FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: 401 North Wabash Venture, LLC
DOCKET NO.: 11-24443.001-C-3 through 11-24443.340-C-3
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are 401 North Wabash Venture, LLC, the appellant, by attorney Patrick J. McNerney of Mayer Brown LLP, in Chicago[1] and the Cook County Board of Review which was represented by two attorneys with the Cook County State's Attorney's Office.

Based on the facts and exhibits presented in this matter, 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
11-24443.001-C-3	17-10-135-039-1001	163	12,810	$12,973
11-24443.002-C-3	17-10-135-039-1002	163	12,810	$12,973
11-24443.003-C-3	17-10-135-039-1003	163	12,810	$12,973
11-24443.004-C-3	17-10-135-039-1004	163	12,810	$12,973
11-24443.005-C-3	17-10-135-039-1005	163	12,810	$12,973
11-24443.006-C-3	17-10-135-039-1006	163	12,810	$12,973
11-24443.007-C-3	17-10-135-039-1007	246	19,322	$19,568
11-24443.008-C-3	17-10-135-039-1008	208	16,355	$16,563
11-24443.009-C-3	17-10-135-039-1009	158	12,467	$12,625
11-24443.010-C-3	17-10-135-039-1010	151	11,881	$12,032
11-24443.011-C-3	17-10-135-039-1011	233	18,345	$18,578
11-24443.012-C-3	17-10-135-039-1012	232	18,226	$18,458
11-24443.013-C-3	17-10-135-039-1013	160	12,607	$12,767
11-24443.014-C-3	17-10-135-039-1014	151	11,923	$12,074
11-24443.015-C-3	17-10-135-039-1015	151	11,923	$12,074
11-24443.016-C-3	17-10-135-039-1016	151	11,923	$12,074
11-24443.017-C-3	17-10-135-039-1017	151	11,923	$12,074

[1] At the hearing conducted on December 12, 2017, before the Property Tax Appeal Board (PTAB or the Board), the appellant was represented by attorneys Kelly J. Keeling, James W. Dooley, and Christopher M. Caira of Klafter & Burke in Chicago. On or about May 21, 2018, while this matter was pending before the PTAB, appellant's counsel Kelly J. Keeling, on behalf of Klafter & Burke, filed a motion to withdraw as counsel. On May 30, 2018, the appellant's counsel filed an amended motion to substitute counsel with Patrick J. McNerney from Mayer Brown LLP in Chicago. On May 31, 2018, the PTAB issued an Order granting the appellant's requested substitution of counsel.

11-24443.018-C-3	17-10-135-039-1018	151	11,923	$12,074
11-24443.019-C-3	17-10-135-039-1019	151	11,923	$12,074
11-24443.020-C-3	17-10-135-039-1020	151	11,923	$12,074
11-24443.021-C-3	17-10-135-039-1021	150	11,818	$11,968
11-24443.022-C-3	17-10-135-039-1022	150	11,818	$11,968
11-24443.023-C-3	17-10-135-039-1023	150	11,818	$11,968
11-24443.024-C-3	17-10-135-039-1024	150	11,818	$11,968
11-24443.025-C-3	17-10-135-039-1025	150	11,818	$11,968
11-24443.026-C-3	17-10-135-039-1026	150	11,818	$11,968
11-24443.027-C-3	17-10-135-039-1027	150	11,818	$11,968
11-24443.028-C-3	17-10-135-039-1028	150	11,818	$11,968
11-24443.029-C-3	17-10-135-039-1029	150	11,818	$11,968
11-24443.030-C-3	17-10-135-039-1030	150	11,776	$11,926
11-24443.031-C-3	17-10-135-039-1031	145	11,448	$11,593
11-24443.032-C-3	17-10-135-039-1032	147	11,559	$11,706
11-24443.033-C-3	17-10-135-039-1033	156	12,286	$12,442
11-24443.034-C-3	17-10-135-039-1034	150	11,839	$11,989
11-24443.035-C-3	17-10-135-039-1035	173	13,612	$13,785
11-24443.036-C-3	17-10-135-039-1036	213	16,732	$16,945
11-24443.037-C-3	17-10-135-039-1037	160	12,586	$12,746
11-24443.038-C-3	17-10-135-039-1038	160	12,586	$12,746
11-24443.039-C-3	17-10-135-039-1039	160	12,586	$12,746
11-24443.040-C-3	17-10-135-039-1040	160	12,586	$12,746
11-24443.041-C-3	17-10-135-039-1041	163	12,809	$12,972
11-24443.042-C-3	17-10-135-039-1042	163	12,809	$12,972
11-24443.043-C-3	17-10-135-039-1043	163	12,809	$12,972
11-24443.044-C-3	17-10-135-039-1044	163	12,809	$12,972
11-24443.045-C-3	17-10-135-039-1045	163	12,809	$12,972
11-24443.046-C-3	17-10-135-039-1046	163	12,809	$12,972
11-24443.047-C-3	17-10-135-039-1047	246	19,343	$19,589
11-24443.048-C-3	17-10-135-039-1048	208	16,355	$16,563
11-24443.049-C-3	17-10-135-039-1049	187	14,694	$14,881
11-24443.050-C-3	17-10-135-039-1050	182	14,352	$14,534
11-24443.051-C-3	17-10-135-039-1051	236	18,561	$18,797
11-24443.052-C-3	17-10-135-039-1052	233	18,296	$18,529
11-24443.053-C-3	17-10-135-039-1053	159	12,488	$12,647
11-24443.054-C-3	17-10-135-039-1054	202	15,881	$16,083
11-24443.055-C-3	17-10-135-039-1055	675	53,004	$53,679
11-24443.056-C-3	17-10-135-039-1056	682	53,534	$54,216
11-24443.057-C-3	17-10-135-039-1057	689	54,071	$54,760
11-24443.058-C-3	17-10-135-039-1058	695	54,609	$55,304
11-24443.059-C-3	17-10-135-039-1059	702	55,160	$55,862
11-24443.060-C-3	17-10-135-039-1060	709	55,712	$56,421
11-24443.061-C-3	17-10-135-039-1061	716	56,264	$56,980
11-24443.062-C-3	17-10-135-039-1062	724	56,822	$57,546

11-24443.063-C-3	17-10-135-039-1063	731	57,394	$58,125
11-24443.064-C-3	17-10-135-039-1064	738	57,966	$58,704
11-24443.065-C-3	17-10-135-039-1065	746	58,546	$59,292
11-24443.066-C-3	17-10-135-039-1066	181	14,233	$14,414
11-24443.067-C-3	17-10-135-039-1067	259	20,398	$20,657
11-24443.068-C-3	17-10-135-039-1068	262	20,607	$20,869
11-24443.069-C-3	17-10-135-039-1069	265	20,809	$21,074
11-24443.070-C-3	17-10-135-039-1070	267	21,018	$21,285
11-24443.071-C-3	17-10-135-039-1071	270	21,228	$21,498
11-24443.072-C-3	17-10-135-039-1072	273	21,437	$21,710
11-24443.073-C-3	17-10-135-039-1073	275	21,654	$21,929
11-24443.074-C-3	17-10-135-039-1074	278	21,870	$22,148
11-24443.075-C-3	17-10-135-039-1075	281	22,086	$22,367
11-24443.076-C-3	17-10-135-039-1076	284	22,310	$22,594
11-24443.077-C-3	17-10-135-039-1077	287	22,533	$22,820
11-24443.078-C-3	17-10-135-039-1078	209	16,425	$16,634
11-24443.079-C-3	17-10-135-039-1079	272	21,381	$21,653
11-24443.080-C-3	17-10-135-039-1080	275	21,598	$21,873
11-24443.081-C-3	17-10-135-039-1081	277	21,814	$22,091
11-24443.082-C-3	17-10-135-039-1082	280	22,031	$22,311
11-24443.083-C-3	17-10-135-039-1083	283	22,247	$22,530
11-24443.084-C-3	17-10-135-039-1084	286	22,470	$22,756
11-24443.085-C-3	17-10-135-039-1085	289	22,700	$22,989
11-24443.086-C-3	17-10-135-039-1086	292	22,924	$23,216
11-24443.087-C-3	17-10-135-039-1087	295	23,155	$23,450
11-24443.088-C-3	17-10-135-039-1088	297	23,385	$23,682
11-24443.089-C-3	17-10-135-039-1089	301	23,622	$23,923
11-24443.090-C-3	17-10-135-039-1090	208	16,209	$16,417
11-24443.091-C-3	17-10-135-039-1091	184	14,485	$14,669
11-24443.092-C-3	17-10-135-039-1092	186	14,631	$14,817
11-24443.093-C-3	17-10-135-039-1093	188	14,778	$14,966
11-24443.094-C-3	17-10-135-039-1094	190	14,924	$15,114
11-24443.095-C-3	17-10-135-039-1095	192	15,071	$15,263
11-24443.096-C-3	17-10-135-039-1096	194	15,224	$15,418
11-24443.097-C-3	17-10-135-039-1097	195	15,378	$15,573
11-24443.098-C-3	17-10-135-039-1098	197	15,532	$15,729
11-24443.099-C-3	17-10-135-039-1099	199	15,685	$15,884
11-24443.100-C-3	17-10-135-039-1100	201	15,846	$16,047
11-24443.101-C-3	17-10-135-039-1101	203	16,000	$16,203
11-24443.102-C-3	17-10-135-039-1102	208	16,348	$16,556
11-24443.103-C-3	17-10-135-039-1103	183	14,380	$14,563
11-24443.104-C-3	17-10-135-039-1104	185	14,519	$14,704
11-24443.105-C-3	17-10-135-039-1105	186	15,093	$15,279
11-24443.106-C-3	17-10-135-039-1106	188	14,813	$15,001
11-24443.107-C-3	17-10-135-039-1107	190	14,959	$15,149

