



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

APPELLANT: Reliable & Associates Construction Co.  
DOCKET NO.: 07-26181.001-I-1  
PARCEL NO.: 16-35-300-035-8002

The parties of record before the Property Tax Appeal Board are Reliable & Associates Construction Co., the appellant(s), by attorney George J. Behrens, of McCracken, McCracken & Behrens, P.C. in Chicago; and the Cook County Board of Review.

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:

**LAND:** \$ 0  
**IMPR.:** \$ 144,730  
**TOTAL:** \$ 144,730

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a one-story, 1,700 square foot industrial building built in 1980. It is situated on a 174,845 square foot exempt site and is utilized as an asphalt production facility. The subject building consists of a dispatch window at the front of the building, several small offices, a locker room and a storage area. In addition to the building improvement, the site also contains two in-ground truck scales, various concrete foundations, and gravel and asphalt paving. The appellant, via counsel, argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

In support of the market value argument, the appellant submitted an appraisal undertaken by Dmitriy Fleyshev, Harry Fishman, and Mitchell Perlow of Property Valuation Services. The report indicates Fleyshev is a certified residential appraiser, Fishman is a certified general appraiser, and Perlow is a State of Illinois certified general appraiser who holds an MAI (Member of the Appraisal Institute) designation. The appraisers indicated

the subject has an estimated market value of \$195,000 as of January 1, 2007. The appraisal report utilized two of the three traditional approaches to value to estimate the market value for the subject property. As the subject is located on leased land, which is tax exempt, only the improvements were valued. Additionally, the appraisers noted that they considered storage and feeder bin units, four tar storage tanks, elevated asphalt production equipment, and a mobile home, as personal property and therefore excluded them from their valuation with no further explanation or evidence submitted. The appraisal finds the subject's highest and best use is its current use.

Under the cost approach to value, the appraiser noted that the subject is located on leased land that is tax exempt and is therefore not included in the valuation. In order to value the improvements only, the replacement cost method was utilized to determine a cost for the building improvements at \$214,948. Based upon 40% depreciation, the depreciated value of the building was \$130,000. The appraisers also valued the two 50 ton in-ground truck scales at \$50,000 each. Less 75% depreciation, the depreciated value of each scale was \$12,500. Finally, the appraisers determined that the foundations and paving had an estimated depreciated value of \$50,000. Adding the depreciated values of the two scales, the foundations and paving and the improvements yields a total indicated value under the cost approach of \$205,000, rounded.

Under the sales comparison approach, the appraisers used the land abstraction technique to arrive at a value for the improvements only, as the land is tax exempt. For each comparable sale, the assessor's land value as of the date of sale was subtracted from the sale price, then converted to a price per square foot of building only. The appraisers analyzed the sales of five one-story, masonry commercial buildings located in either Cicero or Chicago. The properties contain between 1,900 and 3,100 square feet of building area. The comparables sold from January 2003 to October 2006 for prices ranging from \$148,000 to \$193,000, or from \$52.90 to \$73.03 per square foot of building area, excluding land. Comparables #1 through #3 and #5 are office buildings while comparable #4 is an auto parts store. None of the comparables are zoned for heavy industrial usage as is the subject. The appraisers then 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 \$70.00 per square foot of building area, excluding land, or \$119,000, rounded. The appraisers then added the depreciated values developed in the cost approach of the two scales (\$25,000 total) and the foundations and paving (\$50,000 total) to arrive at a market value under the sales approach of \$195,000.

In reconciling the two approaches to value, the appraisers noted that they placed minimum emphasis on the cost approach as "the estimate of depreciation is a most difficult problem even when

good data is available." They also noted that they found reasonably good land sales, although land sales were not applicable to this property. Accordingly, the appraisers gave the most weight to the sales comparison approach to arrive at a final estimate of value for the subject as of January 1, 2007 of \$195,000.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$144,730. This assessment reflects a market value of \$402,028 using the level of assessment of 36% for Class 5B property as contained in the Cook County Real Property Assessment Classification Ordinance. The board also submitted the property record card for the subject as well as raw sales information on a total of four comparables of industrial buildings located in Chicago, all located within a five mile radius of the subject. They sold between June 2008 and July 2009 for prices ranging from \$225,000 to \$760,000, or from \$75.89 to \$400.00 per square foot of building area, including land. The board of review also used the land abstraction technique to arrive at a "building only" value range of \$59.64 to \$396.00 per square foot of building area. No adjustments were made for location, size, age or amenities. In addition, the board of review submitted a map showing the location of the sales comparables in relation to the subject property. As a result of its analysis, the board requested confirmation of the subject's assessment.

After considering the evidence and reviewing the record, 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, 331Ill.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 evidence indicates a reduction is not warranted.

In determining the fair market value of the subject property, the Board gives little weight to the appellant's appraisal. The Board finds the appellant's appraisers gave the most weight to the sales comparison approach, yet used elements of the cost approach interspersed in the sales analysis even after they stated that estimating depreciation was a difficult problem. Additionally, the Board finds the comparables used were extremely dissimilar to the subject property as the comparables are commercial office buildings or an auto parts store, while the subject is used for the industrial production of asphalt. The appraisers also excluded from valuation the storage and feeder

bin units, four tar storage tanks, elevated asphalt production equipment, and a mobile home, due to their categorization as personal property yet provided no support for this contention. Finally, the appraisers noted that comparable #2 sold in January 2003, a date too distant in time to value the subject as of January 1, 2007. The Board also finds that the appraiser that conducted the inspection of this industrial facility, Dmitriy Fleyshov, is a certified residential appraiser with little to no experience in appraising industrial facilities, detracting from this appraisal's credibility. Finally, the parties waived their right to an oral hearing and requested that a decision be rendered solely on the evidence contained in the record. As there was no hearing, there was no appraiser testimony to bolster the position indicated by the appraisal. The Board finds that because of this analysis and the use of inappropriate market data, the estimate of value for the subject property is unreliable. As a final point, the Board gives little weight to the board of review's comparables as the information provided was raw sales data with no adjustments made.

Accordingly, in determining the fair market value of the subject property, the Board finds that the appellant failed to submit sufficient evidence to show the subject was overvalued. Therefore, 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.

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.