FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Andrew Shanahan AAA Storage II, Inc
DOCKET NO.: 12-01603.001-C-2 through 12-01603.002-C-2
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Andrew Shanahan AAA Storage II, Inc, the appellant, by attorney Joanne Elliott, of Elliott & Associates, P.C. in Des Plaines; the Kane County Board of Review; and Elgin S.D. U-46 intervenor, by attorney Ares G. Dalianis of Franczek Radelet P.C. in Chicago.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds ***a reduction*** in the assessment of the property as established by the **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
12-01603.001-C-2	06-26-326-017	85,522	434,721	$520,243
12-01603.002-C-2	06-26-304-014	9,213	90,135	$99,348

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a mini warehouse self-storage facility located on adjoining parcels. The subject is improved with ten buildings, eight of which are mini ware houses with 390 units ranging from 5’ x 5’ to 10’ x 30’. One building has four 25’ x 75’ units. The improvements were constructed of steel frame with metal panel exteriors in 1995 and 1997 with an addition being added in late 2011. There is also a small masonry office building. The bulk of the improvements are located on parcel 06-26-326-017 which consists of 4.80 acres of land area. This parcel contains approximately 59,540 square feet of self-storage area along with a 900 square foot office. Parcel 06-26-326-014, consisting of 3.81 acres, contains 11,370 square feet of self-storage area.[1] The subject is located in South Elgin, Elgin Township, Kane County.[2]

The appellant appeared with counsel before the Property Tax Appeal Board contending overvaluation as the basis of the appeal. The appellant contends the subject property had a market value of $1,550,000 as of January 1, 2012. In support of this argument the appellant submitted an appraisal prepared by Thomas T. Cullerton, an Illinois State Certified General Appraiser and Edward V. Kling, also an Illinois State Certified Appraiser. Mr. Kling has the Member Appraisal Institute ''MAI'' and the Member Royal Institution of Chartered Surveyors ''MRICS'' designations.

Andrew Shanahan, the developer and builder, was called as a witness. Shanahan testified that several 30' x 200' buildings were placed on the slope of a hill on what is basically considered a flag shaped lot. There is a retention pond on the second parcel behind the bulk of the subject improvements. Shanahan further stated a smaller industrial building was made contingent with AAA Storage. On the second parcel that holds the retention pond there consists 30-40 outside paved parking stalls. Shanahan testified that the appraisal submitted with the appeal did not include the most recent 3,870 square foot addition because he made a mistake on remembering the occupancy date. He stated the addition was actually occupied in late 2011. Shanahan testified that Cullerton also prepared a 2013 appraisal, which included the 3,870 square foot unit and came in at approximately $100,000 more than the 2012 appraisal. Shanahan stated the additional unit cost approximately $50,000 and generated approximately another $15,937 of income for 2012. In addition, Shanahan testified that they had to remove 10 parking stalls to construct the new addition, so the additional income was probably only $15,000. Shanahan went on to testify regarding various expenses incurred in 2011 and 2012. Shanahan further testified that the subject is located in a blighted area with no curb appeal. The subject is located 300' off the road on one side and 400' off the road on the back side. He stated one parcel is half consumed by the retention pond. Shanahan testified that because their income is down, they are about 10% cheaper than any other mini warehouses because of location and access points. He stated his expenses were approximately $2.60 per square foot, net of taxes. They also offer various concessions and discounts to get people in the door.

During cross-examination, Shanahan testified they spent approximately $2,000 per month on yellow page ads. Shanahan testified that the village created a Tax Increment Financing (''TIF'') district in the subject's area. Shanahan acknowledged the subject is not in the TIF district, but rather, borders it.

[1] An additional self-storage unit was built on parcel 06-26-326-014 in mid 2012 and was not included in the appellant's appraisal.
[2] At hearing, the parties agreed to stipulate that the correct square footage for the subject improvements as of January 1, 2012 was 70,910 square feet of building area.

Shanahan stated the taxes on the subject significantly increased from 2011 to 2012, even though, the only difference was the completion of the new 3,870 square foot addition.

Appraiser Tom Cullerton was next called as a witness. Cullerton is a State Certified Real Estate Appraiser and has been employed as an appraiser since 1978.[3] Cullerton completed a full appraisal report for the subject property utilizing the three traditional approaches to value. He physically inspected the subject in March, 2013 and estimated a value for the subject of $1,550,000 as of January 1, 2012. Cullerton testified they mistakenly did not include the value of the 3,870 square foot addition in the estimate of value. Cullerton further testified he also appraised the subject for a valuation date in 2013, which included the 3,870 square foot addition. The valuation difference between the 2012 report (without the addition) and the 2013 report (with the addition) was $100,000. Cullerton could not say that the $100,000 difference was due solely because of the addition.

