



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

APPELLANT: Palos Bank & Trust #1-5530
DOCKET NO.: 08-22410.001-I-1 through 08-22410.002-I-1

The parties of record before the Property Tax Appeal Board are Palos Bank & Trust #1-5530, the appellant, by attorney Edmund P. Boland, of Carey Filter White & Boland in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change 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
08-22410.001-I-1	28-01-401-016-0000	36,400	37,925	\$ 74,325
08-22410.002-I-1	28-01-410-033-0000	9,459	32,133	\$ 41,592

Subject only to the State multiplier as applicable.

ANALYSIS

The subject is an industrial complex comprised of concrete block and metal-sided industrial buildings. Warehouse building #1 is 47 years old and contains 9,000 square feet of area. It has two exterior loading docks and two drive-in doors. Building #2 contains 7,000 square feet and is 62 years old. Building #3 contains 13,000 square feet and is 12 years old. Building #3 has high-bay sections to accommodate tall material silos that empty contents into blending machines.

There are five additional buildings on the site that contain an aggregate of 17,224 square feet of area. The office building is heated and cooled, however, the remaining four out-lot buildings are not heated. One of these buildings, however, has five drive-in doors. The entire complex is situated on a 155,839 square foot site.

At the commencement of this hearing, the Board finds that these appeals involve common issues of law and fact and a consolidation of the 2008, 2009 and 2010 appeals for hearing purposes would not prejudice the rights of the parties. Therefore, pursuant to Section 1910.78 of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code 1910.78), the Board consolidated the above appeals solely for hearing purposes, while noting that distinct decisions

would be rendered in each appeal year due to the disparity in the board of review's evidence in the 2010 tax year at issue.

The subject's total assessment is \$115,917. This assessment yields a fair market value of \$321,992, or \$6.97 per square foot of building area (including land), after applying the 36% assessment level for industrial properties under the 2008 Cook County Classification of Real Property Ordinance. The appellant, via counsel, argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

In support of the market value argument, the appellant submitted an industrial summary appraisal report for the subject property with an effective date of January 1, 2008. The appraiser estimated a fair market value for the subject of \$310,000 based solely on the cost approach to value. The appraiser also conducted an inspection of the subject. The appraisal was signed by Richard Buchaniec, who is a certified general real estate appraiser in Illinois and holds an MAI designation. Buchaniec testified at hearing that he has been writing real estate appraisals for almost 35 years and has previously testified before the Board as an expert witness. Without objection, the Board accepted Buchaniec as an expert in the field of appraisal of real property for tax purposes.

The appraisal indicated that the highest and best use of the subject as improved would be its current use as an industrial building complex.

Buchaniec testified that he made a physical inspection of the subject property. He described the subject as indicated in the appraisal. He also testified that he considered the three traditional approaches to value, but used only the cost approach in the appraisal.

Buchaniec testified that he considered the income approach but did not use it in the appraisal. He testified that this approach was not relevant as the subject was owner-occupied and properties such as the subject are not typical investment properties. He also testified that he did not use the sales comparison approach because he could not find any comparable sales and this approach relies greatly on the appraiser's ability to make adjustments.

As to the cost approach, Buchaniec testified that he found six land sales that sold for \$8,244 to \$40,850 per acre. They ranged in size from 3.06 to 15.903 acres with the subject having 3.58 acres. After making adjustments, Buchaniec testified that he valued the subject site, as vacant, at \$34,000 per acre, or \$121,720.

Buchaniec then testified that he developed a replacement cost for the subject using the *Marshall & Swift Estimator*. He valued the three main buildings at \$36.92 per square foot for a value of \$1,070,680, then depreciated the buildings by \$952,905, to arrive

at a depreciated cost for the subject of \$117,775. After adding the value of the five out-buildings, site improvements and land value estimate, Buchanec determined the total value of the subject under the cost approach to be \$310,000.

The board of review had no questions on cross-examination.

The appellant's attorney then called their second witness, Joseph Tomes. Tomes testified that he is the beneficiary of the trust in which the subject property is held. He stated that the subject is used for the purpose of manufacturing packaged cement products. He also testified that no significant changes were made to the subject property during the 2008, 2009 and 2010 tax years.

The Cook County Board of Review submitted its "Board of Review-Notes on Appeal," wherein the subject's final assessment of \$115,917 was disclosed. In support of the subject's assessment, the board of review submitted a property record card for the subject, and raw sales data for seven industrial warehouse or industrial manufacturing buildings located within three 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 Cook County 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 states 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 comparables are described as one-story, masonry, industrial warehouse or industrial manufacturing buildings. Additionally, the comparables are from 39 to 56 years old, and have from 42,000 to 115,311 square feet of building area. The comparables sold between March 2004 and February 2010 for \$465,000 to \$1,700,000, or \$5.25 to \$40.48 per square foot of building area, including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the board of review rested on the evidence previously submitted. Cross-examination was waived by the appellant's attorney.

After reviewing the record, considering the evidence, and hearing the testimony, 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 the evidence indicates a reduction is not warranted.

The Board finds the appellant's appraisal is insufficient as a matter of law, pursuant to Cook County Board of Review v. Property Tax Appeal Board, 384 Ill. App.3d 472(2008) ("Omni"), as the appraisal failed to use the appropriate valuation methodology in determining the estimated market value by omitting the sales comparison approach to value.

Buchaniec testified that he considered, but did not use, the sales comparison approach as he could not find any comparable sales. The Board finds from the written appraisal and testimony that the subject buildings are simply used for manufacturing and storage.

The courts have defined special use to mean "whether the property is in fact so unique as to not be salable, not what factors might or might not make it so unique". Crysler Corp. v Property Tax Appeal Board, 69 Ill.App.3d 207. The record contains six sales of industrial buildings used for manufacturing and storage presented by the board of review that are relatively similar to the subject property. Furthermore, neither of the witnesses provided any testimony that would support the "uniqueness" of the subject property. Accordingly, the Board finds that the subject property is not so unique as to not be salable.

The board of review submitted seven sales of industrial properties located in the subject's market, all within a three mile radius of the subject. The comparables sold between March 2004 and February 2010 for \$465,000 to \$1,700,000, or \$5.25 to \$40.48 per square foot of building area, including land. These sales show there is a market for the sale of properties similar to the subject. The Board finds Buchaniec's explanation for considering, but not including, the sales comparison approach to value in his appraisal unpersuasive pursuant to Board of Education of Meridian Community School District No. 223 and The Ogle County Board of Review v. Property Tax Appeal Board and Onyx Orchard Hills Landfill, Inc., 2011 IL App. (2d) 100068 ("Onyx") and Board of Education of Ridgeland School District 122 v. Property Tax Appeal Board, Cook County Board of Review, South Cook Mosquito Abatement District, and Sears Roebuck & Company, 2012 IL App. (1st) 110461 ("Sears"). Additionally, the Board finds the subject property does not approach the uniqueness required of property for which market value by the sales comparison approach would be impossible to estimate. Id.

Having considered the evidence and testimony presented, the Board finds that the appellant has not met the burden of proving the value of the property by a preponderance of the evidence. Therefore, the Property Tax Appeal Board finds the subject's assessment as established by the board of review is correct and a reduction is not 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.



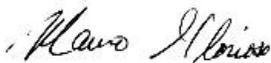
Chairman



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: August 23, 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.