



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

APPELLANT: The Pepper Companies, Inc.
DOCKET NO.: 07-28906.001-I-1 through 07-28906.002-I-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are The Pepper Companies, Inc., the appellant, by attorney Liat R. Meisler, of Golan & Christie LLP 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:

| DOCKET NO | PARCEL NUMBER | LAND | IMPRVMT | TOTAL |
|------------------|--------------------|--------|---------|-----------|
| 07-28906.001-I-1 | 01-02-201-015-0000 | 8,624 | 1,913 | \$10,537 |
| 07-28906.002-I-1 | 01-02-201-016-0000 | 72,997 | 372,466 | \$445,463 |

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 72,745 square foot site improved with a 42-year old, one-story, metal panel, warehouse building with approximately 24,291 square feet of gross building area. The building has one loading dock and four drive-in doors. 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 co-authored by Reed L. Carnahan and Joseph M. Ryan of LaSalle Appraisal Group, Inc. Both appraisers are Illinois Certified General Real Estate Appraisers while Ryan holds an MAI designation. Carnahan personally inspected the interior and exterior of the subject property and indicated the subject has an estimated market value of \$1,200,000 as of January 1, 2007. The appraisal report utilized two of the three traditional approaches to value, that is the income approach and the sales comparison approach, to estimate the market value for the subject property.

The existing improvements are believed to represent the highest and best use of the site as improved.

Under the income approach to value, the appraisers evaluated four rental comparables then estimated annual net rent at \$5.75 per square foot or \$139,673. After deducting expenses estimated at 17%, a net operating income of \$116,906 was established. The direct capitalization approach was utilized to establish an overall capitalization rate of 9.82% that yielded an estimate of value under the income approach of \$1,190,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of four industrial buildings located within the subject's market. The properties contain between 17,892 and 35,513 square feet of building area. The comparables sold from October 2005 to January 2007 for prices ranging from \$945,000 to \$1,400,000 or \$39.42 to \$54.04 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 \$50.00 per square foot of building area, including land or \$1,215,000, rounded.

In reconciling the two approaches to value, the appraisers arrived at a final estimate of value for the subject as of January 1, 2007 of \$1,200,000.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$534,809. This assessment reflects a market value of \$1,407,392 using the level of assessment of 38% for Class 5a property as contained in the Cook County Real Property Assessment Classification Ordinance. The board also submitted raw sales information on a total of five comparables that sold between December 2003 and June 2007 for prices ranging from \$650,000 to \$1,900,000, or from \$21.67 to \$81.90 per square foot of building area, including land. 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.

At hearing, the appellant's counsel, Liat Meisler, as well as the board of review's representative, Chris Beck, rested on the evidence previously submitted.

After hearing the arguments and considering the evidence in 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. 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 appellant's appraisal. The appellant's appraisers utilized two of the three approaches to value in determining the subject's market value. The Board finds this appraisal to be persuasive for the appraisers: have experience in appraising; personally inspected the subject property and reviewed the property's history; estimated a highest and best use for the subject property; utilized appropriate market data in undertaking the sales comparison approach to value; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary. The Board gives little weight to the board of review's comparables as the information provided was raw sales data with no adjustments made for location, size, date of sale, age, land-to-building ratio, or other related factors.

Therefore, the Board finds that the subject property had a market value of \$1,200,000 for the 2007 assessment year. Since the market value of the subject has been established, the Cook County Real Property Classification Ordinance level of assessments for Cook County Class 5a property of 38% will apply. In applying this level of assessment to the subject, the Board finds that a reduction in the subject's market value 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

[Signature]

Member

[Signature]

Member

[Signature]

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: March 22, 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.