



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

APPELLANT: Equipment Storage Corporation  
DOCKET NO.: 07-24994.001-I-1  
PARCEL NO.: 20-30-224-013-0000

The parties of record before the Property Tax Appeal Board are Equipment Storage Corporation, the appellant, by attorneys Michael E. Crane and Jim Boyle, of Crane & Norcross 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:

**LAND:** \$ 112,021  
**IMPR.:** \$ 49,979  
**TOTAL:** \$ 162,000

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 177,812 square feet of land which is improved with two 55-year old, one-story, masonry, industrial buildings.

The appellant argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the bases of this appeal.

In support of the market value argument, the appellant submitted an appraisal report of the subject property with an effective date of January 1, 2006. The appraisers estimated a market value for the subject of \$450,000, based upon development of the three traditional approaches to value. The appraisers inspected the subject on August 23, 2003 and July 12, 2006. In doing so they estimated the subject's buildings jointly contained 101,175 square feet of building area including 1,000 square feet of finished office area. The second building comprises only 6,219 square feet of building area. Overall, the appraisal stated that 'the subject property had been inspected and that a thorough investigation and analysis had been made in order to arrive at a sound opinion of its market value'.

The appraisers developed a highest and best use as vacant, for industrial development, while the highest and best use as improved was its current use. In developing this highest and best use analysis as if vacant, the appraisal stated that 'judging by the site's physical characteristics, which are void of any substantial adverse conditions, development of the site with a structure and ancillary improvements which meets zoning requirements is possible'. In developing the use as if improved, the appraisal stated that 'the property is in average condition and well suited to industrial users typical of this marketplace'. In addition, it indicated that 'the subject's site is currently improved with an industrial building which is very typical for this marketplace in terms of layout and utility'.

In the cost approach, the appraisers used 5 land sales to estimate a land value at \$2.00 per square foot or \$355,000, rounded. Then they employed the R.S. Means Square Foot Cost Manual to estimate a replacement cost new of \$5,475,000, rounded. Less 98% depreciation resulted in a depreciated value of the improvements at \$109,500. Adding the land value resulted in an opinion of value under this approach of \$465,000, rounded.

In the income approach, the appraisers used 6 rental comparables to estimate a net income of \$55,899 for the subject. Applying a market derived capitalization rate of 12.5% resulted in a value of \$450,000, rounded, under this approach to value.

Lastly, the appraisers developed a sales comparison approach using 5 improved sale comparables, which ranged in building size from 53,000 to 383,195 square feet of building area. The properties sold from February, 2003, to April, 2005. After making adjustments to the comparables, the appraisers opined a market value for the subject of \$4.50 per square foot or \$455,000 under this approach.

In reconciling these approaches to value, the appraisers placed maximum emphasis on the sales comparison approach with moderate emphasis on the income approach. Therefore, the final estimate of value for the subject property is \$450,000 as of the assessment date at issue.

As an ancillary issue, the appellant argued that the subject's market value should be further diminished with application of a 40% vacancy factor. In support of this assertion, affidavits of vacancy for tax years 2006 and 2007 were submitted as well as a third affidavit from the managing agent for the property. Based upon this evidence, the appellant requested a reduction in market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$252,073. The subject's assessment reflects a market value of \$700,202 or \$7.00 per square foot using the Cook County Ordinance level of assessment for industrial class 5B property of 36%. The board's memorandum states that the subject's improvement size is 100,048

square feet, while submitting a copy of the subject's property record card which is undated.

In support of the subject's market value, raw sales data was submitted for 5 properties. The properties are designated as industrial/warehouse locations. 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 in an unadjusted range from \$16.73 to \$51.88 per square foot of building area and range in building size from 80,000 to 110,000 square feet of building area.

Moreover, the board of review's memorandum stated that the data was not intended to be an appraisal or an estimate of value and should not be construed as such. The memorandum indicated that the information provided therein had been collected from various sources that were assumed to be factual and reliable; however, it further indicated that the writer hereto had not verified the information or sources and did not warrant its accuracy. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the board's representative rested on the evidence submissions. He testified that the board of review could apply a vacancy factor if the proper documents were submitted including: an affidavit, photographs and proof of mitigation. He also indicated that such a factor would be applied only to the improvement and not the land.

After considering the arguments and 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, 331 Ill.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.

The Board finds the best evidence of the subject's market value to be the appellant's appraisal, which utilized all three traditional approaches to value in developing the subject's market value. The Board also finds the appraisal to be persuasive for the appraisers: have experience in appraising and assessing property; personally inspected the subject property on two occasions; estimated a highest and best use for the property;

and utilized market data in undertaking each of the approaches to value, while making adjustments to the comparables where necessary. Further, the Board finds the best evidence of building size was proffered by the appellant's appraisal.

In contrast, the Board finds that the board of review submitted raw, unadjusted sales data, while not warranting the accuracy or reliability of this data.

As to the ancillary issue of application of a vacancy factor, the Board finds that the appellant's argument is unpersuasive. While the appellant submitted vacancy affidavits, there were neither interior photographs nor proof of mitigation submitted. Further, the appellant's appraisal failed to make any mention of a vacancy inhibiting the subject's market value.

Therefore, the Board finds that the subject property contained a market value of \$450,000. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5B, industrial property of 36% will apply. Therefore, the Board finds that 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: December 20, 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.