



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

APPELLANT: J. Flynn Building, LLC  
DOCKET NO.: 07-20388.001-I-1 through 07-20388.003-I-1  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are J. Flynn Building, LLC, the appellant(s), by attorney John P. Fitzgerald, of John P. Fitzgerald, Ltd. 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
07-20388.001-I-1	16-32-104-001-0000	61,801	105,929	\$ 167,730
07-20388.002-I-1	16-32-104-024-0000	3,329	106	\$ 3,435
07-20388.003-I-1	16-32-104-027-0000	3,329	106	\$ 3,435

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 69,268 square feet of land that is improved with a 77 year old, masonry, one-story industrial warehouse building with 38,743 square feet of building area. The subject has two overhead truck doors, one interior dock, a sprinkler system, and 11 to 12-foot ceilings. The appellant, via counsel, argued that the subject's market value was not accurately reflected in its assessment.

In support of the market value argument, the appellant submitted an appraisal undertaken by Matthew T. Kang and Gary T. Peterson of Peterson Appraisal Group, Ltd. The report states that Mr. Peterson is a licensed State of Illinois Certified General Real Estate Appraiser, while Mr. Kang is licensed as a State of Illinois Associate Appraiser. The appraisers stated that the subject had an estimated market value of \$485,000 as of January 1, 2005. The appraisal report utilized the cost approach to value, the income approach to value, and the sales comparison approach to value to estimate the market value for the subject property. The appraisal states that both appraisers personally inspected the subject, and that the subject's highest and best use as improved is its current use.

Under the cost approach to value, the appraisers estimated the subject's land value to be \$210,000 based on five recent land sales near the subject that the appraisers analyzed. The improvement's replacement cost was estimated to be \$1,357,957 using The Marshall Valuation Service. The appraisers also found that the subject had \$42,240 worth of site improvements. The appraisers then used the age/life method, and deducted 80.0% from the replacement cost new and the site improvements to account for depreciation of the improvement. The appraisers then added the estimated land value, the depreciated value of the site improvements, and the value of the depreciated replacement cost to arrive at a value under the cost approach to value of \$490,000, rounded.

In the income approach to value, the appraisers analyzed the rents of five suggested comparable nearby industrial buildings to estimate a potential gross income of \$160,572. Vacancy and collection losses were estimated to be 12%, for a net operating income of \$48,017. Operating expenses and management fees were estimated to be \$45,322, for a net operating income of \$95,981. A loaded capitalization rate of 20.46% was utilized to estimate a value under the income approach of \$470,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of five suggested comparables, which are described as industrial buildings that range in age from 29 to 103 years old, and in size from 14,800 to 134,500 square feet of building area. The comparables have from two to seven drive through truck doors, and three have two to seven exterior truck docks. The comparables' ceiling heights range from 12 to 24 feet high. These sales comparables sold from February 2002 to February 2004 for prices ranging from \$170,000 to \$1,500,000, or from \$10.79 to \$12.88 per square foot of building area, including land. The appraisers adjusted each of the comparables for pertinent factors. Based on the similarities and differences of the comparables when compared to the subject, the appraisers estimated a value for the subject under the sales comparison approach of \$485,000.

The appraisers gave the sales comparison approach primary consideration, and the cost approach and income approach secondary consideration in valuing the subject. Thus, the appraisers concluded that the subject's appraised value was \$485,000 as of January 1, 2005.

The appraisers also noted that the appellant purchased the subject in January 2005 for \$700,000. The appraisers concluded that, based on their analysis, "the subject property appears to have been purchased above market." Based on this evidence, the appellant requested a reduction in the subject's assessment.

The Cook County Board of Review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$209,211 was disclosed. The subject's final assessment yields a fair market value of \$581,142 when the 36% assessment level for

class 5-93 property under the Cook County Classification of Real Property Ordinance is applied. In support of the subject's assessment, the board of review submitted a property record card for the subject, and raw sales data for five industrial properties located within two and one-half miles of the subject. The sales data was collected from the CoStar Comps service, and the CoStar Comps sheets state that the research was licensed to the assessor's office. However, the board of review included a memorandum which states that the sales comparables have not been adjusted for market conditions, such as location, age, and size.