11-24443.108-C-3	17-10-135-039-1108	192	15,113	$15,305
11-24443.109-C-3	17-10-135-039-1109	194	15,259	$15,453
11-24443.110-C-3	17-10-135-039-1110	196	15,413	$15,609
11-24443.111-C-3	17-10-135-039-1111	198	15,567	$15,765
11-24443.112-C-3	17-10-135-039-1112	200	15,720	$15,920
11-24443.113-C-3	17-10-135-039-1113	202	15,881	$16,083
11-24443.114-C-3	17-10-135-039-1114	208	16,348	$16,556
11-24443.115-C-3	17-10-135-039-1115	211	16,593	$16,804
11-24443.116-C-3	17-10-135-039-1116	213	16,753	$16,966
11-24443.117-C-3	17-10-135-039-1117	215	16,921	$17,136
11-24443.118-C-3	17-10-135-039-1118	217	17,095	$17,312
11-24443.119-C-3	17-10-135-039-1119	219	17,263	$17,482
11-24443.120-C-3	17-10-135-039-1120	222	17,437	$17,659
11-24443.121-C-3	17-10-135-039-1121	224	17,612	$17,836
11-24443.122-C-3	17-10-135-039-1122	226	17,786	$18,012
11-24443.123-C-3	17-10-135-039-1123	228	17,968	$18,196
11-24443.124-C-3	17-10-135-039-1124	231	18,142	$18,373
11-24443.125-C-3	17-10-135-039-1125	233	18,324	$18,557
11-24443.126-C-3	17-10-135-039-1126	208	16,348	$16,556
11-24443.127-C-3	17-10-135-039-1127	210	16,509	$16,719
11-24443.128-C-3	17-10-135-039-1128	212	16,676	$16,888
11-24443.129-C-3	17-10-135-039-1129	214	16,837	$17,051
11-24443.130-C-3	17-10-135-039-1130	216	17,012	$17,228
11-24443.131-C-3	17-10-135-039-1131	218	17,179	$17,397
11-24443.132-C-3	17-10-135-039-1132	221	17,354	$17,575
11-24443.133-C-3	17-10-135-039-1133	223	17,521	$17,744
11-24443.134-C-3	17-10-135-039-1134	225	17,703	$17,928
11-24443.135-C-3	17-10-135-039-1135	227	17,877	$18,104
11-24443.136-C-3	17-10-135-039-1136	230	18,052	$18,282
11-24443.137-C-3	17-10-135-039-1137	232	18,233	$18,465
11-24443.138-C-3	17-10-135-039-1138	208	16,348	$16,556
11-24443.139-C-3	17-10-135-039-1139	210	16,502	$16,712
11-24443.140-C-3	17-10-135-039-1140	212	16,662	$16,874
11-24443.141-C-3	17-10-135-039-1141	214	16,830	$17,044
11-24443.142-C-3	17-10-135-039-1142	216	16,998	$17,214
11-24443.143-C-3	17-10-135-039-1143	218	17,165	$17,383
11-24443.144-C-3	17-10-135-039-1144	220	17,340	$17,560
11-24443.145-C-3	17-10-135-039-1145	223	17,514	$17,737
11-24443.146-C-3	17-10-135-039-1146	225	17,688	$17,913
11-24443.147-C-3	17-10-135-039-1147	227	17,863	$18,090
11-24443.148-C-3	17-10-135-039-1148	229	18,045	$18,274
11-24443.149-C-3	17-10-135-039-1149	232	18,226	$18,458
11-24443.150-C-3	17-10-135-039-1150	208	16,348	$16,556
11-24443.151-C-3	17-10-135-039-1151	210	16,509	$16,719
11-24443.152-C-3	17-10-135-039-1152	212	16,676	$16,888

11-24443.153-C-3	17-10-135-039-1153	214	16,837	$17,051
11-24443.154-C-3	17-10-135-039-1154	216	17,012	$17,228
11-24443.155-C-3	17-10-135-039-1155	218	17,179	$17,397
11-24443.156-C-3	17-10-135-039-1156	221	17,354	$17,575
11-24443.157-C-3	17-10-135-039-1157	223	17,521	$17,744
11-24443.158-C-3	17-10-135-039-1158	225	17,703	$17,928
11-24443.159-C-3	17-10-135-039-1159	227	17,877	$18,104
11-24443.160-C-3	17-10-135-039-1160	230	18,052	$18,282
11-24443.161-C-3	17-10-135-039-1161	232	18,233	$18,465
11-24443.162-C-3	17-10-135-039-1162	208	16,348	$16,556
11-24443.163-C-3	17-10-135-039-1163	210	16,509	$16,719
11-24443.164-C-3	17-10-135-039-1164	212	16,676	$16,888
11-24443.165-C-3	17-10-135-039-1165	214	16,837	$17,051
11-24443.166-C-3	17-10-135-039-1166	216	17,012	$17,228
11-24443.167-C-3	17-10-135-039-1167	218	17,179	$17,397
11-24443.168-C-3	17-10-135-039-1168	221	17,354	$17,575
11-24443.169-C-3	17-10-135-039-1169	223	17,521	$17,744
11-24443.170-C-3	17-10-135-039-1170	225	17,703	$17,928
11-24443.171-C-3	17-10-135-039-1171	227	17,877	$18,104
11-24443.172-C-3	17-10-135-039-1172	230	18,052	$18,282
11-24443.173-C-3	17-10-135-039-1173	232	18,233	$18,465
11-24443.174-C-3	17-10-135-039-1174	208	16,348	$16,556
11-24443.175-C-3	17-10-135-039-1175	210	16,509	$16,719
11-24443.176-C-3	17-10-135-039-1176	212	16,676	$16,888
11-24443.177-C-3	17-10-135-039-1177	214	16,837	$17,051
11-24443.178-C-3	17-10-135-039-1178	216	17,012	$17,228
11-24443.179-C-3	17-10-135-039-1179	218	17,179	$17,397
11-24443.180-C-3	17-10-135-039-1180	221	17,354	$17,575
11-24443.181-C-3	17-10-135-039-1181	223	17,521	$17,744
11-24443.182-C-3	17-10-135-039-1182	225	17,703	$17,928
11-24443.183-C-3	17-10-135-039-1183	227	17,877	$18,104
11-24443.184-C-3	17-10-135-039-1184	230	18,052	$18,282
11-24443.185-C-3	17-10-135-039-1185	232	18,233	$18,465
11-24443.186-C-3	17-10-135-039-1186	277	21,801	$22,078
11-24443.187-C-3	17-10-135-039-1187	280	22,024	$22,304
11-24443.188-C-3	17-10-135-039-1188	283	22,240	$22,523
11-24443.189-C-3	17-10-135-039-1189	286	22,463	$22,749
11-24443.190-C-3	17-10-135-039-1190	289	22,687	$22,976
11-24443.191-C-3	17-10-135-039-1191	292	22,917	$23,209
11-24443.192-C-3	17-10-135-039-1192	294	23,148	$23,442
11-24443.193-C-3	17-10-135-039-1193	297	23,378	$23,675
11-24443.194-C-3	17-10-135-039-1194	300	23,608	$23,908
11-24443.195-C-3	17-10-135-039-1195	303	23,846	$24,149
11-24443.196-C-3	17-10-135-039-1196	306	24,083	$24,389
11-24443.197-C-3	17-10-135-039-1197	208	16,348	$16,556

