



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

APPELLANT: CRP Holdings c/o Colliers B&K REMS
DOCKET NO.: 07-29548.001-I-1
PARCEL NO.: 03-35-201-011-0000

The parties of record before the Property Tax Appeal Board are CRP Holdings c/o Colliers B&K REMS, the appellant, by attorney Mitchell L. Klein, of Schiller Klein PC 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: \$ 112,720
IMPR.: \$ 361,017
TOTAL: \$ 473,737

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 181,579 square foot site improved with a 19-year old, one-story, masonry, industrial building with approximately 20,970 square feet of gross building area. Site improvements include an asphalt paved open parking lot for 51 vehicles and an artificial pond. 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, via counsel, submitted an appraisal co-authored by Arthur J. Murphy and Timothy O'Keefe of Urban Real Estate research, Inc., who are Illinois Certified General Real Estate Appraisers. Murphy additionally holds an MAI designation. O'Keefe personally inspected the interior and exterior of the subject property and indicated the subject has an estimated market value of \$1,270,000 as of January 1, 2007. The appraisal report utilized the three traditional approaches to value, that is the cost approach, 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.

In addition, the appraisers noted that the subject was purchased in September 2005 wherein six properties were acquired for \$28,850,000 as part of a bulk portfolio sale. As the buyer and seller were both large investor REIT's, minimal consideration was given to this sale.

Under the cost approach to value, the appraiser analyzed three land sales then estimated the value for the subject site at \$670,000, rounded, including the value of the pond. The replacement cost new method was utilized to determine a cost for the improvement of \$1,624,523. The appraiser depreciated the improvement by 71.2%, or a value of \$1,156,821. The land value and site improvements were then added back in to establish a value under the cost approach of \$1,260,000, rounded.

Under the income approach to value, the appraiser evaluated four rental comparables then estimated annual net rent at \$8.50 per square foot on a net basis or \$178,245. After deducting expenses and adding in tenant reimbursements, a net operating income of \$213,312 was established. The band of investment method was utilized to establish a capitalization rate of 9.25%. After applying a tax load of 7.68%, the income approach yielded an estimate of value of \$1,260,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of four industrial buildings located within the subject's market. The properties contain between 18,030 and 42,120 square feet of building area. The comparables sold from September 2005 to July 2007 for prices ranging from \$54.24 to \$65.33 per square foot of building area, including land. The appraiser 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 \$60.00 per square foot of building area, including land or \$1,260,000, rounded.

In reconciling the three approaches to value, the appraiser arrived at a final estimate of value for the subject as of January 1, 2007 of \$1,260,000.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$573,736. This assessment reflects a market value of \$1,593,711 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 raw sales information on a total of 10 comparables that sold between February 2003 and June 2009 for prices ranging from \$650,000 to \$2,350,000, or from \$40.63 to \$103.52 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. The board of review also submitted a Special Warranty Deed that indicated the subject was one of six properties purchased simultaneously in September 2005. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Mitchell Klein, reaffirmed the evidence previously submitted through testimony elicited from one of the appellant's appraisers, Timothy R. O'Keefe. Mr. O'Keefe testified that he included rental comparables located in the same industrial park as the subject in his income approach. He also testified that the appraisal shows the bulk sale of the subject, but that he was not provided with an allocated price. He testified he considered the sale, but it was given little weight in his analysis.

The board of review's representative, Michael Terebo, reviewed his self-developed income and expense analysis of the subject property and testified that the board of review does not have the resources to obtain an appraisal, however, the board submitted sale comparables for the Board's consideration.

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 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 \$1,260,000 for the 2007 assessment year. As such, the Board finds that a reduction in the subject's market value is warranted and an assessment reduction is appropriate pursuant to the appellant's request.

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: April 19, 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.