



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

APPELLANT: Exxon Mobile Corporation  
DOCKET NO.: 07-00159.001-C-3  
PARCEL NO.: 19-09-05-100-008-0000

The parties of record before the Property Tax Appeal Board are Exxon Mobile Corporation, the appellant, by attorney Kevin P. Burke, of Smith Hemmesch Burke Brannigan & Guerin in Chicago; and the Will 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 Will County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:       \$315,681  
IMPR.:      \$1,279,169  
TOTAL:      \$1,594,850**

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a 21.5-acre industrial site improved with an oil storage facility. Improvements include two bulk oil storage tanks with a total capacity of 867,500 barrels and four small pre-engineered metal buildings totaling approximately 900 square feet of building area. The property is located in Mokena, Frankfort Township, Will County.

The appellant appeared before the Property Tax Appeal Board with its attorney claiming overvaluation as the basis of the appeal. The appellant's evidence indicated the Property Tax Appeal Board granted a reduction in the subject's assessment the prior year under docket no. 06-00276.001-C-3 to \$1,590,553, based on the evidence and testimony in the record for that appeal. The Board takes official notice of that decision and finds the evidence and testimony in the instant appeal is nearly identical to that found in the record for docket no. 06-00276.001-C-3.

The appellant's counsel first called Craig Mann, property tax agent for the appellant, who is based in Houston, Texas. Mann described the subject as a holding facility for oil shipped via pipeline from Canada that is then shipped to Exxon Mobil's Joliet Refinery for further processing. The subject has only the pipeline as a supply source and has no loading racks to load tanker trucks for delivery to service stations, since the subject stores only bulk crude oil and not refined products like gasoline.

In support of the overvaluation argument, the appellant submitted an appraisal of the subject property with an estimated market value of \$4,775,000 as of the report's effective date of January 1, 2006. Appraiser Joseph Ryan of LaSalle Appraisal Group, was present at the hearing to provide testimony and be cross-examined. Ryan holds the MAI, or Member of the Appraisal Institute, designation, and is a licensed real estate appraiser in Illinois, Michigan and Indiana. The witness testified he has appraised 15-20 oil storage facilities for the appellant, Marathon Oil, British Petroleum, Shell and Buckeye Terminals and has testified before the Property Tax Appeal Board in 75-100 hearings.

The appraiser considered the cost and sales comparison approaches in determining the subject's market value. In the cost approach, Ryan determined the subject's highest and best use as improved is for continued use as a bulk oil storage facility. In estimating the subject's land value, the appraiser examined six land sales that occurred from August 2003 to March 2005 in Joliet, Mokena and University Park, Illinois. The comparables range in size from 10.486 to 138.00 acres and sold for prices ranging from \$397,784 to \$1,400,000, or from \$10,143 to \$59,166 per acre and \$0.23 to \$1.36 per square foot of land area. The appraiser adjusted the land sales for location, market conditions between the sale date and appraisal date and site size. After considering the adjustments, Ryan chose \$1.00 per square foot as the basis for the subject, resulting in a land value estimate of \$936,104, or \$950,000 rounded.

In estimating a value for the subject's improvements, the appraiser consulted the Marshall Swift Valuation Manual. Regarding the small buildings, the appraiser considered them to be Class X excellent condition and determined their replacement cost new after depreciation was \$68,839. He valued the two oil storage tanks, built in 1972 and 1979, at \$4,701,282 and \$1,643,668. After deducting depreciation of \$2,820,769 and \$986,201, respectively, the storage tanks had a total depreciated cost of \$2,537,980. Site improvements, including containment dikes around the storage tanks, had a depreciated value of \$900,000. Based on this analysis, the appraiser estimated the subject's value by the cost approach at \$4,446,975 or \$4,500,000, rounded.

In the sales comparison approach, the appraiser examined 19 comparable sales located in Illinois, Indiana, Ohio, Missouri,

Wisconsin, Michigan, Iowa and Oregon. Six comparables are located in Illinois, with another in East Chicago, Indiana. Ryan considered location, barrel capacity, age, supply source, loading racks, land size and additional improvements. The comparables ranged in barrel capacity from 130,000 to 1,092,675. All but two had various combinations of bays and arms in their loading racks. The subject has no loading rack. Twelve comparables were supplied solely by pipeline, four were supplied by pipeline or barge, two were supplied solely by barge and one was supplied by rail and barge. The comparables were situated on sites ranging in size from 8.77 to 160 acres. The comparables sold from December 1996 to December 2005 for prices ranging from \$500,000 to \$6,700,000 or from \$2.75 to \$13.22 per barrel. The comparables included buildings that ranged from 1,200 to 120,000 square feet of building area. All sales were between oil companies, as they are the logical users of such facilities. The appraiser made no adjustments for time of sale because market conditions were stable during the sale period and "supply and demand factors that generally apply to real estate markets do not have the same bearing on these properties." He did, however, adjust the comparable sales for location, size, age/condition, supply source and land. After making these adjustments, Ryan used a unit value of \$5.50 per barrel, which resulted in a value for the subject by the sales comparison approach of \$4,771,250, or \$4,775,000, rounded.

