FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Merisant Company
DOCKET NO.: 08-07086.001-I-3
PARCEL NO.: 03-02-23-100-014

The parties of record before the Property Tax Appeal Board are Merisant Company, the appellant, by attorney Jackson E. Donley in Springfield, the Kankakee County Board of Review; and Manteno S.D. #5, the intervenor, by attorney Scott L. Ginsburg of Robbins, Schwartz, Nicholas, Lifton & Taylor in Chicago.

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 **Kankakee** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$265,240
IMPR.:	$1,567,910
TOTAL:	$1,833,150

Subject only to the State multiplier as applicable.

For purposes of this appeal and pursuant to Property Tax Appeal Board rule 1910.78 (86 Ill.Admin Code §1910.78), Docket No. 08-07086.001-I-3 was consolidated with Docket No. 12-00295.001-I-3 for purposes of oral hearing. A separate decision will be issued for each docket number.

ANALYSIS

The subject property consists of a 17.30 acre site improved with a one-story industrial building with approximately 111,010 square feet of building area. The majority of the building was built in 1989 with additions in 1995, 1996 and 1997. The subject improvement is a steel framed building over poured concrete footings with six to eight inch concrete floors. The exterior walls are insulated steel sandwich panels and painted concrete block and brick on the office section. The manufacturing area contains approximately 63,820 square feet of building area, the warehouse contains approximately 30,000 square feet of building area and there are approximately 17,190 square feet of office space. The subject has 16 to 20 feet of clear ceiling height and 12 dock doors with levelers and one drive in door. The property has a land to building ratio of 6.79:1 and is located in Manteno, Manteno Township, Kankakee County.

The appellant appeared before the Property Tax Appeal Board contending overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal prepared by Michael E. Lipowsky of Lipowsky & Associates, Real Estate Appraisal and Consulting Service, Decatur, Illinois, estimating the subject property had a market value of $3,200,000 as of January 1, 2008.

Lipowsky was called as a witness on behalf of the appellant. Lipowsky is an Illinois Certified General Real Estate Appraiser and has the Independent Fee Appraiser Senior Member (IFAS) designation issued by the National Association of Independent Fee Appraisers. Lipowsky identified Appellant's Exhibit #1 as his appraisal of the subject property.

The appellant's appraiser testified that he physically inspected the interior and exterior of the subject property on April 5, 2012. Lipowsky testified the subject property is located in an industrial market in Manteno, has 17.3 acres of land area, has approximately 111,000 square feet of building area, a steel exterior with approximately 15.5% of the building used as office space. He also testified the subject has a weighted average age of 16 years, a wet sprinkler system and HVAC throughout.

In estimating the market value of the subject property, Lipowsky developed the income approach and the sales comparison approach. The first approach to value developed by the appellant's appraiser was the sales comparison approach. Under this approach the appraiser used eight sales located in Kankakee, Bradley, Manteno, University Park, DeKalb and East Moline. The comparables are improved with one-story or part one-story and part two-story industrial buildings that range in size from 33,000 to 198,000 square feet of building area. The comparables were built from 1982 to 1998 and were situated on sites ranging from 4.27 acres to 24.46 acres.[1] Ceiling heights ranged from 16 feet to 28 feet, office areas ranged from 3,200 square feet to 72,000 square feet of building area and the land-to-building ratios ranged from 2.46:1 to 16.12:1. The sales occurred from August 2006 to September 2010 and sold for prices ranging from $665,000 to $5,000,000 or from $15.39 to $38.95 per square foot of building area, including land. Comparable sale #3 was part of a total asset purchase of the business. Comparable sale #5 included an extra lot (6.21 acres) considered excess land, which was deducted from the sale price for comparison purposes, and was a “short-sale.”

Lipowsky testified that he selected comparable sales based on their similar size, age, condition and use located in Kankakee County. Lipowsky also testified that property values dropped approximately 15% from 2008 to 2010. Lipowsky adjusted his comparable sales for location; building size, land-to-building ratio, age, condition, quality and functional utility. Comparables #6, #7 and #8 were located outside of Kankakee County. Lipowsky testified that sale #6 was located in an industrial park much like the subject; #7 was located in DeKalb, a similar market area from the Chicago metropolitan area and was similar in size to the subject with 100% of it being air-conditioned. However, Lipowsky testified that even though the climate control was necessary for food processing, it added no actual value in the market based on actual sales. Comparable #8, located in East Moline, was included based on its similar size, age and exterior construction. Lipowsky felt the Rock Island, Quad Cities area has a significant amount of industry that is comparable to the Kankakee area. Based on the comparable sales, the appraiser estimated the subject had a market value of $28.00 per square foot of building area or $3,110,000, rounded.

