



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

APPELLANT: John Credeio  
DOCKET NO.: 06-29761.001-C-1 through 06-29761.005-C-1  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are John Credeio, the appellant, by attorney Adam E. Bossov, of Law Offices of Adam E. Bossov, 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
06-29761.001-C-1	16-17-400-015-0000	100,000	0	\$100,000
06-29761.002-C-1	16-17-413-026-0000	15,128	40,930	\$56,058
06-29761.003-C-1	16-17-413-027-0000	151,203	64,530	\$215,733
06-29761.004-C-1	16-17-413-028-0000	143,350	18,340	\$161,690
06-29761.005-C-1	16-17-413-029-0000	60,319	98,200	\$158,519

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of five land parcels improved with a two interconnected, one-story, industrial buildings. The buildings were constructed in 1953 with one building used as a movie studio. The improvements contain a total of 76,248 square feet of gross building area.

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

As procedural matters at hearing, the appellant's attorney and the board of review's representative stipulated that the subject property contains various assessor classifications accorded to the parcels, but that all of the subject's parcels are used for commercial purposes and pursuant to the Cook County Ordinance the appropriate level of assessment for the subject is 38%.

Moreover, the appellant's attorney requested that regardless of the market value finding by the Property Tax Appeal Board that the appellant's requested assessments for each parcel reflected in the appellant's pleadings be controlling.

In support of this market value argument, the appellant submitted a complete, self-contained appraisal of the subject with an effective date of January 1, 2006 and an estimated market value of \$1,750,000. The appraiser is Robert Schlitz. Mr. Schlitz holds the designation of a state-certified appraiser in Illinois as well as in three other states. In addition, he holds the following designations: a Member of the Appraisal Institute; a Certified Assessment Evaluator; a Residential Evaluation Specialist; and that of a Certified Illinois Assessing Official.

The appraisal identifies the scope of the appraisal assignment as rendering a retrospective fair market value of the fee simple interest encumbered only by a possible mortgage of the subject as of the effective date of January 1, 2006.

Based upon the appraiser's on-site inspection undertaken on May 2, 2007, he indicated that the subject's site consists of a highly irregular shaped, reverse corner site located in the City of Chicago within the Austin Park Community. The subject's improvement consists of two inter-connected industrial buildings. The first improvement was built in 1958 and contains a masonry and metal constructed industrial warehouse with three truck bays used as stages as well as four overhead truck doors. Building #1 includes 8,000 square feet of finished office area as well as a 5,234 square foot concrete block addition reflecting a total gross building area of 61,248 square feet. The second improvement was built in 1953 with brick load-bearing walls with upper windows containing 15,000 square feet of building area. Overall, the appraisal reflected that the entire facility included 76,248 square feet of building area and a land-to-building ratio of 5.35:1. The appraisal identified the subject's minor improvements as: a front paved and fenced parking lot of approximately 105,000 square feet, a rear gravel parking lot, two asphalt paved aprons, paved drives, a wire-mesh security fence around the perimeter and a 103,770 square foot rear vacant lot.

The Schlitz appraisal reflected that the highest and best use of the subject, as improved, would be its current use. While the highest and best use as vacant, would be for similar industrial development.

The appellant's appraiser developed the three traditional approaches to value in estimating the subject's market value. The value estimates were as follows: the cost approach was estimated at \$1,850,000, the income approach was estimated at \$1,700,000, and the sales approach was estimated at \$1,750,000.

As to valuing the land, the appraisal considered sales of seven properties in the subject's neighborhood that ranged in size from 20,216 to 1,021,918 square feet of land. These properties ranged

in value from \$2.02 to \$11.16 per square foot. They sold from February, 2003, through June, 2005, with three properties designated as corner lots. The appraiser estimated the subject's land value, based on all the variances, at \$2.67 per square foot or \$1,000,000, rounded.

Using the Marshall, Swift & Boeckh's Cost Service, the appraiser estimated the replacement cost new to be \$4,513,932 or \$59.20 per square foot. The appraisal notes an entrepreneurial profit of 10% or \$451,393 was added for a total cost of \$4,965,325. Total depreciation was estimated at 85% or \$4,220,526. This established a depreciated value of the subject's improvement at \$744,799 with the depreciated value of the minor site improvements established at \$106,000. The depreciated value of site improvements and minor site improvements were added to the land value to arrive at a final value under the cost approach of \$1,850,000, rounded.

Under the income approach, the appraiser reviewed the rent of five properties which ranged in gross building area from 7,500 to 120,000 square feet and in monthly rental rates from \$3.45 to \$17.50 per month on a semi-net or semi-gross basis. The appraiser estimated the potential gross income for the subject at \$507,000. A vacancy and collection loss of 13.8% was applied reflecting an effective gross income at \$437,142.

Stabilized operating expenses were estimated at 66.97% indicating a stabilized net operating income of \$144,374. The appraisal reflected a gross income multiplier of 4.17, and a capitalization rate of 8.49% based upon a direct capitalization methodology. Based upon this analysis, the appraisal reflected a range of values for the subject from \$2,114,190 to \$1,700,518. The Schlitz appraisal estimated a stabilized, final value under the income approach of \$1,700,000, rounded.