11-24443.198-C-3	17-10-135-039-1198	210	16,509	$16,719
11-24443.199-C-3	17-10-135-039-1199	212	16,676	$16,888
11-24443.200-C-3	17-10-135-039-1200	214	16,837	$17,051
11-24443.201-C-3	17-10-135-039-1201	216	17,012	$17,228
11-24443.202-C-3	17-10-135-039-1202	218	17,179	$17,397
11-24443.203-C-3	17-10-135-039-1203	221	17,354	$17,575
11-24443.204-C-3	17-10-135-039-1204	223	17,521	$17,744
11-24443.205-C-3	17-10-135-039-1205	225	17,703	$17,928
11-24443.206-C-3	17-10-135-039-1206	227	17,877	$18,104
11-24443.207-C-3	17-10-135-039-1207	230	18,052	$18,282
11-24443.208-C-3	17-10-135-039-1208	267	20,976	$21,243
11-24443.209-C-3	17-10-135-039-1209	272	21,183	$21,455
11-24443.210-C-3	17-10-135-039-1210	275	21,392	$21,667
11-24443.211-C-3	17-10-135-039-1211	278	21,609	$21,887
11-24443.212-C-3	17-10-135-039-1212	278	21,828	$22,106
11-24443.213-C-3	17-10-135-039-1213	280	22,045	$22,325
11-24443.214-C-3	17-10-135-039-1214	283	22,268	$22,551
11-24443.215-C-3	17-10-135-039-1215	286	22,491	$22,777
11-24443.216-C-3	17-10-135-039-1216	289	22,715	$23,004
11-24443.217-C-3	17-10-135-039-1217	292	22,945	$23,237
11-24443.218-C-3	17-10-135-039-1218	295	23,168	$23,463
11-24443.219-C-3	17-10-135-039-1219	285	22,372	$22,657
11-24443.220-C-3	17-10-135-039-1220	287	22,596	$22,883
11-24443.221-C-3	17-10-135-039-1221	290	22,827	$23,117
11-24443.222-C-3	17-10-135-039-1222	293	23,050	$23,343
11-24443.223-C-3	17-10-135-039-1223	296	23,280	$23,576
11-24443.224-C-3	17-10-135-039-1224	299	23,518	$23,817
11-24443.225-C-3	17-10-135-039-1225	302	23,748	$24,050
11-24443.226-C-3	17-10-135-039-1226	305	23,985	$24,290
11-24443.227-C-3	17-10-135-039-1227	308	24,230	$24,538
11-24443.228-C-3	17-10-135-039-1228	311	24,474	$24,785
11-24443.229-C-3	17-10-135-039-1229	314	24,718	$25,032
11-24443.230-C-3	17-10-135-039-1230	216	16,990	$17,206
11-24443.231-C-3	17-10-135-039-1231	218	17,158	$17,376
11-24443.232-C-3	17-10-135-039-1232	220	17,333	$17,553
11-24443.233-C-3	17-10-135-039-1233	223	17,507	$17,730
11-24443.234-C-3	17-10-135-039-1234	225	17,682	$17,907
11-24443.235-C-3	17-10-135-039-1235	227	17,856	$18,083
11-24443.236-C-3	17-10-135-039-1236	229	18,038	$18,267
11-24443.237-C-3	17-10-135-039-1237	232	18,219	$18,451
11-24443.238-C-3	17-10-135-039-1238	234	18,401	$18,635
11-24443.239-C-3	17-10-135-039-1239	236	18,582	$18,818
11-24443.240-C-3	17-10-135-039-1240	239	18,770	$19,009
11-24443.241-C-3	17-10-135-039-1241	346	27,182	$27,528
11-24443.242-C-3	17-10-135-039-1242	349	27,455	$27,804

11-24443.243-C-3	17-10-135-039-1243	353	27,727	$28,080
11-24443.244-C-3	17-10-135-039-1244	356	28,006	$28,362
11-24443.245-C-3	17-10-135-039-1245	360	28,285	$28,645
11-24443.246-C-3	17-10-135-039-1246	364	28,571	$28,935
11-24443.247-C-3	17-10-135-039-1247	367	28,858	$29,225
11-24443.248-C-3	17-10-135-039-1248	371	29,144	$29,515
11-24443.249-C-3	17-10-135-039-1249	375	29,437	$29,812
11-24443.250-C-3	17-10-135-039-1250	378	29,730	$30,108
11-24443.251-C-3	17-10-135-039-1251	382	30,031	$30,413
11-24443.252-C-3	17-10-135-039-1252	227	17,891	$18,118
11-24443.253-C-3	17-10-135-039-1253	230	18,065	$18,295
11-24443.254-C-3	17-10-135-039-1254	232	18,247	$18,479
11-24443.255-C-3	17-10-135-039-1255	234	18,429	$18,663
11-24443.256-C-3	17-10-135-039-1256	237	18,617	$18,854
11-24443.257-C-3	17-10-135-039-1257	239	18,799	$19,038
11-24443.258-C-3	17-10-135-039-1258	241	18,987	$19,228
11-24443.259-C-3	17-10-135-039-1259	244	19,182	$19,426
11-24443.260-C-3	17-10-135-039-1260	246	19,371	$19,617
11-24443.261-C-3	17-10-135-039-1261	249	19,566	$19,815
11-24443.262-C-3	17-10-135-039-1262	251	19,762	$20,013
11-24443.263-C-3	17-10-135-039-1263	296	23,245	$23,541
11-24443.264-C-3	17-10-135-039-1264	299	23,476	$23,775
11-24443.265-C-3	17-10-135-039-1265	302	23,713	$24,015
11-24443.266-C-3	17-10-135-039-1266	305	23,950	$24,255
11-24443.267-C-3	17-10-135-039-1267	308	24,187	$24,495
11-24443.268-C-3	17-10-135-039-1268	311	24,432	$24,743
11-24443.269-C-3	17-10-135-039-1269	314	24,676	$24,990
11-24443.270-C-3	17-10-135-039-1270	317	24,921	$25,238
11-24443.271-C-3	17-10-135-039-1271	320	25,172	$25,492
11-24443.272-C-3	17-10-135-039-1272	323	25,423	$25,746
11-24443.273-C-3	17-10-135-039-1273	327	25,674	$26,001
11-24443.274-C-3	17-10-135-039-1274	297	23,322	$23,619
11-24443.275-C-3	17-10-135-039-1275	300	23,559	$23,859
11-24443.276-C-3	17-10-135-039-1276	303	23,790	$24,093
11-24443.277-C-3	17-10-135-039-1277	306	24,027	$24,333
11-24443.278-C-3	17-10-135-039-1278	309	24,271	$24,580
11-24443.279-C-3	17-10-135-039-1279	312	24,515	$24,827
11-24443.280-C-3	17-10-135-039-1280	315	24,760	$25,075
11-24443.281-C-3	17-10-135-039-1281	318	25,004	$25,322
11-24443.282-C-3	17-10-135-039-1282	321	25,256	$25,577
11-24443.283-C-3	17-10-135-039-1283	325	25,507	$25,832
11-24443.284-C-3	17-10-135-039-1284	328	25,765	$26,093
11-24443.285-C-3	17-10-135-039-1285	333	26,163	$26,496
11-24443.286-C-3	17-10-135-039-1286	336	26,422	$26,758
11-24443.287-C-3	17-10-135-039-1287	340	26,686	$27,026