The appraiser next estimated the value of the subject property using the income approach to value. The first step in this approach was to estimate the market rent using three industrial rental properties. The comparable rentals were located in Kankakee and Manteno. The comparables ranged in size from 40,000 to 198,000 square feet of building area and were built from 1973 to 1998. These comparables had clear ceiling heights ranging from 22 to 26.5 feet and were situated on sites that ranged from 2.59 to 12 acres with office space ranging from “varies by tenant” to 5% of total building area. The comparables had land-to-building ratios ranging from 2.46:1 to 5.23:1. These properties had triple net leases ranging from

[1] The age for comparable sales #5 and #6 were not disclosed.

$2.75 to $4.35 per square foot of building area. Based on this data Lipowsky estimated the subject had a net market rent of $3.50 per square foot of building area resulting in a potential gross income of $388,535. From this amount, Lipowsky deducted 12% for vacancy and credit loss to arrive at an effective gross income of $341,911. From this Lipowsky deducted $28,196 for expenses (management 4%, miscellaneous 1% and reserves $.10 per square foot) to arrive at a net operating income of $313,715.

Lipowsky next estimated the overall capitalization rate using the band of investments technique. The rates were developed by consideration of the First Quarter 2008 Price Waterhouse Coopers Real Estate Investor Survey, current and historical cap rate indices performed by RealtyRates.com, along with rates for commercial properties and in the market place. The Price Waterhouse Cooper survey depicted overall capitalization rates ranging from 5% to 8% with an average or 6.47% for the first quarter of 2008. The current and historical capitalization rate indices performed by RealtyRates.com depicts a weighted average overall capitalization rate of 9.39% for 2008. Consultations with real estate brokers and lending officers indicated a 75% loan-to-value ratio mortgage over an amortization period of twenty years which resulted in a weighted overall capitalization rate of 9%. Based on this analysis, Lipowsky estimated a capitalization rate of 9%. Capitalizing the net income resulted in an estimated value under the income approach of $3,485,000, rounded.

Lipowsky did not develop the cost approach to value because he found significant obsolescence present due to several unique features inherent in the subject property making it extremely difficult to quantify and because of the limited data available to accurately account for external obsolescence. In addition, he found no recent industrial land sales in the subject’s area.

In reconciling the two approaches to value Lipowsky gave greater weight to the sales comparison approach to value with secondary weight given to the income approach to value. Lipowsky ultimately estimated the subject property had a market value of $3,200,000 as of January 1, 2008. Based on this evidence the appellant requested the subject's assessment be reduced to $1,066,667.

Under cross-examination Lipowsky admitted that he was not licensed as an appraiser on the effective date of the appraisal. Lipowsky explained that there was approximately a three year gap when he was not licensed, but rather, pursued other interests.

Lipowsky further acknowledged that he is a member of the National Association of Fee Appraisers (NAIFA) and not a member of the Appraisal Institute. However, he is a candidate for the MAI designation. Lipowsky testified that his appraisal was not prepared for the appellant, but rather it was prepared for Stephanie Hysler, a manager of Property Tax Services Incorporated.

Lipowsky explained that the subject property is a United States Department of Agriculture (USDA) approved facility while only one of his comparables, sale #3 is USDA approved. Lipowsky acknowledged that this detail was not in the appraisal. Lipowsky was also questioned on the various adjustments he did not make to his comparables for the climate control, dust collectors and/or office space. Lipowsky admitted sale comparable #3 was part of a total asset purchase of the business wherein the real estate value was derived from an appraisal prepared by Roger Tribble in conjunction with the sale. Lipowsky acknowledged sale #3 was not advertised for sale. Lipowsky further admitted that sale #4 was a leased fee sale for which no adjustments were made. After being shown the PTAX-203 document, Lipowsky agreed the document depicted comparable sale #4 was not advertised for sale. Lipowsky was next questioned regarding sale comparable #5 which involved an adjacent lot. Lipowsky testified that he allocated a land value of $40,000 for the extra lot and deducted it from the total sale price. Lipowsky further agreed, sale comparable #5 was not advertised for sale according to the PTAX-203 document. Lipowsky agreed various documents depicted comparable sale #6 was a leased fee sale and comparable #7 was not advertised for sale.

