



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

APPELLANT: Norman Ross
DOCKET NO.: 07-26730.001-I-1
PARCEL NO.: 08-35-104-068-0000

The parties of record before the Property Tax Appeal Board are Norman Ross, the appellant(s), by attorney Steven B. Pearlman, of Steven B. Pearlman & Associates 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: \$ 94,252
IMPR.: \$ 193,748
TOTAL: \$ 288,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 61,603 square feet of land that is improved with a 47 year old, masonry, industrial manufacturing building with 25,528 square feet of building area, of which 3,500 square feet is used as office space. The subject has a sprinkler system, three interior truck docks, one drive-in door, and 14-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 Charlie Hynes, Frank C. Urban, and Michael J. Urban, all of Frank C. Urban & Co. The report states that Mr. Hynes, and Mr. Frank Urban, are licensed State of Illinois Certified General Real Estate Appraisers, while Mr. Michael Urban is licensed as a State of Illinois Associate Appraiser. The appraisers stated that the subject had an estimated market value of \$800,000 as of January 1, 2007. 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 Mr. Frank Urban and Mr. Michael Urban both 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 \$370,000 based on recent land sales near the subject. The improvement's replacement cost was estimated to be \$1,402,723 using the Marshall and Swift Cost Manual. The appraisers added 3% for indirect costs, and 7% for entrepreneurial incentive to arrive at a total replacement cost new for the subject of \$1,545,941. The appraisers then deducted 72.40% from the replacement cost new to account for depreciation of the improvement. The appraisers also found that the subject contained \$24,000 worth of site improvements. The appraisers then added the estimated land value, the site improvements, and the value of the depreciated replacement cost to arrive at a value under the cost approach to value of \$820,000, rounded.

In the income approach to value, the appraisers analyzed the rents of four suggested comparable nearby buildings to estimate a potential gross income of \$102,112, or \$4.00 per square foot of building area. Expenses were estimated to be \$9,803, and vacancy and collection losses were estimated to be 10%, for a net operating income of \$82,098. A capitalization rate of 10.00% was utilized to estimate a value under the income approach of \$820,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of four suggested comparables, which are described as one-story, masonry, industrial buildings that range in age from 18 to 44 years old, and in size from 26,000 to 47,000 square feet of building area. The sales comparables have either one or two drive-in doors, and three of the comparables have one or two exterior trailer bays. The comparables' ceiling heights range from 14 to 24 feet high. These sales comparables sold from October 2004 to April 2006 for prices ranging from \$480,000 to \$1,437,500, or from \$18.46 to \$32.69 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 \$790,000.

The appraisers gave the sales comparison approach primary consideration, and the income approach secondary consideration in valuing the subject. Thus, the appraisers concluded that the subject's appraised value was \$800,000 as of January 1, 2007. 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 \$349,999 was disclosed. The subject's final assessment yields a fair market value of \$972,219 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 characteristic printout for the subject, and raw sales data for six commercial properties located within one mile 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 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 stated 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 suggested comparables contained buildings that range in age from 16 to 38 years old, and in size from 25,012 to 26,269 square feet of building area. The properties sold from May 2002 to October 2006 in an unadjusted range from \$1,108,000 to \$1,875,000, or from \$42.62 to \$74.85 per square foot of building area, land included. The printouts also indicate that the parties in Comparables #2 used the same realtor. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Chris D. Sarris, reaffirmed the evidence previously submitted. The Cook County Board of Review Analyst, Colin Brady, rested on the evidence previously submitted.

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 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, and was admittedly not intended to be an estimate of value.

Therefore, the Board finds the subject had a market value of \$800,000 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 \$288,000. The subject's current total assessed 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.