11-24443.288-C-3	17-10-135-039-1288	343	26,952	$27,295
11-24443.289-C-3	17-10-135-039-1289	346	27,225	$27,571
11-24443.290-C-3	17-10-135-039-1290	350	27,496	$27,846
11-24443.291-C-3	17-10-135-039-1291	353	27,769	$28,122
11-24443.292-C-3	17-10-135-039-1292	357	28,048	$28,405
11-24443.293-C-3	17-10-135-039-1293	360	28,327	$28,687
11-24443.294-C-3	17-10-135-039-1294	364	28,613	$28,977
11-24443.295-C-3	17-10-135-039-1295	368	28,900	$29,268
11-24443.296-C-3	17-10-135-039-1296	498	39119	$39,617
11-24443.297-C-3	17-10-135-039-1297	503	39,510	$40,013
11-24443.298-C-3	17-10-135-039-1298	508	39,908	$40,416
11-24443.299-C-3	17-10-135-039-1299	513	40,306	$40,819
11-24443.300-C-3	17-10-135-039-1300	518	40,711	$41,229
11-24443.301-C-3	17-10-135-039-1301	523	41,116	$41,639
11-24443.302-C-3	17-10-135-039-1302	529	41,527	$42,056
11-24443.303-C-3	17-10-135-039-1303	534	41,932	$42,466
11-24443.304-C-3	17-10-135-039-1304	539	42,351	$42,890
11-24443.305-C-3	17-10-135-039-1305	545	42,777	$43,322
11-24443.306-C-3	17-10-135-039-1306	550	43,203	$43,753
11-24443.307-C-3	17-10-135-039-1307	296	23,245	$23,541
11-24443.308-C-3	17-10-135-039-1308	299	23,476	$23,775
11-24443.309-C-3	17-10-135-039-1309	302	23,737	$24,039
11-24443.310-C-3	17-10-135-039-1310	305	23,950	$24,255
11-24443.311-C-3	17-10-135-039-1311	308	24,187	$24,495
11-24443.312-C-3	17-10-135-039-1312	311	24,432	$24,743
11-24443.313-C-3	17-10-135-039-1313	314	24,676	$24,990
11-24443.314-C-3	17-10-135-039-1314	317	24,921	$25,238
11-24443.315-C-3	17-10-135-039-1315	320	25,172	$25,492
11-24443.316-C-3	17-10-135-039-1316	323	25,423	$25,746
11-24443.317-C-3	17-10-135-039-1317	327	25,674	$26,001
11-24443.318-C-3	17-10-135-039-1318	163	15,206	$15,369
11-24443.319-C-3	17-10-135-039-1319	165	12,962	$13,127
11-24443.320-C-3	17-10-135-039-1320	166	13,096	$13,262
11-24443.321-C-3	17-10-135-039-1321	168	13,221	$13,389
11-24443.322-C-3	17-10-135-039-1322	170	13,354	$13,524
11-24443.323-C-3	17-10-135-039-1323	171	13,486	$13,657
11-24443.324-C-3	17-10-135-039-1324	173	13,626	$13,799
11-24443.325-C-3	17-10-135-039-1325	175	13,758	$13,933
11-24443.326-C-3	17-10-135-039-1326	177	13,898	$14,075
11-24443.327-C-3	17-10-135-039-1327	178	14,038	$14,216
11-24443.328-C-3	17-10-135-039-1328	180	14,177	$14,357
11-24443.329-C-3	17-10-135-039-1329	163	12,837	$13,000
11-24443.330-C-3	17-10-135-039-1330	165	12,962	$13,127
11-24443.331-C-3	17-10-135-039-1331	166	13,096	$13,262
11-24443.332-C-3	17-10-135-039-1332	168	13,221	$13,389

11-24443.333-C-3	17-10-135-039-1333	170	13,354	$13,524
11-24443.334-C-3	17-10-135-039-1334	171	13,486	$13,657
11-24443.335-C-3	17-10-135-039-1335	173	13,626	$13,799
11-24443.336-C-3	17-10-135-039-1336	175	13,758	$13,933
11-24443.337-C-3	17-10-135-039-1337	177	13,898	$14,075
11-24443.338-C-3	17-10-135-039-1338	178	14,038	$14,216
11-24443.339-C-3	17-10-135-039-1339	180	14,177	$14,357
11-24443.340-C-3	17-10-135-037-0000	431,279	1,736,717	$2,167,996

Subject only to the State multiplier as applicable.

Preliminary Matters

Intervenors

The record reveals that all affected taxing districts were notified of the pendency of this appeal by the Cook County Board of Review on December 17, 2013, as required under the Property Tax Code (35 ILCS 200/16-180) and the PTAB's procedural rules (86 Ill.Admin.Code §1910.40(f)). As further provided by the PTAB's procedural rules, affected taxing districts had the opportunity to intervene in this proceeding within 60 days of notification (86 Ill.Admin.Code §1910.60(d)). The record further reveals that no taxing districts sought to intervene in this appeal.

Scheduling record

The record reveals that this appeal was initially scheduled for an in-person hearing to commence in August 2016 before the PTAB. A postponement request was made by the Cook County State's Attorney's Office on behalf of the Cook County Board of Review to have a prehearing and settlement conference scheduled before a hearing (86 Ill.Admin.Code §1910.73). Two conferences were scheduled for dates in November 2016 and March 2017 without a resolution between the parties; an in-person hearing was set based on the hearing request of the board of review.

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), challenging the assessment for the 2011 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 under appeal consists of a portion of the Trump International Hotel and Tower. The property consists of a 92-story, mixed-use retail, hotel, spa, and residential condominium building with initial occupancy in 2008. The entire building contains 2,612,422 square feet. The area under appeal includes only those portions of the building serving public parking, raw retail area, spa, hotel amenity, hotel tower, and spa suites comprising 836,662 square feet of building area or approximately 32% of the total building area. The property sits on a 98,018 square foot riverfront site located in North Chicago Township, Cook County. The property is a class 5 commercial property under the Cook County Real Property Assessment Classification Ordinance and is assessed at 25% of market value. The tax year 2011 at issue in this appeal is the last year of 2009, 2010, and 2011 triennial in North Chicago Township.

At the commencement of the hearing, the board of review moved to exclude witnesses during opening statements. After no objection from the appellant's counsel, the Board granted the motion.

Opening Statement

Appellant's counsel argued that in the previous tax year, 2010, which is within the same triennial assessment period as the 2011 tax year that is the subject matter of this appeal, the assessor placed a value on the property at $33,000,000. Counsel asserted that in 2011, the last year of the triennial assessment period, the assessor established a market value of $62,443,332. In the following tax year, 2012, the beginning of the new triennial assessment period, the assessor set a market value of $51,000,000. She asserted that these fluctuations in assessments are nonsensical. Appellant's counsel argued there is nothing that supports a market value in 2011 of $62,000,000. She emphasized that the board of review had no witness to testify that its comparable sales are not adjusted and that, in any event, they also support a reduction in the subject's assessment. Appellant’s counsel further argued that the proper method to value the property is on a per room basis.

Conversely, the board of review argued that by the close of the evidence, the appellant would not have sustained the burden of proving the current assessment set by the Cook County Board of Review is excessive. Furthering its argument, the board of review contended that the comparable sales submitted by the board of review sold from $60,500,000 to $128,800,000 while the subject's 2011 assessment of $15,610,833 is based on a market value of $62,443,332, which is well supported.

Appellant's case-in-chief

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted a narrative appraisal completed by Arthur Murphy of Urban Real Estate Research, Inc., composed of 207 pages, excluding the 28-page cover letter, the 9-page Letter Addendum, and the addendum. Murphy concluded the property under appeal had a market value of $33,000,000 as of January 1, 2010.

The appellant called Arthur J. Murphy as its witness. Murphy testified he was born in October 1934 and has been employed by Urban Real Estate Research for approximately 30 years. His current title is president. Murphy is an Illinois Certified General Real Estate Appraiser and has the designation of Member of the Appraisal Institute (MAI), which he has had for approximately 30 years. Murphy's fee is not contingent on the outcome of the appeal proceeding. Appellant's counsel offered Murphy as an expert in appraisal practice and, after no objection from the board of review, was accepted by the Board as an expert.[2]

The description of the improvements is contained on pages 73 through 79 of the appellant's appraisal. The subject property is improved with a 92-story mixed-use retail, hotel, spa, and residential condominium building with a total gross building area of 2,612,422 square feet inclusive of the basement and the area found in three sub-basements. The appraiser stated in the report that the residential condominiums, their associated common areas, and residential parking, and other areas not associated with the parcel numbers (PINs) under appeal are not included in the appraisal. Additionally, the elevator shaft areas are excluded from the appraisal.

The appraiser valued the air right portions of the building identified as the hotel, hotel amenities, spa, and public parking areas. The report indicates that there are 339 hotel rooms, 286 of which are in the tower area and 53 located in the spa area. Hotel amenities include a gift shop on the ground floor, a cocktail lounge and sushi bar on the mezzanine and 16th floor, a fine-dining area on the 16th floor, meeting rooms, and a grand ballroom 16th and 17th floor. Hotel amenities occupy 58,475 square feet. The spa area is located on floors 14 and 14M and contains 35,801 square feet. The 53-spa hotel units have 50,319 square feet. Public parking consists of 372 spaces located on lower levels 1 and 2, a small area on the ground floor, and levels 3 through 6 for 163,793 square feet. The appraiser also explained that the subject property has a proposed retail arcade mall profit center composed of 98,521 square feet located on four floors overlooking the Chicago River. According to Murphy, only 70,890 square feet of the arcade mall are useable. The area appraised by Murphy totaled 836,662 square feet. The square footage breakdown is included on page 74 of Murphy's appraisal report.

The purpose of the appraisal was to estimate the subject property's market value as of January 1, 2010. The property rights appraised are the fee simple interest, assuming no encumbrances against the property. Murphy testified that he had appraised minimally 25 Chicago downtown hotels every three years for the last thirty years.