Lipowsky was next questioned regarding his prior relationship with Property Tax Services Incorporated. Lipowsky testified that Property Tax Services Incorporated is the client of his appraisal report in this proceeding. Lipowsky acknowledged that he had performed consulting work in the past with Property Tax Services Incorporated wherein he assisted counsel for Property Tax Services in requesting a reduction in property taxes. Lipowsky’s appraisal, page 106 states in pertinent part:

> I have performed services assisting council for PTAB preparation regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Appellant’s Appraisal, Exhibit 1, page 106.

Lipowsky admitted that the counsel referred to in the above statement was counsel for the taxpayer regarding the subject property in an appeal before the Property Tax Appeal Board. Lipowsky acknowledged that at the time, he was assisting counsel in cross examination of the intervenor's appraiser. For his services, he was paid by Property Tax Services Incorporated. Lipowsky agreed that he appraised the subject property for a 2003 and 2004 Property Tax Appeal Board case wherein Property Tax Services was also his client. Lipowsky acknowledged that he appraised the subject property in 2003 and 2004, advocated for a lower value through consulting work and then appraised the subject property again in 2008 and 2012.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling $1,833,150 was disclosed. The subject's assessment reflects a market value of $5,506,609 or $49.60 per square foot of building area, land included, using the 2008 three-year average median level of assessments for Kankakee County of 33.29%. The board of review deferred to the intervening taxing district to present evidence in support of the assessment.

The intervenor called as its witness real estate appraiser Dale J. Kleszynski. Kleszynski has the Member of the Appraisal Institute (MAI) designation along with the (SRA) Senior Residential Appraiser designation and is a Certified Appraiser in Illinois, Michigan and Indiana. The witness is the president and owner of Associated Property Counselors, Ltd. located in Oak Forest, Illinois. Kleszynski testified that he is a qualified instructor for the Appraisal Foundation and regularly teaches classes regarding the Uniform Standards of Professional Appraisal Practice (USPAP).

Kleszynski testified that Lipowsky, the appellant's appraiser, violated USPAP when he served as an assistant to counsel seeking a reduction at one case and then served as an appraiser of the same property in a separate year. Kleszynski further opined that Lipowsky, in the history of this appeal started out appraising property and then advocated for a specific position regarding the value of real estate when he consulted for counsel and then he flipped and put on an appraiser's hat again. Kleszynski stated it was unclear as to whether Lipowsky was acting as an appraiser or whether he was continuing in his advocacy role. In addition, Kleszynski testified that within the body of the report that is submitted is a certification which indicates an appraiser is supposed to identify any past interest that he or she may have in a property. Kleszynski testified that the past interest statement was not included in Lipowsky’s report.

Kleszynski prepared a summary appraisal report of the subject property with an effective date of January 1, 2008, which was marked as Intervenor's Exhibit A. Kleszynski identified Intervenor's Exhibit A as a retrospective appraisal report of the subject property prepared in 2013.

Kleszynski testified he appraised the subject property in 2004 or 2005 wherein he conducted an interior inspection. For this 2008 appraisal, he inspected the exterior of the subject to complete the appraisal. Public records and various documents indicated basic upgrades on the subject had occurred, but, it essentially remained the same.

The witness testified the subject is located near the village of Manteno in an area identified as the Illinois Diversitech Campus which is an area that was developed specifically in order to accommodate industrial applications and distribution application. Kleszynski testified that the subject is designed specifically in order to accommodate the manufacture of food products, so it is a FDA or USGA facility that has both temperature and climate control areas that are typically found in food processing facilities. Kleszynski stated it means the interior of the building has to meet a specific standard of cleanliness as well as climate control so that the product maintains itself through manufacturing as well as distribution, up to the point of distribution, once it leaves the facility.

Kleszynski developed two of the three traditional approaches to value. Kleszynski testified he did not develop the cost approach to value because of the specialized nature of the temperature controlled or climate controlled and food processing areas of the real estate and the inability to review actual construction costs or estimates of the subject. The witness further testified that the specialized features have an exceedingly high cost of construction and without knowing specifically what type and capacity of the components, it would make doing the cost approach reasonably difficult from an estimate of the actual cost to construct perspective and then applying a crude depreciation for those items again becomes somewhat difficult. Kleszynski testified that the above problems along with the subject property having certain renovations over the years weaken the cost approach as a credible tool for evaluating the real estate.

