FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Paul Iwanski
DOCKET NO.: 09-34075.001-C-1
PARCEL NO.: 07-33-201-110-0000

The parties of record before the Property Tax Appeal Board are Paul Iwanski, the appellant, 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:

LAND:	$ 37,989
IMPR.:	$ 67,011
TOTAL:	$ 105,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 28,140 square feet of land improved with a 28-year old, one-story, masonry building with a warehouse and light industrial usage.

The appellant raised two arguments: that the subject's improvement size was incorrect; and that the market value of the subject property is not accurately reflected in the property's assessed valuation as the bases 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, 2007 undertaken by Robert Flood and George Stamas, who hold the designation of State General Real Estate Appraiser. The appraisers estimated a market value for the subject of $420,000.

As to the subject, the appraisal indicated that the subject's site was inspected by the appraisers on June 30, 2008. This data reflects that the subject's improvement size is 9,875 square feet of building area. In addition, the appraisal stated that the subject was purchased on July 28, 2004, but indicated that this

purchase contained personalty such as heavy duty cranes, drilling equipment and compressors; and in their opinion was not reflective of the subject's real estate value.

The appraisers indicated that the subject's highest and best use as vacant was for development, while the highest and best use as improved was for its current use. The appraisers developed one of the three traditional approaches to value. The estimated market values under the sales comparison approach was $420,000.

Under this approach to value, the appraisers utilized five sale comparables located in neighboring suburbs. These comparables sold from May, 2004, through August, 2006, for prices that ranged from $27.11 to $46.00 per square foot. The properties were improved with a one-story, masonry building. They ranged in improvement size from 10,512 to 16,500 square feet of building area and from two loading doors to four docks and one loading door. After making adjustments to the suggested comparables, the appraisers estimated that the subject's market value was $61.50 per square foot or $420,000.

Further, the appellant's attorney argued that the subject suffers from vacancy. He asserted that subsequent to the subject's purchase the business fell into decline forcing the appellant to close the office at the subject's location resulting in usage of only 50% of the building. In support of this issue, the appellant submitted copies of an affidavit as well as a vacancy affidavit. The affiant states that the subject's building is divided into two units: one used as a warehouse and one vacant in 2007 after a decline in business. As a result of this analysis, the appellant requested a reduction in the subject's valuation.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was $199,028. The subject's assessment reflects a market value of $796,120 or $80.62 per square foot using the Cook County Ordinance Level of Assessment for Class 5B, industrial property of 25%. As to the subject, the board submitted copies of the subject's property record cards along with a cover memorandum. The memorandum stated that the subject contained an improvement size of 9,342 square feet, which was reflected on the property record cards.

In support of the subject's market value, raw sales data was submitted for 3 properties with either an industrial or industrial/warehouse designation. 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 January, 2004, to December, 2007, in an unadjusted range from $80.00 to $86.02 per square foot of building area. The properties contained one-story, masonry buildings that ranged in size from 7,500 to 9,940 square feet and in age from 23 to 29 years.

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 the information or sources and did not warrant its accuracy. 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, 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.

The Board finds the best evidence of the subject's size and market value to be the appellant's appraisal. The Board finds based upon this appraisal that the subject's improvement contains 9,875 square feet of building area as determined by the appraisers' inspection.

Further, as to the subject's market value, the Board finds that the appellant's appraisers utilized one 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 appraisers: have 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 sales comparison approach to value, while making adjustments to the comparables where necessary.

Moreover, the Board finds the appellant's argument that the subject's assessment is excessive due to a partial vacancy is unconvincing. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

> i]t is the value of the "tract or lot of real property" property which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly

> regarded as the most significant element in arriving at "fair cash value". . . Many factors may prevent a property owner from realizing an income from property, which accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes." Springfield Marine Bank v. Property Tax Appeal Board 44 Ill.2d 428 at 430-431.

The appellant did not demonstrate that the subject's vacancy diminished its market value, while failing to submit any probative evidence reflective of the market in respect to this issue. Therefore, the Board gives this argument no weight.

Thereby, the Board finds that the subject property contained a market value of $420,000. 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: June 21, 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.