Murphy testified that the subject was inspected in April 2009, May 2010, and March 2011. The appraisal report on page 9, more specifically, indicates that inspections occurred a total of six times: April 18, 2009; April 25, 2009; April 30, 2009; May 4, 2009; May 19, 2010; and March 11, 2011.

Murphy testified there are three approaches to value: (1) the cost approach, (2) the income approach, and (3) the sales approach. Murphy did not develop the cost approach to value because the property under appeal is part of a much larger building. The subject is a vertical subdivision making it almost impossible to do a cost approach. He also testified that experts state that the cost approach is very often not useful for a hotel because hotels have serious functional and economic obstacles that take place quickly.

---

[2] No *voir dire* occurred at the time appellant's counsel made the qualification of the witness. When appealant's counsel moved that Murphy be qualified as an expert, the board of review responded "subject to cross." Considering the record in its entirety, the Board finds nothing was presented by the board of review, which would compromise the witness's qualification as an expert in this proceeding, nor did the board of review move to disqualify Murphy as an expert.

Murphy identified two profit centers associated with the property under appeal. The hotel profit center totaling 738,141 square feet, is composed of 339 hotel rooms, hotel amenities, the spa area, and public parking. The second profit center Murphy described as the proposed retail arcade mall profit center with 98,521 square feet. Murphy identified page nine of the letter to the appraisal containing the square footage breakout given to him by management. The retail space is situated in four distinct areas of the property and is vacant with no buildout. The total area appraised contains 836,662 square feet.

According to the appraiser, many of the major hotels in the downtown retail section have "Retail Arcade/Mall Sections," and this is especially true along the “Magnificent Mile.” (See pages 2 and 3 in the letter attached to the appraisal). Murphy asserted that hotels with very economically successful “Retail Arcade/Mall Sections” are located in major retail shopping districts such as the “Magnificent Mile.” Murphy indicated, in his letter attached to the appraisal, that the retail portion of the subject was offered for sale for an asking price ranging from $115 million to $130 million, but there was no interest. The report indicated the asking price was over $1,200 per square foot for raw unfinished space, which is the price for prime Michigan Avenue Magnificent Mile space, and the subject site is not on the Magnificent Mile. Murphy stated that the subject property is in an out-of-the-way location with no direct Magnificent Mile egress. The appraiser indicates that for approximately three years, top-of-the-line brokers hired by hotel developers could not identify one tenant for this raw unused vacant space. (See page 8 of the letter attached to the appraisal). He indicated they (Murphy and his co-worker) were told that there are no prospective tenants for this unused vacant space. Murphy concluded the vacant, unused space added no value to the fee simple market value of the property for *ad valorem* purposes. As a result, he added no value to the hotel for this space.

The income approach to value was contained on pages 95 through 137 of the appellant's appraisal. In this approach, stabilized income and expenses for the property are estimated, through analysis of past operating information or direct market comparison, to arrive at the net operating income imputable to the real property. The net income is then converted into a value indication at an appropriate rate which would attract investors to, and reflect the risks in, the property investment. The conversion method chosen here was the direct capitalization approach. Furthermore, to value a hotel development for real estate tax purposes reflecting the market value of the land and improvements only, it is necessary to deduct the value of any contributions generated from the operation of the business and operating capital as well as from the use of items of personal property (furniture, fixtures, and equipment) among other items. (Appraisal, p. 96)

Using the income approach to value, Murphy explained that they examined the subject's 2008 through 2010 income and expenses to determine if the property was operating within market parameters. Page 97 of the report contains reconstructed operating statements for the subject property for 2008 through 2010. The addendum to the appraisal contained a consolidated income statement for the subject property and numerous tables dealing with income and expenses associated with the hotel market. In analyzing the subject’s historical operating statements, the appraiser reviewed *Trends in the Hotel Industry USA edition – 2010*, published by PKF Consulting. The appraiser also used Smith Travel Research (STR), the industry’s leading information and data provider, to obtain the most competitive motels in the subject’s class in its market. Using this data, the appraiser arrived at an average daily rate (ADR) of $320 for the 339 rooms with an occupancy rate of 67% to arrive at a stabilized total room revenue of $26,528,000.

The appraiser noted the comparables had Food & Beverage revenue ranging from 15.6% to 30.6% of total revenues. The report further indicated that PKF Data reported Food & Beverage Revenues in 2008 and 2009 ranged from 27.1% to 30.3% of total revenue. The appraiser estimated the subject's Food & Beverage revenue of 33.67% of total revenue or $16,500,000, which is slightly higher than the market because the restaurant is a premium fine-dining restaurant and the hotel banquets are high end. The appraiser also added revenues associated with the spa, $3,500,000; the parking, $1,800,000; gift shop, $27,525; telephone $55,000; and other income $600,000. Total revenue was estimated to be $49,010,525 (Appraisal, p. 109-111).

For 2010 the subject's reconstructed operating statement showed total revenue of $46,814,894. In the appraiser's income and expense summary, found on page 129 of the report, Murphy used a total revenue of $49,010,525, which was higher than the subject's actual revenue.

The next step was to estimate the departmental expenses associated with the subject property. In calculating expenses, Murphy explained in the report that they looked at the subject's actual expenses, comparable market expense data, and statistical operating information compiled by PKF Consulting for full-service hotels. The appraiser indicated in the report that PKF Consulting reported room expenses ranging from 29.3% to 30.0% of room revenue. Murphy further indicated that the comparables had room expenses ranging from 30.8% to 40.9% of room revenue. Murphy stabilized the subject's room expenses at $9,150,000, or 34.5% of room revenue. Murphy reported the comparables had Food & Beverage expenses ranging from 76.3% to 87.1% of food and beverage revenue. Murphy stabilized the subject's Food & Beverage expenses at 66.7% of the food & beverage revenue or $11,000,000. Other expenses were stabilized at $4,000,000 or approximately 8% of total revenue based on the market. Total department stabilized expenses were $24,150,000. Gross profits were estimated to be $24,860,525 or 50.72% of revenue, which Murphy stated was in line with the luxury market comparables.

The appraiser next estimated the undistributed expenses using comparables and the PKF Consulting survey for 2009. The comparables reported administrative and general expenses ranging from 6.4% to 13.8% of total revenues. PKF Consulting reported these expenses as ranging from 8.3% to 9.0%. The appraiser stabilized the administrative and operating expenses at 9.69% of total revenue or $4,748,252. The comparables had sales and marketing expenses ranging from 3.3% to 10.2% of total revenue. PKF Consulting reported these expenses ranging from 6.7% to 7.5%. Murphy stabilized these expenses at 8.23% of total revenue or $4,036,015. With respect to property operation and management, the comparables had expenses ranging from 3.1% to 5.5% of total revenue. PKF Consulting reported these property operations and management expenses ranging from 4.2% to 5.4% of total revenue. Murphy stabilized these expenses at 5.33% of total revenue or $2,611,539. Energy expenses for the comparables ranged from 2.7% to 4.8%. PKF Consulting reported energy expenses ranging from 3.1% to 4.0% of total income. Murphy stabilized energy expenses at $1,300,000 or 2.65% of total revenue. The comparables reported insurance expenses ranging from .3% to .7% of total revenue. PKF Consulting reported these expenses ranging from 1.0% to 1.5% of total revenue. Murphy stabilized the subject's insurance expense at .97% of total revenue or $474,825. The report indicated the comparables had management fees ranging from 1.9% to 6.0% of total income. PKF Consulting reported management fees ranging from 3.0% to 3.3% of total income. Murphy stabilized the management fee at 3.78% of total revenue or $1,851,818. Murphy also made an allowance for a franchise fee. He consulted *Hotels, Motels and Restaurants – Valuations and Market Studies* by Stephen

Rushmore, as published by the American Institute of Real Estate Appraisers. Rushmore indicated that the cost of franchise fees ranged from 2% to 8% of gross room revenue. Murphy further noted that one comparable had a franchise fee of 8.9% of total revenue. Murphy stabilized a franchise fee for the subject at .62% of total revenues or $302,938. Undistributed expenses totaled $15,325,387.

Murphy stabilized the total expenses for the subject property at $39,475,387. Deducting total expenses from the total income resulted in an income estimate of $9,535,138.

Murphy then made a deduction for reserves for replacement. The appraiser cited *the Korpacz Real Estate Investor Survey* (First Quarter 2009) that reported replacement reserves for full-service hotels to range from 4.00% to 8.00% of total revenues. The appraiser also stated that the subject property annually puts 4% of total revenues into a reserve account. The appraiser also reported that the International Society of Hospitality Consultants (ISHC) reported in a 2001 edition of the <u>Real Estate Forum</u> that full-service hotel owners annually spent 6.1% of total revenues on capital expenditures between 1988 and 1998. Murphy estimated the subject property would have a reserve for replacement expense of 2.5% of total revenue or $1,225,263.

