A M E N D E D
FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: James Bolduc
DOCKET NO.: 08-27853.001-I-1 through 08-27853.013-I-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are James Bolduc, the appellant, by attorney Adam E. Bossov, of Law Offices of Adam E. Bossov, P.C. 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
08-27853.001-I-1	17-07-411-023-0000	5,225	2,798	$8,023
08-27853.002-I-1	17-07-411-005-0000	6,600	0	$6,600
08-27853.003-I-1	17-07-411-013-0000	9,450	84,227	$93,677
08-27853.004-I-1	17-07-411-014-0000	6,300	53,523	$59,823
08-27853.005-I-1	17-07-415-032-0000	9,525	1,593	$11,118
08-27853.006-I-1	17-07-415-033-0000	5,688	1,062	$6,750
08-27853.007-I-1	17-07-414-011-0000	10,169	0	$10,169
08-27853.008-I-1	17-07-414-012-0000	11,127	0	$11,127
08-27853.009-I-1	17-07-414-013-0000	29,673	0	$29,673
08-27853.010-I-1	17-07-414-030-0000	5,718	0	$5,718
08-27853.011-I-1	17-07-414-031-0000	15,312	0	$15,312
08-27853.012-I-1	17-07-414-032-0000	15,071	0	$15,071
08-27853.013-I-1	17-07-414-033-0000	14,939	0	$14,939

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 79,963 square feet of land comprising multiple parcels which are improved with a three-story, masonry, industrial building that was built in 1920.

The appellant, via counsel, argued: that the subject's improvement size was incorrect; that several of the subject's

parcels are misclassified; and that the market value of the subject property is not accurately reflected in the property's assessed valuation as the bases for this appeal.

In support of the market value argument, the appellant submitted a complete, self-contained appraisal of the subject with an effective date of January 1, 2006 and an estimated market value of $800,000. The appraisers are Michael T. Gilligan, who holds the designation of Certified General Appraiser, and Robert Schlitz. Mr. Schlitz holds the designation of a state-certified appraiser in Illinois as well as in three other states. In addition, he holds the following designations: a Member of the Appraisal Institute; a Certified Assessment Evaluator; a Residential Evaluation Specialist; and that of a Certified Illinois Assessing Official.

The appraisal identifies the scope of the appraisal assignment as rendering a retrospective fair market value of the fee simple interest of the subject as of January 1, 2006. Based upon the appraisers' on-site interior and exterior inspection undertaken on February 13, 2007, they indicated that the subject's site comprised 68,255.21 square feet of land.

The appraisal indicates that the subject's improvement consists of a three-story, masonry, industrial building. The improvement was built in 1920 with an addition in 1955. The building was constructed over a reinforced concrete slab and contains a flat roof. The improvement contains 45,594 square feet of gross building area, a front 12' drive-in overhead truck door, as well as two off-site fenced, asphalt-paved parking lots. At the time of the appraisers' inspection, the property was leased by an industrial food service facility. While the subject's actual age was 87 years, the appraisers accorded the subject an effective age from 85 to 90 years; a remaining economic life from 15 to 20 years; and a total economic life from 100 to 110 years.

The appraisal stated that the assessor accorded the parking sites a vacant land classification. The appraisal reflected that the highest and best use of the subject, as improved, would be its current use.

The appellant's appraisers developed the three traditional approaches to value in estimating the subject’s market value. Market values were estimated under the cost approach of $900,000; under the income approach of $1,000,000; and under the sales comparison approach of $800,000.

As to valuing the land, the appraisal considered sales of seven properties in the subject's neighborhood that ranged in size from 8,329 to 300,564 square feet of land. These properties ranged in value from $5.00 to $19.90 per square foot. They sold from July, 2003, through April, 2006, with three properties as being corner lots, as is the subject property. The appraisers estimated the subject's land value, based on all the variances, at $5.00 per square foot or $342,000, rounded.

Using the Marshall, Swift & Boeckh's Cost Service, the appraisers estimated the replacement cost new to be $1,547,784 or $33.95 per square foot. The appraisal notes an entrepreneurial profit of 10% or $147,927 for a total cost of $1,627,201. Total depreciation was estimated at 68% or $1,106,497. This established a depreciated value of the subject's improvement at $558,954. The land value of $342,000 was added to arrive at a final value under the cost approach of $900,000, rounded.

Under the income approach, the appraisers reviewed the rent of six properties which ranged in gross building area from 14,500 to 120,000 square feet and in monthly rental rates from $4.38 to $17.65 per month on a semi-net or semi-gross basis. The appraisers estimated the potential gross income for the subject at $10.44 per square foot or $476,001. Vacancy and collection loss for the rental comparables ranged from 7% to 10%. The appraisers stabilized this rate at 10% for the subject reflecting an effective gross income at $428,401.

