FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Firstar Bank Trust #7173
DOCKET NO.: 08-23142.001-C-1
PARCEL NO.: 15-35-405-016-0000

The parties of record before the Property Tax Appeal Board are Firstar Bank Trust #7173, the appellant(s), by attorney Michael E. Crane, of Crane & Norcross 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:

LAND:	$ 37,977
IMPR.:	$ 319,751
TOTAL:	$ 357,728

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 30,382 square foot parcel of land improved with a 79-year old, three-story, commercial building containing 47,370 square feet of building area. 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 copies of: a color photograph of the subject; a 2008 rent roll; and income and expense statements for 2005 through 2007. The appellant also included a brief from its attorney analyzing the subject’s income and developing a capitalization rate. The evidence also includes a letter from an appraiser stating the

subject’s income is within the market range and opining a capitalization rate between 10.5% and 11.5% as appropriate for the subject. Based on this evidence, the appellant requested a reduction in the subject's improvement assessment.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's assessment of $390,650 was disclosed. The subject's final assessment reflects a fair market value of $1,953,250 when the Cook County Ordinance level of assessment of 20% for Cook County Class 3 property is applied.

In addition, the board of review submitted detailed descriptive and sales data on five suggested properties. These properties sold for prices ranging from $1,900,000 to $4,500,000 or from $42.58 to $92.30 per square foot of building area. Based upon this evidence, the board requested confirmation of the subject's assessment.

After reviewing the record and considering 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, 331Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd 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 PTAB concludes that the evidence indicates a reduction based on market value is not warranted.

The appellant submitted documentation showing the income of the subject property, arguing this income was at market, and using a capitalization rate developed by the attorney to arrive at an estimate of value. The PTAB gives the appellant's argument little weight. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

> [I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is

> admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Id. at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. Although an appraiser submitted a letter stating the subject's income was within the market's range, the appraiser did not demonstrate through supporting data how he determined this opinion. The appraiser failed to state what comparables were used to determine market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market. In addition, there was no data supporting the appraiser's capitalization rate nor does the appraiser explain why a rate of 15.73% was actually used to estimate the subject's market value. Therefore, the PTAB gives this argument no weight.

In addition, the PTAB finds the sales comparables submitted by the board of review support the subject's assessment and a reduction based on market value 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: February 21, 2014

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.