Murphy next adjusted furniture, fixtures, and equipment (FF&E). Furniture, fixtures, and equipment consist of all personal property contained in the operating hotel facility. The appraiser indicated within the report that he referred to figures published in the May 1996 edition of *Lodging Hospitality* and to a more recent document, the *HVS U.S. Hotel Franchise Development Cost Guide* for costs associated with FF&E for 1995 based on a per room basis, which was trended upward by 39% to arrive at a cost figure for 2008. The appraiser reported FF&E per room ranging from $20,572 to $44,897. Murphy also referenced a U.S. Realty Consultants, Inc. study of FF&E costs in 1998, which reported costs ranging from $9,500 to $22,500 per room. Trending these costs by 30% to arrive at cost figures from 1998 resulted in a range from $12,530 to $29,250 per room. According to Murphy's report, HVS International developed costs for FF&E per room for 2001 of $52,000 for luxury hotels. The appraiser further reported that the owner provided the appraisers with sale prices of individual units and the allocated value of the personal property by unit, ranging from $35,000 to $105,000. The appraisers estimated the value of the FF&E to be $50,000 per room or $16,950,000. The value of the FF&E was reduced by 20% to $13,560,000 to account for depreciation. Based on these calculations, the appraiser estimated the return on FF&E to be $1,695,000 and the return of FF&E to be $1,695,000, which need to be deducted.

Murphy also contends that a deduction also must be made for working capital, which, according to the report, is defined in the Appraisal Terminology and Handbook, published by the American Institute of Real Estate Appraisers as:

> Properly, the readily convertible capital required in business to permit the regular carrying forward of operations free from financial embarrassment. (See appraisal, page 127.)

Murphy estimated working capital to be $276,981.

After making the additional deductions for reserves, FF&E, and working capital, Murphy arrived at a net operating income of $4,642,894.

The final step under the income approach to value was to estimate the capitalization rate. Murphy opted not to use a market extracted method due to the complexity of excluding the business value from the sales prices of hotels. Using the mortgage equity method, the appraiser arrived at a capitalization rate of 10.5%. The appraiser then calculated the effective tax rate to be 3.898%. Adding the two components resulted in a loaded capitalization rate of 14.4%, rounded. Capitalizing the net operating income attributable to the realty resulted in an estimated value under the income approach of $32,250,000 or $95,133 per room, rounded.

Murphy utilized the sales comparison approach to value in his second approach to value, which is contained on pages 138 to 203 of the report. Murphy listed 26 suggested comparable sales in his report. Those properties include both full-service hotels and limited-service hotels located in Chicago. The comparables were constructed from 1920 to 2001 and had from 120 to 1,639 rooms. These properties sold from June 2001 to December 2009 for prices ranging from $7,194,000 to $295,000,000 or from $44,407 to $459,764 per room.

The appraiser explained in the report that hotels require a significant amount of FF&E. Additionally when a hotel sells, the "going concern value" must be considered. The "going concern value" includes the real estate and business value. On page 198 of his report, Murphy stated that the sales comparison approach gives a "going concern value," which includes the real estate and business value. He asserts that with the limited amount of information on the sales regarding the "going concern value" and with most buyers of hotels being either Real Estate Investment Trusts (REITs) or large publicly traded companies with endless capital funded by pooling money, a market adjustment for personalty, business value and financing is not possible. In the report, Murphy references the “Rushmore Approach” for allocating a hotel’s purchase price among the real, business, and personal property components. The appraiser indicated that in a New Jersey tax case, the judge found in favor of using the "Rushmore Approach" as opposed to the "Business Enterprise Approach" in determining the value of the various components in the sale of hotel property. According to Murphy, the "Rushmore Approach" is widely accepted in the industry. Relying on the "Rushmore Approach," the appellant's appraiser allocated 60% of the sales price of the hotel property to real estate.

According to page 200 of the appraisal, Murphy narrowed his selection of the comparable sales to those located along Michigan Avenue, which are sales #4, #10, #14, and #15. His report had misnumbered these sales on page 201. These comparables had prices ranging from $159,397 to $459,760 per room. The appraiser indicated the adjusted prices ranged from $95,638 to $275,858 per room using the Rushmore methodology. According to the report, these prices serve as a guideline to display the sale prices' absent business value. He stated in the report that the most important factor involved in hotel sales prices is income associated with the property. He further noted in the report that these sales occurred at the peak of the market and must be adjusted downward for time. Considering this price range and the value arrived at using the income approach, the appraiser arrived at an estimated market value under the sales comparison approach of $100,000 per room or $33,900,000.

Murphy testified that in valuing hotels, the unit of comparison is on a per room basis as hotels make money on renting out rooms. The witness explained that the 339 rooms at the subject hotel comprise 304,000 square feet of building area or average approximately 898 or 899 square feet per room. He asserted that the industry states that the average is more like 300 to 500 square feet for a full-service luxury hotel like the subject. Even though the subject property has a higher square footage per room, the average daily room rate (ADR) is very similar to the competitive set in Chicago. Murphy was of the opinion that if you had similar luxury hotels with similar ADRs per room, you would expect them to have similar market values per room.

Murphy testified the subject property has a larger room but a similar ADR as the competitive set due to the way the project was financed using the condominium method. Purchasers of the units are given the option of entering a management agreement with the hotel management company, which can lease the unit. Purchasers can put their units into a management pool and share in the profits after expenses. He explained that in using this method of financing, individuals are looking for units with more than 500 square feet along with more amenities. He also explained that the subject is curved, and with a curved building, you have lost space.

In referencing page 75 of his appraisal discussing room furnishings, Murphy stated that experts say you don't use the sales comparison approach because the room furnishings are so different. He noted that each of the units, except those found in the spa rooms, has a fully equipped kitchen. He also stated that the subject's twenty-two 2-bedroom units are not normal.

In reconciling the two approaches to value, Murphy gave primary consideration to the income approach. Murphy gave little weight to the sales comparison approach due to the adjustments necessary to make the indicated sales price of a comparable reflect the property's market value for *ad valorem* purposes. He contends the sales comparison approach gives the “going concern value," which includes the real estate and business value. Based on this analysis in reconciliation, Murphy estimated the subject property had a market value of $33,000,000 as of January 1, 2010.

During cross-examination, Murphy testified that he reviewed the appraisal, but his assistant Robert Kownacki (Kownacki), did most of the writing. Murphy testified that Kownacki does not hold the designation of MAI and is identified in the appraisal as an associate real estate appraisal trainee. Murphy also testified that Kownacki inspected more of the property than Murphy did, but not all of it because neither appraiser was allowed into certain portions of the subject. Nevertheless, Murphy inspected the subject property a total of six times over two years.

Murphy testified he had appraised approximately 25 hotels in the downtown area roughly every three years. Most of those appraisals were for *ad valorem* tax purposes on behalf of property owners.

Murphy is familiar with the Uniform Standards of Professional Appraisal Practice (USPAP) and agreed it requires reports should not contain substantial errors. He also agreed that his appraisal has a valuation date of January 1, 2010, and the tax year at issue is 2011. Murphy testified that he did go inside the building on his visit but could not recall the name or title of the person with whom he met. He could not remember who told him that the hotel's planners believed the site was on the Magnificent Mile. Murphy also agreed that pages four through seven of his letter contain photographs of the vacant retail space. Murphy could not recall the names of the top-of-the-line retail brokers hired to market the empty retail space, and he did not speak to the brokers. Murphy agreed that because he could not identify the highest and best use of the vacant space, he could not estimate the value for this space and the cost for developing the space so that it could be used as a profit center. The witness acknowledged that there are restaurants and office buildings in other locations along the river. The report, however, does not disclose rents charged for leasing riverfront spaces to restaurants or office tenants.

Murphy also stated that he requested but was not afforded a detailed interior inspection of the property. He explained that a detailed inspection would include going into hotel rooms, inspecting the HVAC sections, inspections of the elevators, and inspecting the health club. He testified you want to look at the various sections of the hotel to see what is there and make sure the size you have been given is correct.

