building's total area was in poor condition. The office area was divided into general office area, three private offices, and a storage room. This area also included three bathrooms with only one being operable according to the appraiser. He found the area quite dirty, damaged and neglected while being unusable for most office purposes. As to

the bulk storage area, the appraiser noted that the tenant used part of this area with the remainder being vacant. The remainder of the building was unheated and divided warehouse area.

Under the sales comparison approach to value, the appraiser utilized seven sale comparables. These comparables sold from February, 2003, through April, 2005, for prices that ranged from $205,000 to $700,000, or from $8.58 to $14.76 per square foot. The properties were improved with an industrial building. They ranged: in age from 35 to 94 years; in office area from 4% to 13.32%; in improvement size from 15,240 to 53,000 square feet of building area; and in land size from 28,901 to 130,680 square feet. Rogers estimated each properties land value reflecting a range from $90,000 to $525,000 and resulting in a residual building value indicating a range from $3.50 to $8.68 per square foot. The appraiser opined that these suggested comparables were in far superior condition, with only sale #2 containing buildings of a condition similar to the subjects which sold for $2.94 per square foot of residual building area. After making adjustments to the suggested comparables, the appraiser estimated the subject's market value at $5.00 per square foot, based upon 18,623 total square feet, or $95,000, rounded.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was $53,937 as designated by the board of review reflecting a market value of $149,825 or $8.05 per square foot. The assessment as determined by the county assessor of $73,418 reflected a total market value of $203,939 or $10.68 per square foot based upon the application of the Cook County Ordinance level of assessment of 36% for class 5B industrial property, as is the subject.

In support of the subject's market value, raw sales data was submitted for eight properties located in Chicago, South Holland, or Posen, Illinois. 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 December, 2001, to June, 2007, in an unadjusted range from $385,000 to $612,000, or from $20.00 to $38.39 per square foot of building area. The buildings ranged in age from 25 to 47 years and in size from 11,200 to 22,120 square feet of building area. The printouts reflected a variety of physical characteristics and uses. They indicated that sales #1 and #3 were vacant at the time of sale, while sale #7 was accorded tax incentives as a sale enticement. Sale #1 was a complex of four buildings, while sale #2 contained a single, 14-story building used as a warehouse. In contrast, sales #5, #6, and #8 were used for industrial manufacturing.

Moreover, the board of review's memorandum stated that it was not intended to be an appraisal or an estimate of value and should not be construed as such. It indicated that the information provided in the memorandum was collected from various sources and

assumed to be factual, accurate or reliable. However, the memorandum disclosed that the writer had not verified the information or sources referenced; and therefore, did not warrant its accuracy. As a result of its analysis, the board requested confirmation of the subject's assessment.

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

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); 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.Adm.Code 1910.65(c)). Having considered the evidence presented, the Board finds 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 finds the best evidence to be the appellant's appraisal. The appellant's appraiser utilized the sales comparison approach to value in determining the subject's market value. The Board further finds this appraisal to be persuasive for the appraiser personally inspected the subject property and the suggested sale comparables, has experience in appraising such property, developed a highest and best use, and utilized market data in the sale comparison approach to value while providing sufficient detail regarding each sale comparable as well as adjustments where necessary.

Moreover, the Board finds that the board of review provided unconfirmed, raw sales data in support of the subject's assessment.

Therefore, the Board finds that the subject property contained a market value of $95,000. 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 $34,200, while the subject's current total assessed value is above this amount at $53,937. 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.

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: May 18, 2012

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.