



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

APPELLANT: Central Avenue Corp.
DOCKET NO.: 09-25008.001-I-3 through 09-25008.004-I-3
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Central Avenue Corp., the appellant, by attorney Patrick J. Cullerton, of Thompson Coburn LLP in Chicago; the Cook County Board of Review by Cook County Assistant State's Attorney Benjamin Bilton; and the S.D. #220 intervenor, by attorney Joel DeTella of Sraga Hauser, LLC in Flossmoor.

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
09-25008.001-I-3	19-08-203-017-0000	145,231	238,988	\$384,219
09-25008.002-I-3	19-08-203-027-0000	31,343	69,619	\$100,962
09-25008.003-I-3	19-08-203-038-0000	5,032	14,165	\$ 19,197
09-25008.004-I-3	19-08-203-040-0000	73,078	472,544	\$545,622

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of four land parcels improved with a one-story, masonry, multi-tenant industrial building complex which was built in stages from 1946 through 1999.

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. Prior to the hearing, the appellant's counsel withdrew their vacancy argument.

As a preliminary matter, all parties stipulated to the fact that the appellant's appraiser, Michael J. Kelly, is an expert in real estate valuation, as he holds the MAI designation.

The appellant called their first witness, Michael J. Kelly, president of Real Estate Analysis Corporation. In support of the market value argument, the appellant testified as to the methodologies and conclusions in his appraisal report of the subject property, with an effective date of January 1, 2009. The appraisers estimated a market value for the subject of \$4,200,000, based upon development of two of the three traditional approaches to value. The appraiser inspected the subject on February 8, 2010 and estimated the subject's building contained 457,000 square feet of building area sited on 582,530 square feet of land. The appraisal stated that the cost approach was not undertaken due to the subject's size and the change in demand for multi-tenant industrial properties. He developed a highest and best use as vacant, for industrial development, while the highest and best use as improved was its current use.

Under the income approach, the appraiser used seven rental comparables which ranged in leasable area from 44,054 to 258,320 square feet of building area and in rental rate per square foot from \$0.81 to \$2.50 per square foot. Based upon this market data, the appraiser estimated a net income for the subject of \$466,140 for the subject. Applying a market derived capitalization rate of 11.5% resulted in a value of \$4,050,000, rounded, under this approach to value.

Lastly, the appraiser developed a sales comparison approach using seven improved sale comparables that ranged in unadjusted prices from \$4.16 to \$14.04 per square foot of building area. They also ranged in building size from 106,800 to 862,056 square feet of building area. After making adjustments to the comparables, the appraiser opined a market value for the subject of \$4,340,000 under this approach.

In reconciling these approaches to value, the appraiser placed maximum emphasis on the sales comparison approach. Therefore, the final estimate of value for the subject property is \$4,200,000. Based upon this evidence, the appellant requested a reduction in market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$2,395,192. The subject's assessment reflects a market value of \$9,580,768 using

the Cook County Ordinance level of assessment for industrial class 5B property of 25%. The board's memorandum states that the subject's improvement size is 463,379 square feet, while the land size was indicated as 582,141 square feet.

In support of the subject's market value, raw sales data was submitted for four properties. The properties are designated as industrial/manufacturing facilities. 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 in an unadjusted range from \$17.10 to \$38.61 per square foot of building area and range in building size from 300,479 to 500,000 square feet of building area. The sales occurred from March 2004 through November 2007.

Moreover, the board of review's 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 information or sources and did not warrant its accuracy. At hearing, the assistant state's attorney rested on the written evidence submitted by the board of review.

As to the intervenor's evidence, the intervenor rested on their written appraisal submitted into evidence prior to the hearing, as their appraiser was not available to offer testimony. This summary appraisal report included an income approach and a sales comparison approach to value. It was prepared by Jason A. VanDevelde and James a Gibbons, MAI, of Gibbons & Sidhu, Ltd., who opined to a market value of \$7,400,000 as of January 1, 2009. No further evidence or testimony was offered by the intervenor at hearing.

After hearing the testimony, 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 (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.

The Board finds the best evidence of the subject's market value to be the appellant's appraisal, which utilized two of the three traditional approaches to value in developing the subject's market value. The Board also finds the appraisal to be persuasive for the appraiser: has 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 each of the approaches to value, while making adjustments to the comparables where necessary. The written appraisal was supported with credible testimony by Mr. Kelly. Further, the Board finds the best evidence of building and land size was proffered by the appellant's appraisal.

In contrast, the Board finds that the board of review submitted raw, unadjusted sales data, while not warranting the accuracy or reliability of this data. Additionally, the intervenor's appraisal was given no weight as the appraisers were not available to offer testimony as to their methodology or value conclusions. Therefore, the Board finds that the subject property's market value was \$4,200,000. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5B, industrial property of 25% will apply. 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.



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: July 18, 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.