



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

APPELLANT: Arnold Marzullo  
DOCKET NO.: 07-30178.001-I-1  
PARCEL NO.: 24-01-109-063-0000

The parties of record before the Property Tax Appeal Board are Arnold Marzullo, the appellant(s), by attorney John P. Fitzgerald, of John P. Fitzgerald, 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:** \$ 97,320  
**IMPR.:** \$ 50,280  
**TOTAL:** \$ 147,600

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 33,668 square feet of land that is improved with a 48 year old, masonry, one and part two-story industrial warehouse building with 20,542 square feet of building area, of which 7,502 square feet is used as office space. The subject has four double overhead truck doors, two interior docks, a two-car garage, and 12-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 Carlos I. Mendoza, Michael J. Kelly, and William J. Townsley, all of Real Estate Analysis Corporation. The report states that Mr. Kelly and Mr. Townsley, are both licensed State of Illinois Certified General Real Estate Appraisers, while Mr. Mendoza is licensed as a State of Illinois Associate Appraiser. The appraisers stated that the subject had an estimated market value of \$410,000 as of January 1, 2005. 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 Mendoza 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 \$270,000 based on six recent land sales near the subject that the appraisers analyzed. The improvement's replacement cost was estimated to be \$1,267,000 using actual construction costs of other properties, various industry sources, and unit value estimated by a cost engineer. This replacement cost included \$28,000 worth of site improvements. The appraisers then developed a market abstraction depreciation analysis, and deducted 86.0% from the replacement cost new to account for depreciation of the improvement. The appraisers then added the estimated land value and the value of the depreciated replacement cost to arrive at a value under the cost approach to value of \$448,000, rounded.

In the income approach to value, the appraisers analyzed the rents of five suggested comparable nearby industrial buildings to estimate a potential gross income of \$56,491, or \$2.75 per square foot of building area. Management fees, vacancy, and collection losses were estimated to be 15%, for a net operating income of \$48,017. A capitalization rate of 12.0% was utilized to estimate a value under the income approach of \$400,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of six suggested comparables, which are described as one-story, or one and part two-story, industrial buildings that range in age from 25 to 49 years old, and in size from 19,187 to 44,658 square feet of building area. Four of the comparables have from one to three drive through truck doors, two have either two or three exterior truck docks, and five of the comparables have a sprinkler system. The comparables' ceiling heights range from 14 to 28 feet high. These sales comparables sold from October 2002 to October 2004 for prices ranging from \$475,000 to \$800,000, or from \$12.88 to \$24.76 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 \$410,000.

The appraisers gave the sales comparison approach primary consideration, and the cost approach and income approach secondary consideration in valuing the subject. Thus, the appraisers concluded that the subject's appraised value was \$410,000 as of January 1, 2005. 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 \$166,531 was disclosed. The subject's final assessment yields a fair market value of \$462,586 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 record card for the subject, and raw sales data for three commercial properties located within four miles 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 include two multi-use retail storefront buildings with an apartment, as well as one multi-family four unit apartment building with no commercial space. The suggested comparables range in age from 39 to 97 years old, and in size from 2,640 to 2,805 square feet of building area. The properties sold from February 2003 to January 2009 in an unadjusted range from \$20,000 to \$280,000, or from \$7.58 to \$99.82 per square foot of building area, land included. The printouts also indicate that Comparable #2 (the four unit apartment building) was completely vacant and gutted at the time of the sale.

The board of review's memorandum also states that the subject has two classifications under the Cook County Classification of Real Property Ordinance. Part of the subject is classified as a 3-18 property, while the rest is classified as a 5-93 property. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Mary Fitzgerald, reaffirmed the evidence previously submitted. The Cook County Board of Review Analyst, Lena Henderson, argued that Comparable #1 used by the appraisers in the sales comparison approach supports the board of review's case. Additionally, Ms. Henderson pointed out that, under the sales comparison approach, the appraisers stated that, "[i]t is reasonable to assume that the appropriate unit value applicable to the subject should be within the range of \$19.31 to \$22.86 per square foot." Ms. Henderson then testified that the subject's market value per square foot is already within that range at \$22.52. Ms. Fitzgerald argued that the subject is still overvalued, and that the appraisers selected a market value per square foot of \$20.00, which is also within the range stated in the sales comparison approach.

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 \$410,000 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. Although the board of review's evidence indicates that the subject has two property classifications, the appellant's request for relief only seeks that the assessment level of 36% for class 5-93 properties be applied to the subject. Therefore, the applicable assessment is 36% of the subject's fair market value, which equates to \$147,600. 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 M. Louie*

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.