In developing the income approach to value, Kleszynski utilized five comparable rentals which included general industrial warehouses and distribution up to and including a temperature and climate controlled structure located near the subject property. Kleszynski testified rental comparable #1 is located within hundreds of yards of the subject property in Manteno and has climate controlled areas and cooler space that caused it to be somewhat similar to the subject. Comparable #1 had a rental rate of $4.35 per square foot of building area on a net basis. The remaining comparables were considered to be localized industrial facilities more general in utility in terms of distribution and warehousing. All of the comparables were located in Manteno, Peotone or Kankakee. The comparables had leases ranging from 3 to 10 years; leased areas ranging from 19,380 to 99,358 with rental rates ranging from $3.00 to $4.35 per square foot of building area. Comparable #2 had a gross lease with the remaining comparables having net leases. Kleszynski testified that to the best of his knowledge all of the leases were in effect on January 1, 2008. Kleszynski stated he inspected each comparable and verified the descriptions and rental data with the realtors involved with the various properties. The appraisal depicts the comparables were adjusted for location, utility, physical variations and building configuration. Based on his analysis, Kleszynski concluded $4.25 per square foot of building area was an appropriate estimate of economic rent for the subject. To derive a net operating income for the subject, Kleszynski applied the estimated net rental rate of $4.25 per square foot to the subject’s entire square footage of 111,010 and then grossed up the lease. He grossed up the lease because applying a net rental typically means the tenant is responsible for the taxes, insurance and common areas. Kleszynski testified that he estimated the real estate taxes based on the actual taxes for the subject property. He then estimated the insurance a tenant would typically pay at $0.10 per square foot ($11,101) based on pro formas he had available for similar type properties and in various cost manuals. Kleszynski estimated common area maintenance to be $0.35 per square foot. He then added the expenses to the estimated market rent for the subject because the owner would achieve rents and then would be reimbursed for the taxes, insurance and common area maintenance, in other words, he grossed up the rents. Kleszynski estimated vacancy and collection loss at 5% from his understanding of the vacancy for general industrial space in Kankakee and also noting built-to-suit properties which typically have a lower vacancy rate. After deducting all of the expenses, including the expenses reimbursed to the owner, Kleszynski derived a net operating income of $416,158 for the subject.

Kleszynski next developed an overall capitalization rate for the subject property using national indices from Price Water House Coopers. Kleszynski concentrated his research on a national warehouse market publication which indicated an overall capitalization rate for investment grade warehouse facilities was between 5% and 8%. He then applied a band of investment technique and built a capitalization rate based on mortgage interest rates as well as expected returns to the equity position. Kleszynski derived an overall capitalization rate of 7.65% which fell within the range of the national indices. Applying the overall capitalization rate to the subject's estimated net operating income resulted in an estimated value for the subject under the income approach of $5,440,000.

Kleszynski also applied an unloaded capitalization rate of .0990 utilizing a load factor of .0227 to arrive at an estimated value of $5,460,000. Kleszynski testified he did this to test as to whether or not the impact of the real estate taxes had an impact on the value of the real estate. Based on his analysis, the tax position of the subject property in 2008 was reasonably supported. Kleszynski stated had there been a significant variance between loading the taxes into the net operating income and then correspondingly loading the rate, it would have led him to believe that the tax position of the subject property was skewed and would have required additional analysis. The witness testified that in this particular instance, the results of the tests were reasonably similar, indicating the tax position of the subject was reasonable given the tax rates as well as the net operating income calculations. Based on his analysis using the income approach to value, Kleszynski estimated the subject's value of $5,450,000.

The final approach developed by Kleszynski was the sales comparison approach wherein he used five sales which specialized in food processing. The sales were located in South Holland, Manteno, Monee, Tinley Park and Homewood. The comparables ranged in size from 66,854 to 98,560 square feet of building area. The buildings were constructed from 1970 to 2002. Four of the comparables had office spaces ranging from 6% to 18%. The office space for comparable #3 was not reported. In addition, the comparables had land to building ratios ranging from 2.63:1 to 7.85:1. These properties sold from July 2005 to June 2007 for prices ranging from $3,000,000 to $4,950,000 or for unit prices ranging from $44.00 to $52.88 per square foot of building area, including land. Comparable sale #1 was a complex of two, one-story, single tenant industrial buildings. Comparable #2 was described as a one-story single tenant industrial building with 39.6% of climate controlled area and 25.6% of cooler space. This property also had a ten year lease on a net basis at reported market rates. Comparable #3 was a one-story, single tenant, industrial building transferred as part of a sale leaseback. Comparable #4, vacant at time of sale, was described as a one-story, single tenant industrial building. Sale #5 was a one-story, single tenant industrial building which was leased to an occupying tenant. After considering differences from the subject, the witness was of the opinion the subject had an estimated value under the sales comparison approach of $50.00 per square foot of building area or $5,550,000.