Stabilized operating expenses were estimated at 52.33% indicating a stabilized net operating income of $204,201. The appraisal reflected a gross income multiplier of 2.63, and a capitalization rate of 18.82% based upon a direct capitalization methodology. Based upon this analysis, the appraisal reflected a range of values for the subject from $1,085,021 to $1,251,883. In addition, the appraisers developed a cash flow analysis. The appraisal estimated a stabilized, final value under the income approach of $1,000,000, rounded.

The final method developed was the sales comparison approach. Initially, under this approach, the appraiser reviewed seven sales of other industrial properties purchased in their entirety for what the appraisers referred to as 'matched pair' sales. These structures ranged: in lot size from 20,604 to 77,454 square feet; in age from 39 to 104 years; and in improvement size from 15,000 to 68,000 square feet of building area. The sale dates ranged from January, 2003, through December, 2004, for prices that ranged from $509,000 to $2,308,403 or from $10.44 to $27.00 per square foot, unadjusted. After making adjustments to these comparables for condition of sale, time, area, land-to-building ratio and physical attributes, the appraisers estimated a market value for the subject property of $800,000 as of the January 1, 2006 assessment date.

In reconciliation, the appraisal indicated that most weight was accorded the sales comparison approach to value for a final value estimate of $800,000 for the subject as of the assessment date at issue.

At hearing, the appellant's attorney asserted that the subject's parcels should be assessed as class 5B, industrial property at ordinance level of assessment of 36%.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was $357,295 for the 2008

tax year, which reflected a market value for the subject using the Illinois Department of Revenue's three-year median level of assessment for Class 5B property of 36% of $1,183,298.

In addition, the board of review submitted a two-page unsigned memorandum as well as CoStar Comps printouts. The memorandum stated that the subject property comprised a 79,963 square foot site improved with a three-story, masonry, industrial building with 44,963 square feet of building area. It also noted that the subject did not contain contiguous parcels, but was spread out over a three-block radius. The memorandum also noted that 8 of the 13 parcels had been misclassified by the assessor's office as vacant land, while submitting aerial photographs of the subject.

In support of the subject's market value, raw sales data was submitted for six industrial properties with either warehouse or manufacturing usage. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold from March, 2001, to May, 2005, in an unadjusted range from $25.71 to $70.12 per square foot of building area. The properties contained masonry, industrial buildings that ranged in style from two-story to five-stories in design. They ranged in building size from 35,000 to 49,126 square feet and in age from 53 to 99 years. The printouts indicate that sales #1 and #5 reflected that the parties to each transaction were not represented by a real estate broker, while sales #1, #2, #5, and #6 were multi-tenant buildings with leased fee sales.

Moreover, the board of review's cover memorandum stated that the data was not intended to be an appraisal or an estimate of value and should not be construed as such. The memorandum indicated that the information provided therein had been collected from various sources that were assumed to be factual and reliable; however, it further indicated that the writer hereto had not verified the information or sources and did not warrant its accuracy.

At hearing, the board's representative testified that to his personal knowledge that the subject's referenced 8 parcels were classified by the assessor's office as industrial property in tax year 2008 and that he had no personal knowledge of whether the assessor's office had reconsidered any property classification for the subject. As a result of its analysis, the board requested confirmation of the subject's assessment.

In written rebuttal, the appellant's attorney opined that the board of review's evidence was flawed by its own admissions and asserted that the Board accord that evidence little weight.

At hearing, the appellant's attorney also indicated that the appellant's appraised market value should stand and that the appellant was not pursuing the reclassification of any parcels.

He asserted that all of the subject's parcels should be assessed at commercial/industrial values.

During closing arguments, the appellant's attorney requested that judicial notice be taken of a different Board decision, specifically Docket #06-26922-C-1 et al. He argued that the Karavites Restaurant decision reflected a similar fact pattern and that the Board had ruled that similar evidence submitted by the board of review was accorded no weight in that case. Thereby, he requested a similar ruling from the Board in the present matter. The Board accorded appellant's attorney 21 days within which to submit a courtesy copy of said decision, while also according the board of review 21 days after said submission for an opportunity to submit a response brief. The Board finds that the courtesy copy of said decision from the appellant was timely filed; however, the board of review failed to submit a response brief.

After considering the arguments and reviewing 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 Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market of the subject property, the Board finds the best evidence to be the appellant's appraisal. The appellant's appraisers utilized the three traditional approaches to value in developing the subject's market value. The Board finds this appraisal to be persuasive for the appraisers: have extensive experience in appraising and assessing property; personally inspected the subject property and reviewed the property's detailed history; estimated a highest and best use for the property; and utilized market data in undertaking the various approaches to value.

The Board accords little weight to the board of review's evidence which reflected unadjusted, raw sales data.

Therefore, the Board finds that the appellant's appraisal indicates the subject’s market value for the 2008 tax year is $800,000. Since the market value of the subject property has been established, the median level of assessment for Cook County Class 5B property of 36% for tax year 2008 will apply.

Therefore, the PTAB finds that a reduction is warranted for tax year 2008.

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: May 24, 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.