Continuing his testimony, Ryan described the 19 comparable sales, noting the characteristics of each. In his reconciliation, Ryan relied most heavily on the sales comparison approach.

During cross examination, Ryan was questioned extensively by the board of review's representative regarding the 19 comparable sales in his appraisal, as well as the land sales submitted by the board of review. The witness testified he was not familiar with the board of review's land sales since he relied on the sales used in his report to determine the subject's land value in the cost approach.

The board of review submitted its "Board of Review Notes on Appeal", wherein the subject property's total assessment of \$2,430,221 was disclosed. The subject has an estimated market value of \$7,276,111 as reflected by its assessment and Will County's 2007 three-year median level of assessments of 33.40%.

In support of the subject's assessment, the board of review submitted a letter prepared by the township assessor, property record cards and two review analyses prepared by appraisers Steven S. Albert and David M. Richmond. Neither of these review appraisers was present at the hearing to provide testimony or be cross-examined and both reviews specifically stated they were not appraisals. Albert and Richmond analyzed eight land sales located in the vicinity of the subject that were not utilized in Ryan's appraisal. Albert's conclusion estimated the subject's land value at \$2.35 per square foot or \$2,200,000, rounded. Richmond estimated the subject's land value at \$4.00 per square

foot, or \$3,745,000, rounded. The review appraisers stated in their analyses that they considered these eight sales provided a more reliable indication of the subject's land value. The appellant's attorney objected to the absence of Albert and Richmond at the hearing and requested their reports receive little weight in the Board's determination of the subject's market value.

In rebuttal, the appellant asserted the analyses of land sales by Albert and Richmond, "do not even attempt to place a value on the subject's improvements". Citing Showplace Theatre Company v. The Property Tax Appeal Board, 145 Ill.App.3<sup>d</sup> 774 (2<sup>nd</sup> Dist. 1986), the appellant argued the board of review's evidence does not adequately rebut the appellant's appraisal of the subject property as improved.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Board further finds a reduction in the subject property's assessment is warranted. The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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 (3<sup>rd</sup> Dist. 2002). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the appellant submitted an appraisal of the subject property with an estimated market value of \$4,775,000. Appraiser Joseph Ryan, who prepared the report, was present at the hearing to provide testimony regarding his methodology and to be cross-examined. The board of review submitted no appraisal or other market data on comparable properties improved with bulk oil storage facilities like the subject, but instead submitted two land sales analyses of eight properties prepared by appraisers Albert and Richmond, neither of whom was present at the hearing to provide testimony or be cross-examined.

The Property Tax Appeal Board finds the best evidence of the subject's market value is found in the appellant's appraisal. The appraisal included a cost approach and a sales comparison approach wherein the appraiser considered 19 sales of bulk oil storage facilities located in various states. Six comparables were located in Illinois and one near the subject in northwest Indiana.

The Board finds the vacant land sales submitted in support of the subject's assessment by the board of review do not overcome Ryan's appraisal or his supporting testimony. In Showplace Theatre Company v. Property Tax Appeal Board, 145 Ill.App.3d 774 (2<sup>nd</sup> Dist. 1986), the Appellate Court affirmed the PTAB's decision in this market value appeal, finding that assessments are based on real property consisting of both land and

improvements even though Showplace only appealed the land assessment. In the instant appeal, the subject parcel consists of a 21.5-acre industrial parcel improved with a bulk oil storage facility built in 1972, comprised of two large oil tanks and four small support buildings. Therefore, the Board finds it inappropriate to consider only the subject's land value in an overvaluation appeal of an improved parcel, as argued by the board of review. The Board thus finds the subject's estimated market value of \$7,276,111 as reflected by its assessment is excessive and a reduction is warranted.

Based on this analysis, the Property Tax Appeal Board finds the subject had a market value of \$4,775,000, as found in the appellant's appraisal. Since market value has been established, the 2007 Will County three-year median level of assessments of 33.40% shall apply.

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.

*Ronald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

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: March 18, 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.