In reconciling the two approaches to value, the appraiser gave most emphasis to the sales comparison approach and estimated the subject had a market value of $5,500,000 as of January 1, 2008.

Based on this evidence the intervening taxing district requested the subject's assessment remain unchanged which reflects a market value of $5,506,609.

Under cross-examination the appraiser explained he chose properties he felt had similar characteristics as the subject, even though four of the comparables were not located in Kankakee County. Kleszynski testified that had he used sales in Kankakee County, he would have used generic type industrial buildings and made massive adjustments to them. Kleszynski reiterated that he spoke to the buyer, seller or broker in each sale to verify the data. Kleszynski felt sale comparable #1 was still comparable to the subject, even though it featured two buildings because one building was predominantly food processing with the second building being a pole building used for storage of boxes. Upon questioning, Kleszynski acknowledged only two of his sales, #1 and #2 were USDA approved, like the subject.[2] Kleszynski testified that the market in Cook County and collar counties were similar to Kankakee to the extent of being located near the expressway system. The witness further testified that even though he used leased sales, the leases were reflective of the market, and therefore, he considered them arm’s length sales.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

[2] Sale #2 was either USDA or FDA approved, the witness could not recall.

The issue before the Property Tax Appeal Board is the determination of the correct assessment of the subject property as of January 1, 2008. The appellant contends the market value as reflected by the assessment is incorrect. The intervenor contends the subject's current assessment is supported. Except in counties with more than 200,000 inhabitants that classify property, property is to be valued at 33 1/3% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). The Supreme Court of Illinois has construed "fair cash value" to mean what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing, and able to buy but not forced so to do. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970). Proof of market value may consist of an appraisal of the subject property as of the assessment date at issue. (86 Ill.Admin.Code. §1910.65(c)(1)). When market value is the basis of the appeal the value of the property 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 (3rd Dist. 2002).

The appellant asserts the subject property has a market value of $3,200,000 based on an appraisal prepared by Lipowsky (Appellant's Exhibit #1) with an effective date of January 1, 2008. The intervening school district contends the subject property has a market value of $5,500,000 based on a summary appraisal prepared by Kleszynski with an effective date of January 1, 2008 (Intervenor's Exhibit 1). The subject property had a total assessment of $1,833,150. The subject's assessment reflects a market value of $5,506,609 or $49.60 per square foot of building area, land included, using the 2008 three-year average median level of assessments for Kankakee County of 33.29%.

Each appraiser utilized two of the three approaches to value in estimating the market value of the subject property. Each appraiser developed the income approach to value. Under this approach, Lipowsky estimated the subject had a market rent of $3.50 per square foot while Kleszynski estimated the subject had a market rent of $4.25 per square foot. The Board finds the best indicator of the subject's potential market rent is Kleszynski's rental comparable #1, which was also used by

Lipowsky as rental comparable #3. This property is located only hundreds of yards from the subject and has similar features as the subject regarding food processing. In addition, when analyzing this property, Lipowsky's appraisal depicts on page 49 that "[e]xtensive cooler space that had significant effect on lease price." Kleszynski's appraisal report included two rental comparables, #1 and #2, located in Peotone and Manteno, that were similar to the subject in size with lease terms that commenced in 2002 and 2004 for rentals of $3.80 and $4.35 per square foot of building area, respectively. The first lease was on a gross basis while the second lease was triple net. The property leased for $4.35 per square foot of building area and had climate control and cooler space. The Board finds Lipowsky's estimate of the subject's market rent is not well supported. The remaining rental comparables used by Lipowsky had market rents of $2.75 or $3.00 to $3.50 per square foot. However, #1 was newer than the subject and had inferior functional utility. In addition, the lease space was significantly smaller than the subject. Further, his rental comparable #2 was inferior in size and was depicted as an "asking price" which would generally set the upper limit of market rents for this property, not actual rents. Based on this data the Board finds the subject had a market rent of $4.25 per square foot; triple net resulting in a gross potential income of $471,793.

