



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

APPELLANT: Vista Trust  
DOCKET NO.: 07-23100.001-C-1 through 07-23100.003-C-1

The parties of record before the Property Tax Appeal Board are Vista Trust, the appellant, by attorney Mitchell L. Klein, of Schiller Klein PC in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a partial increase and a partial decrease 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
07-23100.001-C-1	10-24-310-036-0000	15,006	9	\$ 15,015
07-23100.002-C-1	10-24-310-038-0000	86,047	211	\$ 86,258
07-23100.003-C-1	10-24-310-043-0000	90,508	1,213	\$ 91,720

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject has 96,748 square feet of land that is improved with a 43 year old, one and part two-story, masonry, industrial building. The subject's improvement size is 22,880 square feet of building area. Its total assessment is \$220,990, which yields a fair market value of \$613,861, or \$26.83 per square foot of building area (including land), after applying the 36% assessment level for commercial properties under the 2007 Cook County Classification of Real Property Ordinance. The appellant, via counsel, argued that there was unequal treatment in the assessment process of the subject's land assessment and also that the fair market value of the subject property was not accurately reflected in its assessed value as the bases of this appeal.

In support of the equity argument, the appellant submitted descriptive and assessment information for three properties suggested as comparable to the subject. The comparables are described as industrial properties. Additionally, the comparables are from 21 to 61 years old, have from 42,594 to 50,520 square feet of land area, and have a land unit price of \$5.50 per square foot of building area. The land unit price of the subject parcels ranges from \$5.02 to \$7.30 per square foot.

In support of the market value argument, the appellant submitted an industrial appraisal report for the subject property with an effective date of January 1, 2006. The appraiser estimated a fair market value for the subject of \$350,000 based on the income and sales comparison approaches to value. The appraiser also conducted an inspection of the subject.

In the income approach to value, the appraiser analyzed the subject's contract rent of \$72,000 annually. Vacancy and collection were estimated at 15%, or \$10,800, while expenses were estimated at an additional \$10,598 to arrive at a net operating income of \$50,602. A loaded capitalization rate of 16.95% was utilized to estimate a value under the income approach of \$300,000, rounded. *The appraiser failed to include any market rental comparables for analysis.*

Under the sales comparison approach, the appraiser analyzed the sales of seven industrial buildings, located in Skokie, Niles or Evanston. The properties range in building size from 10,000 to 21,795 square feet of building area and sold from April 2003 to October 2005 for prices ranging from \$330,000 to \$875,000, or from \$23.93 to \$40.15 per square foot of building area, including land. The appraiser adjusted each of the comparables for pertinent factors. Based on the similarities and differences of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales comparison approach of \$25.00 per square foot of building area or \$350,000, rounded. Although the appraiser made upward adjustments for time, land-to-building ratio, location and size, the subject was valued at the lower end of the range of value.

In reconciling the two approaches to value, the appraiser arrived at a final estimate of value for the subject as of January 1, 2006 of \$350,000.

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 \$220,990 was disclosed. 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 commercial buildings located within four 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 Cook County Assessor's Office. However, the board of review included a memorandum which states that the submission of these comparables is not intended to be an appraisal or an estimate of value, and should not be construed as such. The memorandum further states that the information provided was collected from various sources, and was assumed to be factual, accurate, and reliable; but that the information had not been verified, and that the board of review did not warrant its accuracy.

The comparables are described as one-story, masonry, commercial buildings. Additionally, the comparables are from 43 to 60 years old, and have from 20,000 to 23,000 square feet of building area. The comparables sold between August 2003 and October 2005 for \$508,500 to \$1,100,000. Based on this evidence, the board of review requested confirmation of the subject's assessment.

In written rebuttal, the appellant indicated that the board of review: submitted raw sales data; did not address the land uniformity argument; the board of review's sale comparables are not in the same township as the subject; and two of the subject parcels support a reduction for the third parcel.

After reviewing the record and considering the evidence, the Property Tax Appeal Board (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 the evidence indicates a reduction is not warranted based on market value.

The Board finds that the income approach in the appraisal is unpersuasive as the appraiser analyzed contract market data without including any market rental comparables. The appellant's appraiser formulated an overvaluation argument using the subject's actual income and estimated expenses. The Board finds the appellant's argument that the subject's assessment be reduced by applying the subject's contract income and estimated expenses unconvincing and not supported by evidence in the record. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate through any documentation, including this appraisal, that the subject's actual income and estimated expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant attempted, one must establish, through the use of market data, the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. Further, the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant did not provide such evidence; therefore, the Property Tax Appeal Board gives this appraisal little weight.

Additionally, the Board finds the sales comparison approach flawed as well as the sale comparables formed a range of value from \$22.82 to \$40.15 per square foot, including land. The appraiser indicated he was mainly making upward adjustments for location, time, land-to-building ratio and size, then valued the subject at \$25.00 per square foot including land, which is on the lower end of the range. Additionally, he indicated the subject contains 14,010 square feet when the board of review's property record card indicates the subject contains 22,880 square feet. No survey or building sketch was included in the appraisal.

Because of the errors contained in the appraisal, the Board finds that the appellant has not met its burden by a preponderance of the evidence and that the subject does not warrant a reduction based upon the market data submitted into evidence.

The appellant also contends unequal treatment in the subject's land assessment as the basis of this appeal. Taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing evidence. Walsh v. Prop. Tax Appeal Bd., 181 Ill. 2d 228, 234 (1998) (citing Kankakee Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 131 Ill. 2d 1 (1989)); 86 Ill. Admin. Code § 1910.63(e). To succeed in an appeal based on lack of uniformity, the appellant must submit documentation "showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property." Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 403 Ill. App. 3d 139, 145 (1st Dist. 2010); 86 Ill Admin. Code § 1910.65(b). "[T]he critical consideration is not the number of allegedly similar properties, but whether they are in fact 'comparable' to

the subject property." Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 403 Ill. App. 3d at 145 (citing DuPage Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 284 Ill. App. 3d 649, 654-55 (2d Dist. 1996)). After an analysis of the assessment data, the Board finds that the appellant has met this burden.

The Board finds that comparables #1, #2 and #3 submitted by the appellant were most similar to the subject in location, size and use. Due to their similarities to the subject, these comparables received the most weight in the Board's analysis. These comparables had land assessments at a land unit price of \$5.50 per square foot. The subject's land assessments ranged in value from \$5.02 to \$7.30 per square foot. Accordingly, permanent index numbers 10-24-310-036 and -038 will be increased to a land unit price of \$5.50 per square foot, while 10-24-310-043 will be decreased to a land unit price of \$5.50 per square foot. Therefore, the Board finds that the subject's improvement assessment is overall not equitable, and a net reduction in the subject's total assessment 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.



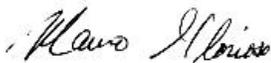
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Chairman



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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: September 20, 2013



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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.