The final method developed was the sales comparison approach. Initially, under this approach, the appraiser reviewed eight sale properties, seven of which were industrial warehouse or industrial manufacturing facilities. Sale #4 was a one-story, commercial facility. These properties ranged: in lot size from 68,211 to 213,705 square feet; in age from 7 to 77 years; and in improvement size from 39,800 to 93,056 square feet of building area. The sale dates ranged from April, 2004, through October, 2006, for prices that ranged from \$885,000 to \$4,100,000 or from \$13.97 to \$95.35 per square foot, unadjusted. After making detailed adjustments to these comparables, the appraiser estimated a range of values for the subject property from \$1,704,143 to \$1,780,469 resulting in a rounded value of \$1,750,000 as of the January 1, 2006 assessment date.

In reconciling these approaches to value, the appraisal noted that most reliance was placed on the sales comparison approach to value for it best reflects: the effects of interest's in the property, available financing, condition of sale, affects of time, anticipated returns on and or investment for the current

use, location, situs, building and parking ratios, gross building area, condition, desirability and utility of the sales of similar properties as well as market trends in the area. The Schlitz appraisal estimated a final value estimate of \$1,750,000 for the subject as of the assessment date of January 1, 2006.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment as dictated by the county assessor was \$1,050,246 for the 2006 tax year, which reflected a market value for the subject using various levels of assessment pursuant to the Cook County Ordinance of 10.12% of \$3,040,519. However, the board of review reduced this total assessment to \$790,052.

In addition, the board of review submitted a one-page unsigned memorandum from Ralph DiFebo as well as a copies of the subject's property record cards, and copies of documents relating to a mortgage of a portion of the subject's parcels. The memorandum stated that a mortgage was filed with the Cook County Recorder of Deeds office relating to five PINs, with only four of these PINs actually under current appeal before the Property Tax Appeal Board. The memorandum stated that the mortgage was executed on May 10, 2007 for \$3,850,000. It also indicated that PIN -026 which is part of the 2006 property tax appeal was not part of said mortgage, but that PIN -024 which is not part of the subject property under this current property tax appeal is included within the mortgage. In addition, the memorandum stated that the assessor's office was not privy to the appraisal used to secure the mortgage referred to herein.

Moreover, the copy of the document from the Cook County Recorder of Deeds office indicated that the mortgage was executed on May 10, 2007 for \$3,850,000 with three PINs identified thereon, with only two of the three PINs comprising part of the subject property currently under appeal.

Furthermore, in support of the subject's market value, raw sales data was submitted for four 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 June, 2004, to June, 2008, in an unadjusted range from \$1,850,000 to \$3,100,000, or from \$25.77 to \$42.88 per square foot of building area. The buildings ranged in age from 29 to 46 years and in size from 71,000 to 78,000 square feet of building area. The printouts reflect that there was no real estate brokers involved in sale #1. Moreover, the printouts reflect that sale #2 was not advertised for sale on the open market, while sales #2 through #4 were leased fee sales. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the board's representative testified that he had neither personal knowledge nor documentation reflecting that the

subject's mortgage was related in any way to an arm's length transaction.

In written rebuttal, the appellant asserted that the board of review's evidence was flawed in that the suggested comparables were not adjusted for market conditions and other related factors. As to the mortgage, the appellant argued that the board's memorandum noted that it was not privy to the appraisal used to secure the mortgage discussed therein. Moreover, appellant argued that the mere inclusion of a mortgage which may have been granted based on a variety of factors without any proof that said mortgage has been granted based on the property's value is irrelevant and misleading in this property tax appeal.

At hearing, the appellant's attorney argued that the mortgage could have been for the business and/or the real estate, but that the mortgage lends no clarification on this point. He asked that the Board take judicial notice of the evidentiary ruling in Docket #06-26922-C-1 relating to a different subject property and submitted a courtesy copy of said decision which was identified as Appellant's Hearing Exhibit #1. This Exhibit was admitted into evidence without objection from the board of review.

After considering the written arguments and/or testimony 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 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 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 developing the subject's market value. The Board finds this appraisal to be persuasive for the appraiser: has extensive experience in appraising and assessing property; personally inspected the subject property and reviewed the property's detailed history; estimated a highest and best use for the property; and utilized market data in undertaking the approaches to value as well as making adjustments where necessary.

Moreover, the Board finds that the board of review's evidence less than persuasive. As to the subject's market value, the

board of review provided unconfirmed, raw data in support of the subject's assessment. Furthermore, the board of review submitted a copy of a mortgage relating to parcels comprising the subject as well as some unrelated to the subject currently under appeal. The Board finds that the board of review failed to indicate by submission of this mortgage whether the value identified therein was related to business value, good will and/or the real estate. In addition, the Board finds that the mortgage and the documentation from the County Recorder of Deeds office are inconsistent in identifying parcels related to this mortgage, which further diminishes the weight to be attributed to this documentation.

Therefore, the Board finds that the appellant's appraisal indicates the subject's market value for the tax year at issue; but that the parties jointly stipulated that the subject's total assessment should be no lower than the appellant's requested total assessment for all five parcels of \$692,000. Therefore, the Board finds that a reduction is warranted for tax year 2006 based the appellant's market value evidence and upon the parties' joint stipulation.

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.



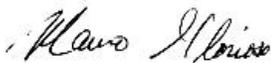
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Chairman



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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: August 28, 2012



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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.