



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

APPELLANT: Iron Mountain  
DOCKET NO.: 09-04645.001-I-2 through 09-04645.002-I-2  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Iron Mountain, the appellant, by attorney Jason T. Shilson, of O'Keefe Lyons & Hynes, LLC, in Chicago, and the DuPage 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 DuPage County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
09-04645.001-I-2	03-11-202-035	12,070	0	\$12,070
09-04645.002-I-2	03-11-202-045	217,590	649,390	\$866,980

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject parcels consist of an approximately 90,040 square foot site improved with a 29-year-old single-tenant masonry industrial warehouse that is used primarily for dry document storage and which has minimal office space. The building contains 45,184 square feet of building area of which 1,440 square feet or about 3% is office space with a wet sprinkler system. An addition was constructed in 1987. The warehouse area has 26 foot ceiling heights and there are nine loading docks at the rear of the building. The subject site is also improved with about 14,200 square feet of asphalt pavement for the access drive and parking lot. The property is located in Bensenville, Addison Township, DuPage County.

The appellant through counsel submitted evidence before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of the overvaluation argument, the appellant submitted an appraisal report prepared by Peter D. Helland and Edward V. Kling of Real Valuation Group, LLC, estimating a fair market value for the subject property of \$2,250,000 as of January 1, 2009, using the three traditional

approaches to value. The purpose of the appraisal was to provide a basis for an appeal of the assessment of the subject property.

In estimating the market value the appraisers first developed the cost approach with the initial step of estimating the site value using five comparable land sales. The land comparables were located in Bloomingdale, Carol Stream and Glendale Heights. The comparables ranged in size from 79,882 to 203,425 square feet of land area. The properties sold from March 2007 to December 2008 for prices ranging from \$500,000 to \$1,695,711 or from \$5.56 to \$8.34 per square foot of land area. Based on these sales the appraisers estimated the subject site had an estimated value of \$7.50 per square foot of land area or \$675,000, rounded.

The next step under the cost approach was to estimate the replacement cost new of the improvements using cost manuals and experience with construction costs in the area. The appraisers developed a replacement cost new of \$2,916,610 or \$64.55 per square foot of total building area. In estimating depreciation the appraisers estimated physical depreciation using the age-life method. They estimated the subject had an effective physical age of 30 years and a physical life of 90 years resulting in physical deterioration of 33%. They estimated functional obsolescence of 8% due to excessive ceiling heights for which a buyer would not pay a premium and they estimated external obsolescence of 12% based on the fall of the banking and mortgage industries causing an overall downturn in real estate values due to extended marketing periods and limited credit availability. Deducting all three forms of depreciation of 55% or \$1,604,245 resulted in a depreciated value of the improvements of \$1,312,564. A value for site improvements of \$11,000 was then added along with 12% for entrepreneurial incentive of \$158,828 for a total of \$1,482,392. Adding back the land value resulted in an estimated value under the cost approach of \$2,160,000, rounded.

The next approach to value developed was the sales comparison approach where the appraisers utilized five sales located in Addison and Bensenville. The comparables consist of lots ranging in size from 23,022 to 112,823 square feet of land area which are improved with industrial structures that were 21 to 45 years old. The buildings range in size from 11,360 to 55,650 square feet of building area. The comparables feature land-to-building ratios ranging from 1.56:1 to 3.5:1 whereas the subject has a land-to-building ratio of 1.99:1. The properties sold from August to December 2008 for prices ranging from \$480,000 to \$3,100,000 or from \$42.09 to \$64.72 per square foot of building area including land. After making qualitative adjustments to the comparables as outlined on page 52 of the report, the appraisers opined that the subject has a value of \$50.00 per square foot of building area or a market value under the sales comparison approach of \$2,260,000, rounded.

Under the income approach to value, four suggested rental comparables and two listings were utilized. The comparables were described as industrial buildings that range in size from 2,970

to 57,835 square feet of building area. Comparables #2, #3 and #4 along with listing #1 were multi-tenant buildings. Four comparables were built from 1982 to 1986 with no dates of construction revealed for two properties. Comparables #1 through #4 had rental rates of \$7.00 to \$7.99 per square foot of building area with the listings having asking rents of \$6.00 and \$6.25 per square foot, respectively. After consideration of the adjustment process, the appraisers concluded the subject property had a projected rental rate of \$6.50 per square foot of building area. Therefore, the subject's potential annual income was estimated to be \$293,696. Vacancy was estimated to be 9% or \$26,433, resulting in an effective annual income of \$267,263. Expenses for management, real estate taxes, insurance, reserves, legal and accounting totaled \$83,865 resulting in a net operating income of \$183,398. Using the band of investments method as considered from the overall rate from debt coverage ratio, the appraisers calculated an overall capitalization rate of 8.25% to be applied to the subject net operating income. As a result, the appraisers concluded a value under the income approach of \$2,310,000, rounded.

