



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

APPELLANT: Elk Grove Investors, LLC
DOCKET NO.: 10-25295.001-I-1 through 10-25295.004-I-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Elk Grove Investors, LLC, the appellant, by attorney Brian P. Liston of the Law Offices of Liston & Tsantilis, 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
10-25295.001-I-1	08-26-100-014-0000	24,391	20,910	\$45,301
10-25295.002-I-1	08-26-100-015-0000	24,391	28,478	\$52,869
10-25295.003-I-1	08-26-100-016-0000	24,391	58,204	\$82,595
10-25295.004-I-1	08-26-100-017-0000	24,391	14,219	\$38,610

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Cook County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) contesting the assessment for the 2010 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject property is improved with an industrial building containing 19,500 square feet of building area. The building is

approximately 24 years old and is located on a 60,040 square foot site in Elk Grove Village, Elk Grove Township, Cook County. The property is classified as a class 5-93 industrial building under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted information on five comparable sales improved with industrial buildings that ranged in size from 14,875 to 23,790 square feet of building area and in age from 23 to 41 year old. The sales occurred from March 2007 to May 2011 for prices ranging from \$420,000 to \$1,071,000 or from \$28.24 to \$45.02 per square foot of building area, including land. The appellant also submitted an income approach to value using the subject's income and expenses. Additionally, the appellant submitted an income approach based on a net income of \$7.00 per square foot of building area, a vacancy and collection loss of 10%, expenses of 10% of effective gross income and a capitalization rate of 11.50% resulting in an estimate of value of \$936,783.

Also submitted were two listings purportedly for the subject property, although the address did not match the petition, for prices of \$1,050,000 and \$1,130,000. There was indication when the property was listed for sale on the two listings.

The appellant submitted a copy of the final decision issued by the board of review disclosing the total assessment for the subject property of \$254,579. The subject's total assessment reflects a market value of \$1,018,316 or \$52.22 per square foot of building area, including land, when using the Cook County Real Property Assessment Classification Ordinance level of assessment for class 5-93 property of 25%.

Based on this evidence, the appellant requested the subject's assessment be reduced to \$195,762.

The board of review did not submit its "Board of Review Notes on Appeal" and evidence in support of the assessment.

Conclusion of Law

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist

of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value in this record to be the comparable sales submitted by the appellant. The comparables sold for prices ranging from \$420,000 to \$1,071,000 or from \$28.24 to \$45.02 per square foot of building area, including land. The subject's assessment reflects a market value of \$1,018,316 or \$52.22 per square foot of building area, including land, which is above the ranged established by the sales on a square foot basis.

The Board gives little weight to the income approach to value submitted by the appellant. The Board finds the appellant's income approach developed using the subject's actual income and expenses unconvincing and not supported by evidence in the record. 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" 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 that 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 at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate through any objective evidence that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant attempted, one must establish through the use of market data the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. Further,

the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant did not provide such documentation; therefore, the Property Tax Appeal Board gives this evidence little weight.

The appellant also developed an alternative estimate of value under the income approach using a net income of \$7.00 per square foot of building area (although an incorrect building size was used), a vacancy and collection loss of 10%, expenses of 10% of effective gross income and a capitalization rate of 11.50%. The Board finds there was no market data to support the appellant's estimate of vacancy and collection loss, expenses and capitalization rate. For these reasons little weight was given this analysis.

The record did contain two listings, although it was not clear if the listings were for the subject property and neither listing was dated. As a result little weight was given this evidence.

The board of review did not submit any evidence in support of the assessment of the subject property or to refute the appellant's argument as required by Section 1910.40(a) of the rules of the Property Tax Appeal Board and is found to be in default pursuant to section 1910.69(a) of the rules of the Board. (86 Ill.Admin.Code §1910.40(a) & §1910.69(a)).

Based on this record the Board finds a reduction in the subject's assessment is appropriate.

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: March 20, 2015



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.