



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

APPELLANT: Focal Point, LLC  
DOCKET NO.: 06-26806.001-I-2  
PARCEL NO.: 19-02-100-038-0000

The parties of record before the Property Tax Appeal Board are Focal Point, LLC, the appellant, by attorney Brian P. Liston, of Law Offices of Liston & Tsantilis, P.C. 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:** \$ 125,645  
**IMPR.:** \$ 198,355  
**TOTAL:** \$ 324,000

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a one-story, masonry, industrial building built in 1952 and containing 100,292 square feet of building area. The building is located on a 155,623 square foot land parcel.

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 submitted an appraisal report of the subject property with an effective date of January 1, 2006 undertaken by Patrick Maher, who holds the designation of State General Real Estate Appraiser as well as being an Associate Member of the Appraisal Institute. The appraiser estimated a market value for the subject of \$900,000.

As to the subject, the appraiser indicated that the subject's building contained features such as 20% office space, 20 foot ceiling heights, four drive-in doors and three truck docks. Moreover, the subject has an active rail spur which runs through the subject's site. The appraiser undertook a personal

inspection of the subject on July 26, 2006, at which time multiple photographs of the property were taken. In addition, the appraisal included copies of plats of survey, area maps, and zoning maps.

The appraiser indicated that the subject's highest and best use as vacant was for industrial development on a build-to-suit basis, while the highest and best use as improved was for its current, industrial use.

The appraiser developed the three traditional approaches to value. The estimated market value under the cost approach was \$950,000, under the income approach was \$920,000, and under the sales comparison approach was \$900,000.

The first step under the cost approach was to value the site. Using three land sales which established a range from \$2.11 to \$5.90 per square foot, the appraiser estimated a land value for the subject of \$2.50 per square foot or \$390,000, rounded. Using the Marshall Swift/Boeckh's Cost Service, the appraiser estimated the replacement cost new of the subject at \$4,765,273, or \$47.51 per square foot, while adding entrepreneurial profit of 10% and indirect costs of 3% resulting in a total cost new of \$5,399,054. The appraisal explained that indirect costs related to the subject's large size.

The appraiser employed the age-life methodology to estimate the subject's effective age at 45 years and an economic life of 50 years resulting in accrued depreciation of 90%. The appraisal indicated that the subject contained approximately 50,000 square feet of concrete and asphalt paving as well as landscaping; therefore, estimating the replacement costs of these site improvements at \$25,000. Deducting total depreciation and then adding the site improvements and land value resulted in a final value under the cost approach of \$950,000, rounded.

Under the income approach, the appraiser reviewed four rental comparables from the market. These industrial properties ranged in rental rates from \$1.25 to \$3.35 per square foot of building area. The rental properties ranged: in office space from 2.5% to 21.3%; in ceiling heights from 11' to 24'; in building size from 44,000 to 200,000 square feet; and in truck docks from 3 to 31 docks. Based upon this data, the appraiser estimated the subject's potential gross income at \$1.50 per square foot or \$150,438. Deducting a vacancy and collection loss of 15% resulted in an effective gross income of \$127,872. Total expenses and replacements for reserves were estimated at \$31,567 resulting in a net operating income of \$96,305. Using the band of investment methodology as well as market data from various sources including: Commercial Mortgage Commitments, First Quarter, 2006, published by the American Council of Life Insurance; Korpacz Real Estate Investor Survey, First Quarter 2006, published by PriceWaterhouseCoopers LLP, and the National Investor Survey, Winter 2006, published by the Real Estate Research Corporation, the appraiser noted a range of

capitalization rates from 7.5% to 13.00%. He concluded an overall capitalization rate for the subject based upon its advance age of 10.5% and a final value under the income approach of \$920,000, rounded.

Under the sales comparison approach to value, the appraiser utilized four sales comparables. These comparables sold from January, 2003, through April, 2005, for prices that ranged from \$475,000 to \$1,750,000, or from \$7.50 to \$9.89 per square foot. The properties were improved with a one-story or part one-story and part two-story, industrial building. They ranged in age from 46 to 106 years and in size from 53,000 to 177,000 square feet of building area. They also included ceiling heights ranging from 12' to 24' and truck docks from four to twelve. After making adjustments to the suggested comparables, the appraiser estimated the subject's market value was \$9.00 per square foot or \$902,628.

In reconciling the three approaches to value, the appellant's appraiser placed minimal reliance upon the cost approach due to the subject's age and large amounts of depreciation. He indicated that secondary consideration was accorded the income approach, while most reliance was placed on the sales comparison approaches to value; thereby, reflecting a final market value of \$900,000 for the subject property.

At hearing, the appellant's attorney rested upon its written evidence submission of the subject's appraisal.

The state's attorney representing the board of review moved that the appellant's appraisal be stricken due to the absence of the appraiser as a witness. The appellant asserted that the evidence was timely submitted pursuant to the Board's official rules. After considering the parties' positions, the Board denied the board of review's Motion to Strike the appellant's evidence indicating that the Board would determine the appropriate weight to be accorded the evidence submissions.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$484,568 for tax year 2006. The subject's assessment reflects a market value of \$1,346,022 or \$13.43 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 addition, the board of review submitted a memorandum summarily describing the subject's building. The memorandum reflected that the subject's building contained 100,240 square feet of building area, which was allegedly built in 2006 on a 155,118 square foot site.

In support of the subject's market value, raw sales data was submitted for seven industrial 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 in an unadjusted range from \$1,315,000 to \$1,965,000, or from \$11.20 to \$21.86 per square foot of building area. The properties contained industrial/warehouse or industrial buildings that ranged in size from 86,059 to 130,000 square feet. In addition, five of the seven properties contained multiple-tenants, while only two of the seven properties contained a rail spur, thereon.

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.

The board of review did not proffer a witness to testify to its evidence submissions. 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 finds the best evidence to be the appellant's appraisal. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The Board further finds this appraisal to be persuasive for the appraiser personally inspected the subject property and utilized market data to obtain land sale comparables in the cost approach, rental comparables in the income approach as well as improved sales comparables in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments where necessary.

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

Therefore, the Board finds that the subject property contained a market value of \$900,000 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 \$324,000, while the subject's current total assessed value is above this amount at \$484,568. 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 M. Louie*

Member

*Shawn R. Lerbis*

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: June 24, 2011

*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.