Murphy agreed that individual owners own several hotel units, and they agree to enter their units in a rental pool. The report does not state how many hotel/condo owners have participated in the rental pool, although he assumed 100% because that was the model. The report indicates that the total sales price of the 150 units sold was $112,800,675 with an average and median price of $694,171 and $657,000, respectively, after subtracting personal property. The appraiser stated on page 19 of the report that the transactions involving the individual units reflect far more than the real property value of any unit within the building. He explained in the report that the concept behind the ownership scheme is to sell the individual units to raise capital for construction or limit debt exposure. His analysis indicates that the average sales price per condominium hotel unit is almost double the sales price, on a per-unit basis, of typical hotels. Murphy goes on to state, on page 19, that the transaction prices affixed to the individual units do not reflect the fee simple value but include a premium for business value attributable to the Trump Brand.

The appellant's appraiser agreed that he did not prepare a cost approach to value for the subject property asserting on page 15 of the report that they were only valuing a portion of the property and developing a cost approach would be fundamentally unsound. The subject's appraisal report indicates that the appraiser did not utilize the cost approach because the subject has less than full interest in the land. However, at the hearing, Murphy could not recall what portion of the land was not owned by the appellant, nor does the appraisal explain this point. Murphy was shown an appraisal he prepared for the subject property with an effective date of January 1, 2008 (Board of Review Hearing Exhibit #1). (Hearing Transcript, p. 74 – 78). The appellant's attorney objected to this exhibit's introduction. The board of review argued that the exhibit was being offered for impeachment purposes only. In the course of the hearing, the exhibit was allowed solely for the purpose of impeachment.[3] In testimony, Murphy agreed that he prepared a cost approach to value in the 2008 appraisal. Murphy further agreed he was able to determine a land value attributable to the appraised portion of the subject property, and he was able to allocate a value by the cost approach to the amount of property he appraised. The appraiser acknowledged that the 2008 report contained an estimate of value under the cost approach of $49.4 million but asserted this value is from the income and sales comparison approaches to value.

[3] In light of the testimony elicited, the Board is deeply troubled by the presentation of Board of Review Hearing Exhibit #1 for impeachment as it appears that the board of review was attempting to sandbag the appellant. Murphy's appraisal for the valuation date of January 1, 2010, clearly indicated the cost approach was not utilized. Therefore, it seems that the board of review always intended to present the 2008 appraisal in the course of the hearing but chose not to disclose it in advance. On this record, the PTAB hereby gives this purported impeachment evidence the weight it is due.

On page 18 of his 2010 appraisal of the subject property, Murphy stated the subject site and the Sun-Times building were purchased for $73,000,000. He also said that the reported cost to construct the entire building was $847,000,000 or $325 per square foot.

On page 105 of his appraisal, Murphy referenced the Smith Travel Research (STR) report, which he acknowledged is commonly referred to as the Star Report. The STR report identified the subject property and six other hotels as the competitive set of luxury hotels in downtown Chicago. Murphy agreed that the subject had a higher revenue per room in 2010 than the competitive set and had a higher average room rate in 2010 than the competitive set.

Murphy was also asked about the sales utilized in his report. He agreed that of the 26 sales listed in the appraisal, he selected four sales listed on page 201 of the appraisal. The appraiser agreed that the comparables were incorrectly numbered on page 201, with the correct numbers being #4, #10, #14, and #15. The witness testified he multiplied the price per room by 60% to get the adjusted price to reflect the real estate value. The witness made no other adjustments to the sales for such items as age, luxury category, amenities, and time of purchase. The unadjusted prices for all the comparables ranged from $44,407 to $459,764 per room. The prices for the four comparables he selected were from $159,397 to $459,764 per room, with adjusted prices ranging from $95,638 to $275,858 per room.

On page 202 of the appraisal, Murphy stated that "[i]n addition to reviewing sales we also look to our Income Approach Value for assistance in establishing a Sales Approach Value." On page 203 of the report, Murphy stated that "a review of the adjusted sale prices indicated that our Income Approach value is within the range of values provided." The appraiser then concluded a value of $100,000 per room, without the going concern value, and arrived at a value conclusion of $33,900,000 under the sales comparison approach.

The appraiser agreed that his reconciled value conclusion was $33,000,000 or $97,845 per room and $39.44 per square foot of building area using 836,662 square feet. Excluding the 98,521 square feet of retail space and using 738,141 square feet of remaining building area, the value equates to $44.71 per square foot of building area.

Under questioning by the Administrative Law Judge, Murphy testified that the Rushmore Approach is recognized in treatises, taught in classes, recognized nationally, and was not limited to New Jersey. (Hearing Transcript, p. 126).

Under redirect examination, Murphy explained that 26 sales were listed to show the complexity of the sales and that the adjustments that need to be made are too subjective. He also stated that all the sales included the going concern value. He further testified that the capitalization rates associated with comparable sale #1 on page 142 and comparable sale #4 on page 148 show capitalization rates of 7% and include the going concern value.

Murphy testified that for *ad valorem* tax appraisal purposes, the most reliable approach to value the real estate only is the income approach to value. The witness also agreed that the estimated capitalization rate was within the range established by published surveys contained in his report. The witness also testified that the subject's actual revenue in 2010 was $46,814,894, and the stabilized revenue he used in the income approach was $49,010,525. Additionally, the expenses he used were less than the actual departmental expenses and the undistributed expenses. In summary, Murphy's stabilized income developed in the income approach was greater than the subject's actual income in 2010.

For the retail area in the building, the appraiser testified that people tried to sell this area, people tried to rent this area, and they couldn't. He noted that as of 2017, the space was still vacant. As a result, his opinion was that we don't know what the highest and best use would be.

Based on this evidence, the appellant requested that the subject's assessment be reduced to reflect the appraised value.

At the conclusion of the appellant's evidence, the board of review moved for a directed finding, which was denied.

Board of review's case-in-chief

The board of review submitted its "Board of Review Notes on Appeal," disclosing the total assessment for the subject of $15,604,993. The subject's assessment reflects a market value of $62,419,972 when applying the Cook County Real Property Assessment Classification Ordinance level of assessments for class 5 commercial property of 25%. In support of its contention of the correct assessment, the board of review submission included 34 pages, including the "Board of Review Notes on Appeal," a memo from Kobie Robinson to Aaron R. Bilton, and information on six comparable sales from the Cook County Assessor's Office. The comparables ranged in size from 223,123 to 300,000 square feet of building area and 246 to 495 rooms. The buildings were constructed from 1926 to 2001, and two were renovated in 2012 and 1997, respectively. Comparables #3 and #4 were separate sales of the same property, one of which was "not arm's length." The sales occurred from November 2006 to December 2011 for prices ranging from $60,500,000 to $128,800,000 or from $136,569 to $326,768 per room. Board of review sales #3, #5, and #6 were also submitted by the appellant's appraiser as sales #9, #6, and #10, respectively. The memorandum submitted with the sales stated that the sales had not been adjusted for market conditions, time, location, age, size, land to building ratio, parking, zoning, and other related factors. The document submitted by the board of review further stated in its final paragraph:

> This memorandum to the board of review is not intended to be an appraisal, estimate of value and should not be construed as such. The information provided in the memo was collected from sources including; the Assessor, CoStar, PTAB case file records, and they are assumed to be factual, accurate, and reliable. The writer has not verified the information or sources and does not warrant its accuracy.

The board of review called no witnesses to testify to the method by which the subject property was valued in support of the assessment or to discuss the purported comparable sales. The board of review presented no witnesses to refute the appellant's appraiser's testimony or any aspect of the appellant's appraisal.

The board of review then requested that the PTAB take judicial notice of three prior cases from the first judicial district.[4] The case admitted and marked as BOR Hearing Exhibit #3, was Cook County Bd. of Review v. Property Tax Appeal Board (Omni), 384 Ill.App.3d 472 (1st Dist. 2008). The final case admitted and marked as BOR Hearing Exhibit #4, was West Loop Associates, Inc. v. Property Tax Appeal Board, 2017 I.L. App (1st) 151998. The board of review argued that in West Loop Associates, the Board gave no weight to an appraisal prepared by Murphy where he relied upon his opinion of value under the income approach to estimate a value under the sales comparison approach. The board of review argued the appraiser's methodology is identical in the instant case as in West Loop Associates and requested that the Board similarly find the report to be "self-validating and contradictory to accepted appraisal practice."[5]

In rebuttal, counsel for the appellant argued that the cited cases presented by the board of review involved appeals with an appraisal presented by the appellant that the PTAB found to be wanting and an appraisal presented by the board of review. In contrast, in this case, there is no substantive valuation evidence prepared by an appraiser or expert in real estate valuation, which has been presented to the PTAB by the board of review.

Conclusion of Law

The appellant contends that the subject property's market value 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. See 86 Ill.Admin.Code §1910.63(c).