Lipowsky deducted 12% for vacancy while Kleszynski deducted 5% based on the rental data contained within his report, the CoStar database information and his personal observations of the occupancy rates in similar properties and consideration of the owner-occupied operation of the subject. The Board finds Kleszynski's estimate of vacancy is better supported in this record, which results in an effective gross income of $614,117.

Kleszynski included real estate taxes in his appraisal report in the amount of $124,691 because the subject is owner occupied and is responsible for management fees, replacement allowances and miscellaneous expenses associated with the subject. Lipowsky did not include real estate taxes in his expenses because on a triple net lease the tenant is responsible for the taxes.
Lipowsky developed an unloaded overall capitalization rate of 9%. The Board finds Kleszynski's estimate of the overall capitalization rate of 7.65% is best supported as of January 1, 2008. Capitalizing the net income of $416,158 by a capitalization rate of 7.65%, results in an estimated value under the income approach of $5,440,000, rounded. Kleszynski also developed an unloaded overall capitalization rate which

indicated a value for the subject of $5,460,000, and supported his analysis.

The final approach to value developed by the two appraisers was the sales comparison approach. Kleszynski estimated the subject had a unit value under the sales comparison approach of $50.00 per square foot of gross building area. Lipowsky estimated the subject property had a unit value under the sales comparison approach of $28.00 per square foot of gross building area. Kleszynski utilized sales which specialized in food processing, similar to the subject, while Lipowsky selected comparable sales based on size, age, condition and use located in Kankakee. Lipowsky testified that even though climate control was necessary for food processing, it added no actual value in the market based on actual sales. The Board finds this testimony is contradicted by his own appraisal wherein Lipowsky expressly states “[e]xtensive cooler space had a significant effect on lease price.” The Board finds if climate control and cooler space do not add value in the market, then market rents and market sales would not be impacted.

Lipowsky only used one comparable food processing sale, his sale #3. This property sold for $34.63 per square foot and was part of a total asset purchase of the business wherein the real estate value was estimated from an appraisal prepared by Roger Tribble in conjunction with the sale. The only sale higher in Lipowsky’s analysis is his comparable #5. However, this sale involved an extra lot, which Lipowsky allocated $40,000 from the sale price to arrive at a sale price of $38.95 per square foot. The Board finds Lipowsky did not support this allocated sale price in his report. In addition, the PTAX-203 statement depicts this sale was not advertised.

In fact, upon questioning, Lipowsky acknowledged the PTAX-203 statements depicted sales #3, #4, #5 and #7 were not advertised for sale on the open market. These facts were not disclosed in Lipowsky’s appraisal report and therefore the credibility of the appraisal report is diminished. The board further finds the testimony and final opinion of value as presented by Lipowsky is not credible based on his prior working relationship with his client of this appeal, Property Tax Services Incorporated. Lipowsky appraised the subject property in 2003 and 2004, then consulted on the subject property wherein a reduction was sought, then appraised the subject property again in 2008 and 2012.

The Board agrees with Kleszynski, that features such as climate control and cooler space effect a property's value, and therefore, the Board finds Kleszynski's use of food processing facilities in his sales analysis is a better indicator of the subject's market value, since the subject is a food processing facility. Counsel for the appellant argued against the location of Kleszynski's sales being located in Cook County and the collar counties, however, Kleszynski explained that the subject's immediate area in Kankakee is similar in that Kankakee has equal access to major expressways to move the product. Kleszynski verified each sale through discussion with the buyer, seller or broker of the properties. The Board finds Kleszynski's sales #1 and #2, both being certified in food processing, best represent the subject's market value. This two sales sold in July and August of 2005 for prices of $44.87 and $50.22 per square foot of building area, including land. The Board finds sale #2 is most significant because it is located in close proximity to the subject, only hundreds of yards away and is a food processing facility. The property at the high end of the range was located at 1340 Sycamore Road in Manteno. After considering these sales, the Board finds the subject had an indicated value under the sales comparison approach of $50.00 per square foot of building area or $5,550,000 rounded.

After considering the evidence and testimony as outlined herein, the Property Tax Appeal Board finds the subject property's estimated market value of $5,506,609 or $49.60 per square foot of building area, including land, is well supported and no reduction is warranted. The Board finds based on the preponderance of the evidence herein, the manifest weight of the evidence supports the subject's assessment.

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: April 24, 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.