The suggested comparables are all one-story industrial buildings that range in age from 26 to 72 years old, and in size from 31,400 to 50,000 square feet of building area. The comparables have from one to four loading docks, and four of the comparables have from one to two drive-in overhead truck doors. Three of the comparables have a sprinkler system, and the comparables ceiling heights vary from 14 to 21 feet. The printouts state that the buyers in Comparable Sales #3 and #4 were tenants prior to the purchase. The printout do not list any real estate brokers which may have been used in Comparable Sales #1, #2, and #3, while both parties used the same real estate broker in Comparable Sale #5. The properties sold from June 2001 to March 2004 in an unadjusted range from \$355,000 to \$1,835,000, or from \$10.14 to \$37.26 per square foot of building area, land included.

The board of review also submitted a warranty deed, an Illinois Real Estate Transfer Declaration, and an additional CoStar printout. The transfer declaration and the CoStar printout both show that the subject was purchased in January 2005 for \$700,000. The CoStar printout also states that the appellant was the purchaser, and that the appellant leased the subject for five months prior to purchasing the property. The warranty deed shows that the subject was conveyed in January 2005, and includes \$700.00 worth of Illinois Real Estate Transfer Tax Stamps. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Mary Fitzgerald, reaffirmed the evidence previously submitted. Ms. Fitzgerald also acknowledged that the subject was purchased in January 2005, but that the appellant/purchaser paid a premium to the seller to avoid relocating the appellant's business. The Cook County Board of Review Analyst, Lena Henderson, argued that the January 2005 sale of the subject should be given the most weight by the Property Tax Appeal Board (the "Board"), and also reaffirmed the evidence previously submitted.

After reviewing the record and considering the evidence, the 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. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339

Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86 Ill. Admin. Code § 1910.63(e). 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. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code. § 1910.65(c). Having considered the evidence presented, the Board finds that a reduction is warranted.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appraisal submitted by the appellant. The appraisers utilized the cost approach to value, the income approach to value, and the sales comparison approach to value in determining the subject's market value. The Board finds this appraisal persuasive because the appraisers have experience in appraising, personally inspected the subject, and used similar properties in the sales comparison approach while providing adjustments that were necessary. The Board gives little weight to the board of review's comparables as the information provided was unadjusted raw sales data.

The Board gave the January 2005 sale of the subject property for \$700,000 diminished weight. The Illinois Supreme Court has recognized that "a contemporaneous sale between parties dealing at arms length is not only relevant to the question of fair cash market value, [citations] but would be practically conclusive." People ex rel. Korzen v. Belt Ry. Co. of Chi., 37 Ill. 2d 158, 161 (1967); Village of Lake Villa v. Stokovich, 211 Ill. 2d 106, 132 (2004). However, in Calumet Transfer, the Appellate Court found that other evidence of value can be considered by the Board in determining the subject's fair cash value. Calumet Transfer, 401 Ill. App. 3d at 656. In Calumet Transfer, that evidence was other comparable sales of similar properties near the subject, which the Court found was authorized by 86 Ill. Admin. Code. § 1910.65(c)(4). Id. In this case, that evidence is the appraisal submitted by the appellant, which is authorized by 86 Ill. Admin. Code. § 1910.65(c)(1). Thus, the Courts have found that the Board has the discretion to weigh other evidence more heavily than a recent sale of the subject property in determining the subject's fair cash value. The Board chooses to do so here, because the appellant/purchaser was a tenant of the seller prior to purchasing the subject, and it is likely that a premium was paid by the appellant/purchaser to avoid moving the business.

Therefore, the Board finds the subject had a market value of \$485,000 for tax year 2007. Since market value has been determined, the Cook County Real Property Classification Ordinance as in effect for tax year 2007 shall apply. The subject is classified as a class 5-93 property. Therefore, the applicable assessment is 36% of the subject's fair market value, which equates to \$174,600. The subject's current total assessed

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value is higher than this value, and, therefore, the Board finds 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: January 31, 2013

*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.