In reconciliation, the appraisers gave primary consideration to the sales and income approaches to value in arriving at their opinion of \$2,250,000 for the subject property as of January 1, 2009.

Based on this evidence, the appellant requested a reduction in the subject's total assessment to approximately \$749,925 to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeals" wherein the subject's final total assessment of \$879,050 was disclosed. The total assessment of the subject property reflects a market value of approximately \$2,642,965 or \$58.49 per square foot of building area including land using the 2009 three-year median level of assessments in DuPage County of 33.26%.

In support of the subject's estimated market value as reflected by its assessment, the board of review submitted data prepared by the Addison Township Assessor's Office indicating a market value of \$2,710,000 for the subject based on comparable sales. The assessor prepared a spreadsheet of fourteen sales of industrial properties "in our office." In the spreadsheet, the assessor reported the properties were located in Bensenville, Elmhurst, Wood Dale and Addison. The buildings range in size from 30,520 to 73,734 square feet of building area with ceiling heights ranging from 16 to 28 feet, office areas ranging from 2.19% to 19.54% of building area and land-to-building ratios ranging from 1.6:1 to 3.85:1. The buildings were constructed from about 1960 to 1996. These fourteen sales occurred from October 2006 to October 2008 for prices ranging from \$1,948,850 to \$5,950,000 or from \$46.53 to \$105.23 per square foot of building area including land. In a final page of the submission, the assessor reported qualitative adjustments when comparing these properties to the subject. From this data, the assessor wrote that the assessor

concluded that \$60.00 per square foot of building area is a fair and equitable unit value for the subject.

Based on this evidence, the board of review 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. The Property Tax Appeal Board further finds a reduction in the subject property's assessment is warranted.

The appellant argued the subject property is overvalued. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002). The Board finds the appellant has overcome this burden.

In this appeal, the appellant submitted an appraisal report estimating a fair market value for the subject property of \$2,250,000 or \$49.80 per square foot of building area including land as of January 1, 2009. The Property Tax Appeal Board finds most of the sales considered by the appraisers were dissimilar to the subject property in land area and building size. Only sale #3 was somewhat similar to the subject in these characteristics; the remaining four sales were mostly smaller lots and much smaller buildings than the subject despite being in nearby communities to the subject. Similarly with regard to the appraisers' reliance upon the income approach to value, the data considered again was dissimilar to the subject with the exception of listing #1 with an asking rent of \$6.00 per square foot of building area. Given the dissimilarity of the data sets analyzed by the appraisers to arrive at their value conclusion for the subject, the Property Tax Appeal Board finds that the value conclusion presented by the appellant's appraisers is not a valid or reliable indicator of the market value of the subject property. Thus, the Board has placed no substantive weight on the value conclusion of the appraisal and furthermore finds that most of the raw sales data submitted within the appraisal is so dissimilar to the subject property that no reliable indication of the subject's market value can be gleaned from most of those sales.

The board of review submitted fourteen suggested comparable sales for consideration. Of the sales presented, the Property Tax Appeal Board finds that sales #6, #7 and #8 were most similar to the subject in building size so that they may be somewhat probative of the subject's estimated market value as of the valuation date at issue. These three properties sold for prices ranging from \$2,490,000 to \$3,223,413 or from \$51.85 to \$71.70 per square foot of building area including land. The subject's assessment reflects an estimated market value of \$2,642,965 or \$58.49 per square foot of building area including land, which is within the range of these most similar sales comparables

presented by the board of review and supported by the most similar sale #3 in the appellant's appraisal report which sold in October 2008 for \$55.71 per square foot of building area including land. Therefore, no reduction in the subject's assessment is warranted on this record.

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.

*Donald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*J. R.*

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: November 30, 2012

*Allen Castrovillari*

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.