FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Frederick Leep
DOCKET NO.: 08-27615.001-I-1 through 08-27615.004-I-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Frederick Leep, the appellant, by attorney Robert J. Paul 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
08-27615.001-I-1	30-32-315-012-0000	65,821	44,229	$110,050
08-27615.002-I-1	30-32-315-049-0000	91,077	93,278	$184,355
08-27615.003-I-1	30-32-403-049-0000	35,889	3,047	$38,936
08-27615.004-I-1	30-32-403-050-0000	53,568	44,491	$98,059

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 210,618 square foot site improved with a 73,520 square foot one story complex comprised of 12 multi-tenant industrial buildings, including a small office building. There are 86 units that range in size from 100 to 4,200 square feet. The buildings were constructed in several stages and have an average age of 44 years. The appellant, via counsel, argued that the fair market value of the subject was not accurately reflected in its assessed value.

In support of the market value argument, the appellant submitted an appraisal by Daniel Kelly and Michael J. Kelly of Real Estate Analysis Corporation. The report indicates Daniel Kelly is a State of Illinois certified general appraiser and personally inspected the subject property. In addition, the report states that Michael J. Kelly is an MAI. The appraisers indicated the subject has an estimated market value of $1,100,000 as of January 1, 2008. The appraisal report utilized the three traditional approaches to value to estimate the market value for the subject

property. The appraisal finds the subject's highest and best use is its present use.

Under the cost approach to value, the appraisers analyzed the sales of six land parcels within the subject's market. Based on these sales, the appraisers opined a land value for the subject of $2.00 per square foot or $420,000 rounded. The replacement cost new method was utilized to determine a depreciated cost for the improvements of $478,800. The land value was added to establish a value under the cost approach of $900,000, rounded.

Under the income approach to value, the appraisers analyzed the subject property's leases to estimate a potential gross income of $395,000. Expenses, which included vacancy and collection, were estimated at $139,500 to arrive at a net operating income of $255,500. A loaded capitalization rate of 21.60% was utilized to estimate a value under the income approach of $1,180,000, rounded.

Under the sales comparison approach to value, the appraisers analyzed the sales of seven industrial buildings located in the subject's market. The properties range in age from 27 to 54 years and range in size from 21,406 to 166,000 square feet of building area. The comparables sold from February 2005 to August 2008 for prices that ranged from $7.30 to $18.69 per square foot of building area, land included. 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 $13.00 per square foot of building area or $960,000, rounded.

In reconciling the three approaches to value, the appraisers gave primary consideration to the sales comparison approach and arrived at a final estimate of value for the subject as of January 1, 2008 of $1,100,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of $531,396 was disclosed. The subject's final assessment reflects a fair market value of $1,470,167 or $20.00 per square foot of building area including land when the Cook County Real Property Assessment Classification Ordinance for class 5a property of 38% and for class 5b property of 36% are applied.

In support of the subject's assessment, the board of review submitted a memorandum that indicates its evidence is assumed to be factual, accurate and reliable, but that the writer has not verified the information or sources and does not warrant the accuracy. The board of review presented information regarding the sales of four suggested comparable properties located within a 15 mile radius from the subject. The properties consist of industrial buildings that range in size from 76,072 to 84,000 square feet of building area. The comparables sold from December 1995 to June 1999 for prices that ranged from $1,600,000 to

$4,300,000 or from $19.05 to $53.75 per square foot of building area, including land.

After considering the evidence and reviewing the record, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Board further finds a reduction in the subject's assessment is warranted.

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 (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 is warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal. The appellant's appraisers utilized the cost approach, income approach and sales comparison approach to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraisers: have experience in appraising; personally inspected the subject property and reviewed the property's history; and used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary.

The PTAB gives little weight to the board of review's comparables as the information provided was unadjusted raw sales data regarding sales that were too distant in time from 2008.

The PTAB finds the subject had a market value of $1,100,000 for the 2008 assessment year. This market value supports the appellant's requested assessment when the Cook County Real Property Assessment Classification Ordinance for class 5a property of 38% and 5b property of 36% are applied. Therefore, the PTAB finds that a reduction to the appellant's requested assessment 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: April 19, 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.