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

APPELLANT: JP Morgan Chase & Co.
DOCKET NO.: 07-24500.001-C-3 through 07-24500.006-C-3
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are JP Morgan Chase & Co., the appellant(s), by attorney Kevin B. Hynes, of O'Keefe Lyons & Hynes, LLC in Chicago; the Cook County Board of Review by Cook County Assistant State's Attorney Joel Buikema.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds ***no change*** 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 |
|---|---|---|---|---|
| 07-24500.001-C-3 | 13-05-314-005-0000 | 57,655 | 3,701 | $61,356 |
| 07-24500.002-C-3 | 13-05-314-006-0000 | 84,987 | 751,928 | $836,915 |
| 07-24500.003-C-3 | 13-05-314-007-0000 | 35,104 | 84,410 | $119,514 |
| 07-24500.004-C-3 | 13-05-314-021-0000 | 65,420 | 12,230 | $77,650 |
| 07-24500.005-C-3 | 13-05-314-026-0000 | 44,616 | 6,903 | $51,519 |
| 07-24500.006-C-3 | 13-05-314-027-0000 | 30,810 | 18,229 | $49,039 |

Subject only to the State multiplier as applicable.

## ANALYSIS

The subject property consists of six parcels of land totaling 79,848 square feet and improved with two-story, masonry commercial, bank buildings with a building area of 26,270 square feet, excluding the basement and an actual age of 34 years. The appellant, through counsel, appeared before the Property Tax Appeal Board arguing that the fair market value of the subject is not accurately reflected in its assessed value.

In support of this argument, the appellant submitted a complete summary appraisal report with an effective date of January 1, 2006 authored by Robert Boyle with Prime Appraisal, L.L.C. The report indicates Del Monte is a State of Illinois certified general appraiser. The appraiser employed all three traditional

approaches to value to estimate a total market value for the subject as of January 1, 2006 of $2,000,000.

The appraisal describes the subject property and its environs with the exception of the basement. The appraisal does not describe or reference a basement for the subject property at all. The appraisal indicates the subject's improvement is in average condition. Boyle determined the highest and best use for the subject as vacant is office use and as improved is its existing use.

Under the cost approach to value, the appraiser analyzed the sale of five properties to estimate the value of the land at $15.00 per square foot or $1,200,000, rounded. The replacement cost new was utilized with reliance on the R.S.Means Square Foot Costs Manual to determine a cost for the improvement at $3,305,000. Using the age-life method, the appraiser depreciated the improvement by 68% and external obsolesces was calculated based on the loss of value due to the market conditions. The total value of the improvement was then estimated at a value of $843,042. The land was added back in to establish a value under the cost approach of $2,040,000, rounded.

In the income approach to value, the appraiser analyzed eight rental comparables to estimate a potential gross income of $21.00 per square foot, or $551,670. Vacancy and collection was estimated at 10% for an effective gross income of $496,503. Total expenses, based on the Building Owners and Managers Association, were deducted to arrive at a net operating income of $251,403. Direct market and the band of investment methods were utilized to establish a capitalization rate of 11% with a loaded rate of 17.2% for an estimate of value under the income approach of $2,040,000, rounded.

Under the sales comparison approach, the appraiser analyzed five masonry or concrete, one, one and part two and two-story, commercial, banking buildings in the subject's market. The buildings range: in age from seven to 39 years; in size from 3,000 to 18,000 square feet of building area; and in land to building ratios from 1.72:1 to 6.05:1. The comparables sold from June 2003 to September 2005 for prices ranging from $200,000 to $1,787,000, or from $66.67 to $121.62 per square foot of building area, including land. The appraiser adjusted each of the comparables for pertinent factors. Based on the similarities and difference of the comparables when compared to the subject, the appraiser estimated a value under the sales comparison approach of $75.00 per square foot of building area, including land or $1,970,000, rounded.

In reconciling the values, the appraisal gave less consideration to the cost approach, appropriate consideration to the income approach, and maximum consideration to the sales comparison approach to arrive at a value for the subject property as of January 1, 2006 of $2,000,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of $1,195,993 was disclosed. This assessment reflects a fair market value of $3,147,350 when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5A commercial property is applied. The board also submitted a memo, copies of the property characteristic printouts for the subject, and raw sales data on four properties. The sales occurred between February 2000 and October 2006 for prices ranging from $1,656,000 to $2,983,500 or from $86.25 to $188.35 per square foot. The memo states the documents are not intended as an appraisal or estimate of value and that the writer has not verified the information or sources and does not warrant its accuracy.

The property record card indicates that there is a basement described as reinforced concrete flooring, partially finished and divided, with heat and air conditioning. In addition, the card lists over 2,500 safety deposit boxes, but does not specify where in the building these boxes are located. The Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing both parties argued the deficiencies in each other's evidence. The main argument presented by the board of review was the appellant's lack of a witness to testify as to the appraisal and the exclusion of the basement in the valuation.

The main argument by the appellant was the board of review's lack of a witness to explain the sales, why they were not adjusted, and the location and condition of each sale.

After hearing arguments and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of this appeal. The issue before the Property Tax Appeal Board is the determination of the subject’s market value for ad valorem tax purposes.

When market value is the basis of the appeal, the value of the subject property must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 728 N.E.2d 1256 (2nd 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.Adm.Code §1910.65(c)).

In determining the fair market value of the subject property for tax year 2007, the PTAB closely examined the appellant's appraisal and the board of review's submission.

The PTAB finds that the courts have stated that where there is credible evidence of comparable sales, these sales are to be given significant weight as evidence of market value. Chrysler Corp. v. Illinois Property Tax Appeal Board, 69 Ill.App.3d 207

(2nd Dist. 1979); Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5th Dist. 1989).

The PTAB finds that the evidence shows the subject contains a partially finished basement. The board of review made substantial arguments as to what is in the basement and the value it contributes. However, it is unclear from the evidence what is located in the basement, but the PTAB finds the basement exists and contributes value to the property. Because the appellant's appraisal does not include the additional square footage or address the basement at all, the comparables used, although similar to the subject, were adjusted based on an inaccurate size for the subject.

Because the adjustments in the appraisal's sales comparison approach are questionable, the PTAB will look to the raw sales data. In the instant case, the board of review also included raw sales data. In totality, the parties submitted nine suggested sales comparables. The PTAB gives little weight to the board of review's sales #2 and #4 because the sales dates are aged and too far removed from lien date to accurately reflect the subject's market value on the lien date.

The remaining sales were given significant weight by the PTAB and have a sales range of $66.67 to $188.35 per square foot of building area, including land. The subject property's current assessed value equates to a market value of $104.64 per square foot of building area, including land. After considering all the evidence as well as the adjustments necessary, the PTAB finds that the subject's current 2007 assessment is supported by the comparables contained in this record and that a reduction in the subject's assessment is not 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.

Chairman

Member

Member

Member

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: May 20, 2011

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.