



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

APPELLANT: American Metalcraft, Inc.  
DOCKET NO.: 07-29503.001-I-1  
PARCEL NO.: 12-34-401-017-0000

The parties of record before the Property Tax Appeal Board are American Metalcraft, Inc., the appellant(s), by attorney Scott Shudnow, of Shudnow & Shudnow, Ltd. 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:** \$185,270  
**IMPR:** \$541,930  
**TOTAL:** \$727,200

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 121,092 square feet of land improved with a 45-year old, one-story industrial building containing 95,925 square feet of gross building area. The appellant 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's pleadings included a summary appraisal of the subject property with an effective date of January 1, 2007 undertaken by Timothy R. O'Keefe, a senior staff appraiser and Arthur J. Murphy who holds an MAI designation and is a certified general real estate appraiser. The appraiser estimated a market value for the subject of \$2,020,000.

The appraisers indicated that the subject's highest and best use as vacant and improved is for its current use. In addition, the appraisal states that in March 2005 legal title was transferred to an LLC for estate planning purposes. This transfer was not arm's length, not a market sale and therefore, does not reflect market value.

The appraisers developed all of the three traditional approaches to value. The appraiser developed the sales comparison, income capitalization, and cost approaches to value.

Under this sales comparison approach to value, the appraisers utilized five sale comparables. These comparables sold from April 2005 through June 2007, for prices that ranged from \$1,889,500 to \$2,654,000 or from \$16.56 to \$25.02 per square foot. The properties were zoned for industrial/office/warehouse usage. The properties ranged in building size from 85,475 to 151,000 square feet of building area. After making adjustments to the suggested comparables, the appraisers estimated that the subject's market value was \$21.00 per square foot or \$2,020,000 rounded, as of the January 1, 2007.

Under the income approach, the appraisers reviewed six rental comparables from the market. The properties ranged in rental rates from \$3.00 to \$4.73 per square foot on a net lease basis, while the properties range in rental area from 10,000 to 487,700 square feet. Based upon this data, the appraisers estimated the subject's potential gross income at \$3.00 per square foot or \$288,459 annually. Deducting a vacancy and collection loss of 10% resulted in an effective gross income of \$259,613. Total expenses and replacements for reserves were estimated at \$39,736 resulting in a net operating income of \$219,877.

The appraisers noted an overall capitalization rate for the subject based upon its size, condition and location of 10.5%. Applying the overall capitalization rate of 10.5% to the operating income resulted in a final value under the income approach of \$2,100,000, rounded.

Lastly, under the cost approach, the appraisers analyzed six land sales to estimate the value of the land at \$5.25 per square foot or \$635,000. Adding soft costs of 3% and entrepreneurial profit of 10% to the replacement cost new method value of \$4,621,035 to determine a cost for the improvement at \$5,235,633. The appraisers depreciated the improvement by 72% for a value of \$1,465,977. Adding additional on-site improvements of \$27,125 and land value of 635,000 resulted in a market value estimate under this approach of \$2,130,000, rounded.

The appellant's appraisers indicated the most weight was accorded to the sales comparison approach to value in reconciling a final value estimate of \$2,020,000. Based upon this data, the appellant requested a reduction in the subject's market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$761,531 for the tax year 2007. The subject's assessment reflects a market value of \$2,115,364 or \$22.05 per square foot using the Cook County Ordinance Level of Assessment for Class 5b, industrial property of 36%.

In support of the subject's market value, raw sales data was submitted for five industrial/warehouse and industrial/manufacturing properties. 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 from March 2003, to December 2008, in an unadjusted range from \$24.09 to \$55.34 per square foot of building area. The properties contained buildings that ranged in size from 80,770 to 110,000 square feet and in age from 26 to 54 years. In addition, the board of review submitted a copy of the trustee's deed in which title was transferred to an LLC as stated in the appraisal. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, Mr. Scott Shudnow, the appellant's attorney stated that the building is a one-story, industrial building in which title was transferred to an Illinois LLC for estate planning purposes in March 2005 and therefore, should not be considered a market sale or reflect market value. Mr. Shudnow summarized the facts of the appraisal and concluded that the subject's market value per the appraisal is \$2,020,000, as of January 1, 2007. Mr. Shudnow also distinguished the board of review's sale comparables from the subject based on location. Furthermore, he stated that no professional adjustments and inspections were made to these sale comparables. Mr. Shudnow rested on the evidence submitted.

The board of review analyst, Ms. Lena Henderson, testified that the subject's assessment per square foot is below the range established by the board of review's sale comparables and therefore, the subject is fairly assessed. Ms. Henderson rested on the evidence submitted.

After considering the arguments, testimony, and 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 (3d Dist. 2002; Winnbago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d (2d 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 in the subject's assessment is warranted.

In determining the fair market value of the subject property, the Board accorded diminished weight to the properties submitted by

the board of review as the evidence provided unconfirmed, raw data on sales.

Further, as to the subject's market value, the Board finds that the appellant's appraisers utilized all three traditional approaches to value in developing the subject's market value, The Board also finds this appraisal to be persuasive for the appraisers: have extensive experience in appraising and assessing property; personally inspected the subject property; estimated a highest and best use for the property; and utilized market data in undertaking the approaches 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.

Therefore, the Board finds that the subject property contained a market value of \$2,020,000 for the tax year 2007. 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. In applying this level of assessment to the subject, the total assessed value is \$727,200 while the subject's current total assessed value is above this amount at \$761,531. 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.

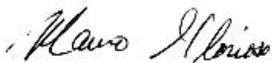


\_\_\_\_\_  
Chairman



\_\_\_\_\_  
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: March 22, 2013



\_\_\_\_\_  
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.