



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

APPELLANT: Payel Corporation  
DOCKET NO.: 08-29112.001-I-1 through 08-29112.003-I-1  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Payel Corporation, the appellant(s), by attorney Arnold G. Siegel, of Siegel & Callahan, 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
08-29112.001-I-1	15-22-311-002-0000	\$24,508	\$532	\$25,040
08-29112.002-I-1	15-22-312-002-0000	\$164,689	\$2,683	\$167,372
08-29112.003-I-1	15-22-313-003-0000	\$40,432	\$13,756	\$54,188

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 123,002 square feet of land improved with two buildings. Improvement #1 is 51-year old, one-story masonry and metal constructed, truck terminal distribution building containing 13,936 square feet of gross building area. Improvement #2 is 51-year old, one-story, masonry constructed, minimally heated, truck repair garage containing 5,151 square feet of gross building area.

The appellant 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's pleadings included a summary appraisal of the subject property with an effective date of January 1, 2008 undertaken by Brian M. Rubin, Licensed Associate Real Estate Appraiser, and George K. Stamas, who holds the designation of Certified General Real Estate Appraiser. The appraisers estimated a market value for the subject of \$690,000.

As to the subject, the appraisal indicated that the subject's site was inspected on December 5, 2008 and that the property

rights appraised for the subject are the unencumbered fee simple estate. The subject was found to be an irregular shaped parcel containing 123,022 square feet of land with two improvements. The two improvements also include a cellular tower located near the north line. The appraisal estimated that the improvement #1 contained 13,936 square feet of gross building area and improvement #2 contained 5,151 square feet of gross building area after the personal inspection and submitted calculations reflecting the appraiser's methodology. The appraisal indicated that the building was constructed in 1957 and was in average condition.

The appraisers indicated that the subject's highest and best use as vacant would be improve the site with a one-story-, industrial or warehouse type building with on-site parking, and while the highest and best use as improved was for its current use.

The appraisers developed all of the three traditional approaches to value. The appraiser developed the sales comparison, income capitalization, and cost approaches to value.

Under this sales comparison approach to value, the appraisers utilized five sale comparables. These comparables sold from May 2005 through May 2007, for prices that ranged from \$570,000 to \$1,225,000 or from \$22.80 to \$36.02 per square foot. The properties were zoned for industrial usage and typical warehouse or distribution type buildings. All of the sales were adjusted upwards for their inferior loading facilities while sales #1, #2, #4, and #5 were adjusted upwards for their inferior office build-out. They ranged in building size from 19,087 to 34,013 square feet of building area. After making adjustments to the suggested comparables, the appraisers estimated that the subject's market value was \$36.00 per square foot or \$685,000 rounded, as of the assessment date.

Under the income approach, the appraisers reviewed five rental comparables from the market. The comparables rental properties were located in industrial park areas and in average condition. These industrial properties ranged in rental rates from \$6.25 to \$10.00 per square foot on a gross lease basis, while the properties range in rental area from 15,000 to 24,500 square feet. Based upon this data, the appraisers estimated the subject's potential gross income at \$8.80 per square foot or \$167,966. Deducting a vacancy and collection loss of 10% resulted in an effective gross income of \$151,169. Total expenses and replacements for reserves were estimated at \$32,874 resulting in a net operating income of \$118,295.

Using the band of investment methodology as well as market data from various sources including: Korpacz Real Estate Investor Survey, Second Quarter, 2008, for non-institutional properties, published by PriceWaterhouseCoopers LLP, the appraisers noted a range of capitalization rates from 6.00% to 10.00%. They concluded an overall capitalization rate for the subject based upon its size, condition and location of 9.25% with a tax load of

7.89%. Applying an overall capitalization rate of 17.14% to the estimate of net operating income resulted in a final value under the income approach of \$690,000, rounded.

Lastly, under the cost approach, the appraiser analyzed five land sales to estimate the value of the land at \$36.00 per square foot or \$430,000, rounded. The replacement cost new was utilized to determine a cost for the improvement at \$2,422,409. The appraisers used the age/life and breakdown method to depreciate the improvement by 82% for a value of \$1,986,375. Adding land value of \$430,000 resulted in a market value estimate under this approach of \$710,000, rounded.

The appellant's appraisers indicated the most weight was accorded to the improved sales comparison approach to value in reconciling a final value estimate of \$685,000. Based upon this data, the appellant requested a reduction in the subject's market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$283,695 for the tax year 2008. The subject's assessment reflects a market value of \$776,457 or \$58.42 per square foot using the Cook County Ordinance Level of Assessment for Class 5b, industrial property of 36%. As to the subject, the board submitted copies of the subject's property record cards, which indicated that the subject property contained 13,292 square feet of building area as of September 1981.

In support of the subject's market value, raw sales data was submitted for six industrial properties. 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 2004, to May 2010, in an unadjusted range from \$58.48 to \$103.69 per square foot of building area. The properties contained buildings that ranged in size from 12,022 to 15,000 square feet and in age from 13 to 75 years. The printouts indicate that sales #2 and #5 failed to include any real estate brokers for the parties involved in the transactions and were not advertised for sale on the open market. Furthermore, sale #5 was due to a foreclosure. As a result of its analysis, the board requested confirmation of the subject's assessment.

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, 331 Ill.App.3d 1038 (3d Dist. 2002; Winnbago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d (2d 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 evidence indicates a reduction in the subject's assessment is warranted.

In determining the fair market value of the subject property, the Board accorded diminished weight to the properties submitted by the board of review as the evidence provided unconfirmed, raw data on sales.

Further, as to the subject's market value, the Board finds that the appellant's appraisers utilized all three traditional approaches to value in developing the subject's market value, The Board also finds this appraisal to be persuasive for the appraisers: have extensive experience in appraising and assessing property; personally inspected the subject property; estimated a highest and best use for the property; and utilized market data in undertaking the approaches to value; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary.

Therefore, the Board finds that the subject property contained a market value of \$685,000 for the tax year 2008. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5b, industrial property of 36% will apply. In applying this level of assessment to the subject, the total assessed value is \$264,600, while the subject's current total assessed value is above this amount at \$283,695. Therefore, the Board finds that 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.



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Chairman



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Member



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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: October 19, 2012



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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.