The Property Tax Appeal Board is to determine the correct assessment of any parcel of real property which is the subject of an appeal, based upon the facts, evidence, exhibits, and briefs submitted to or elicited by the Board. 86 Ill.Admin.Code §1910.10(b). The Board is to make a decision in each appeal or case appealed to it, the decision shall be based upon equity and the weight of evidence . . . and shall be binding upon the appellant and officials of government. 35 ILCS 200/16-185. The Property Tax Appeal Board is not to afford prima facie correctness to the decision of the board of review. Western Illinois Power Co-op, Inc. v. Property Tax Appeal Board, 29 Ill.App.3d 16, 23, 331 N.E.2d 286 (4th Dist. 1975). A taxpayer seeking review before the Property Tax Appeal Board from a decision of the board of review does not have the burden of overcoming any presumption that the assessed value is correct. Mead v. Board of Review of McHenry County, 143 Ill.App.3d 1088, 1094, 494 N.E.2d 171 (2nd Dist. 1986). 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, 780 N.E.2d 691 (3rd Dist. 2002).

[4] The first case, marked as BOR Hearing Exhibit #2, was Marshall Fields-State Street v. PTAB, 2014 I.L. App.(1st) 11-3574-U. Following the hearing, the board of review sent the Board a request to have BOR Hearing Exhibit #2 withdrawn because the decision was not published. The Property Tax Appeal Board granted the board of review's request to have this exhibit withdrawn.

[5] The Board has thoroughly examined and considered the applicability of these cases and finds that they are distinguishable from the current case, as explained in the "Conclusion of Law" portion of this decision.

The issue before the Property Tax Appeal Board is the determination of the market value for the subject property as of January 1, 2011, for *ad valorem* tax purposes. The Board finds the best evidence of market value in this record was presented by the appellant in the form of the appraisal and testimony of the appraiser Arthur J. Murphy. The area appraised by Murphy totaled 836,662 square feet out of a total gross building area of 2,612,422 square feet inclusive of the basement and the area found in three sub-basements that comprise the Trump International Hotel and Tower. The area appraised is only 32% of the total building area associated with the Trump International Hotel and Tower.

In estimating the subject property's market value, the appellant's appraiser developed both the income approach to value and the sales comparison approach to value. The appellant's appraiser developed the income approach to value with significant detail. The appellant's appraiser examined the subject's income and expenses and contrasted that with market data using various industry publications to arrive at stabilized income and expenses. The Board finds the appellant's appraiser's estimate of income and expenses was well supported and credible. The Board further finds the appellant's appraiser's estimate of the loaded capitalization rate to be well reasoned and justified. The Board recognizes that appraiser Murphy was able to estimate a value using the cost approach in his 2008 appraisal (Board of Review Hearing Exhibit #1) and that the board of review argues this to be impeaching. However, Murphy testified why he did not utilize the cost approach for this 2010 valuation. The Board finds that the 2008 appraisal does not impeach this reasoning and no evidence was produced to call it into question. Ultimately, the Board finds the conclusion of value under the income approach to the value of $32,250,000 is credible.

With respect to the sales comparison approach to value, the appellant's appraiser examined 26 sales from the Chicago market. The appraiser explained the difficulty in developing the sales comparison approach due to the unique features of each hotel and the necessity to estimate and extract the business and personal property components from the going concern value from the sales prices to arrive at the value for the realty. Although there are some issues with respect to the methods employed by Murphy and his reasoning, he was the only witness, who was also designated as an expert witness without a substantive objection to appear before this Board, to explain the methodology used and reasoning behind his analysis under the sales comparison approach to value. Murphy arrived at an estimated value under the sales comparison approach of $33,900,000 or $100,000 per unit, which he explained was supported by his conclusion under the income approach to value. The Board finds the appraiser's estimate of value under the sales comparison approach is reasonable.

Murphy reconciled these two approaches to value to a value conclusion of $33,000,000 as of January 1, 2010.

However, the Board finds Murphy undervalued the subject property by failing to attribute any value to the raw retail/arcade mall profit center composed of 98,521 square feet of building area. Even though this area is vacant, and the owners have not been able to rent or lease this area, this portion of the improvement adds contributory value to the overall building. The retail area to which no value was attributed comprised approximately 12% of the building area appraised. Therefore, the Board finds the estimated value developed by Murphy should be increased by 12% resulting in an estimated market value as of the assessment date at issue of $36,960,000 and a revised total assessment of $9,240,000 when applying the Cook County Real Property Assessment Classification Ordinance level of assessments for commercial property of 25%. The revised assessment is less than the assessment of the subject property as established by the board of review totaling $15,604,993, which reflects a market value of $62,419,972.

The Board recognizes that the appellant's appraisal may have had inconsistencies and redundancies, and the testimony of Murphy at times may have been inarticulate; nevertheless, the board of review presented no witnesses to refute or rebut Murphy's appraisal and testimony. The board of review called no witnesses to testify to the method by which the subject property was valued to arrive at its assessment or to discuss the purported comparable sales it submitted as evidence. The comparable sales provided by the board of review were - simply put- raw sales with no analysis or adjustments to make them representative of the subject property or to account for the going concern value associated with sales of ongoing hotel properties. To the extent necessary, the Board finds that the board of review thoroughly failed to establish through substantive, documentary evidence or legal argument that its assessment of the subject property was correct. Additionally, the board of review presented no witnesses to refute the appellant's appraiser's testimony or any aspect of the appellant's appraisal. The board of review called no witnesses to refute the appellant's appraisal methodology and estimate of value under the income approach. No board of review witness challenged the appellant's appraiser's estimated income, expenses, or the capitalization rate used to capitalize the income into an estimate of value.

The board of review presented no witness to critique or rebut Murphy's methodology or estimated value using the sales comparison approach to value. The board of review presented no witness or testimony to challenge the appellant's appraiser's analysis of the business value component of the hotel business and the need to adjust sales to account for business value that may be included in a sales transaction. (See Kraft Foods, Inc. v. Illinois Property Tax Appeal Board, 2013 I.L. App (2d) 121031; Central Nursing Realty, LLC v. Illinois Property Tax Appeal Board, 2020 I.L. App (1st) 180994; Chrysler Corporation v. State Property Tax Appeal Board, 69 Ill.App.3d 207 (2nd Dist. 1979).)

The board of review's reliance on West Loop Associates, LLC v. Property Tax Appeal Board, 2017 I.L. App (1st) 151998, 81 N.E.3d 162, 414 Ill.Dec. 896, to refute or rebut Murphy's appraisal is misplaced. Unlike in West Loop Associates, LLC, the board of review in this appeal presented no rebuttal critique of the Murphy appraisal that was prepared by an expert in the field of real estate appraisal or an independent appraisal of the subject property arriving at an alternative market value for the Board's consideration. The board of review in this appeal presented no experts to challenge Murphy's appraisal or credibility.

The Board further finds the board of review's citation to Cook County Board of Review v. Property Tax Appeal Board (Omni), 384 Ill.App.3d 472, 894 N.E.2d 400, 323 Ill.Dec. 633 (1st Dist. 2008), to discredit the Murphy appraisal is without merit. Unlike the taxpayer's appraiser in Omni, Murphy prepared a sales comparison approach to value using 26 sales in estimating the market value of the subject property. The fact that he developed a price range using the comparable sales and then considered the value arrived at under the income approach to determine an estimated market value under the sales comparison approach of $100,000 per room or $33,900,000 goes to the weight given the conclusion under this approach to value. It does not render the appraisal insufficient as a matter of law. Moreover, in Omni, the board of review presented an appraisal along with the appraiser's testimony at the hearing.

Additionally, in the absence of a witness, who would be subjected to cross-examination, to explain the raw, unadjusted comparable sales submitted by the board of review, this Board gives little weight to these submissions. In particular, the raw unadjusted sales data is found by the Board to be particularly troubling in light of the evidence presented by Murphy, an expert, that sales of hotel properties must be adjusted to remove the applicable business value and FF&E that is part and parcel of the total raw sales price.

In conclusion, the Board finds the evidence and testimony presented by the appellant were more persuasive than the limited information of six raw unadjusted comparable sales, one of which was not an arm's length sales transaction, as provided by the board of review. The Board further finds that the appellant has met its burden of proof by a preponderance of the evidence.

Based on the record, the Board finds a reduction in the assessment of the subject property 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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.

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 8, 2021

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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

AGENCY

State of Illinois
Property Tax Appeal Board
William G. Stratton Building, Room 402
401 South Spring Street
Springfield, IL 62706-4001

APPELLANT

401 North Wabash Venture, LLC, by attorney:
Patrick J. McNerney
Mayer Brown LLP
71 South Wacker Drive
Chicago, IL 60606-4637

COUNTY

Cook County Board of Review
County Building, Room 601
118 North Clark Street
Chicago, IL 60602