Cullerton testified he appraised the subject's fee simple interest. Cullerton described the market in January 2012 was at its lowest for industrial property with the self-storage market also being hit hard. Cullerton stated the self-storage market, however was not hit as hard on a percentage basis as typical industrial property, so there was still investor interest. He explained that the renters, many of which were construction guys, were going out of business, which caused rental income to decline. This was offset somewhat by the people who lost their homes who were renting storage.

Cullerton described the subject's original buildings as being built in 1995 and 1997. He testified the subject had office and storage areas of approximately 71,000 total square feet of building area, which he broke down into two sections. The Industrial Drive site had four bays 25' x 75' feet deep with the addition subsequently being added. The Sundown Road site was approximately 60,600 square feet of building area, including 900 square feet of office space and eight buildings. All of the buildings on this site are a standard 30' wide of various sizes.

The appraisal report depicts the subject's highest and best use as vacant is for non-speculative industrial development or alternatively to hold for future development. The report further depicts the subject's highest and best use as improved, including the small addition, constituted the highest and best use as improved. (Appraisal pages 32-33)

In developing the income approach to value, Cullerton examined the subject's actual rents. From this, he obtained the actual effective gross income. On page 68 of the appraisal report Cullerton developed a metric for the subject's rental units. Based on 394 units, he determined the subject contained 68,100

[3] The parties stipulated to Cullerton being an expert witness.

square feet of building area, with a potential monthly income of $39,905, which was then annualized to $478,860 or $7.03 of potential gross income per square foot of building area. He then looked at market rents using a gross basis. Cullerton examined five comparable self-storage properties located in Elgin, Elburn, DeKalb, Sycamore and Lake of the Woods, Illinois. They were described as ranging in age from a newer gated complex to 35 years old. Four of the rental comparables are described as ranging in size from 17,500 to 95,760 square feet of building area. The comparables had varying unit sizes, with four described as having annualized per square foot rental rates ranging from $5.23 to $10.40 per square foot of building area. Based on examination of the rental data, the appraisers opined that the market rent for the subject was $7.03 per square foot of gross building area, including the office. Cullerton testified he calculated expenses based on a mixture of actual expenses and stabilization of market expenses. Management and advertising expenses came from publications such as MiniCo. In addition, Cullerton talked with Shanahan. From these sources, Cullerton estimated annual management and advertising expenses of approximately $100,000. Vacancy and credit losses were estimated utilizing the subject's reported history of income from 2009 through 2014, which Cullerton found was very consistent. This also included the discounts Shanahan was offering to entice people into the units. Cullerton found the insurance expenses were in line with what others were reporting in MiniCo. Cullerton found Shanahan's maintenance and repair expenses to be widely varied from year to year, so he used the stabilized national average of $0.23 per square foot. In order to estimate reserves, Cullerton utilized RealtyRates.com. The average for self-storage facilities was $0.45 per square foot, which is what he used. In developing the income approach to value, vacancy of 30% ($143,658) was subtracted from the potential gross income ($478,860) to arrive at an effective gross income of $335,202. Management fees, insurance, maintenance, reserves for replacements and legal/accounting fees of $178,493 were deducted to arrive at an estimated net income of $156,709 or $2.30 per square foot of gross building area, prior to taxes.

Cullerton next developed an overall capitalization rate. Using the band of investments method indicated an overall capitalization rate of 0.0846. Cullerton then examined the reasonableness of the aforementioned rate by comparison with the debt coverage ratio which indicated an overall capitalization rate of 7.22%. In the second half of 2011, PriceWaterhouseCoopers indicated an overall capitalization rate for the domestic self-storage market investor survey of rates ranging from 7% to 9.5% with an average rate of 7.75%. The appraisal depicts the Marcus & Millichap Self-Storage research report for late 2011 indicated a rate in the low 8% range for the Chicago area. In addition, two of the sales used in the sales comparison approach reported overall capitalization rates of 8.25% and 9%, respectively. Based on the subject's location and near complete lack of exposure, the appraisers considered the subject a class ''C'' investment grade facility, and therefore utilized an unloaded overall capitalization rate of 8.25%. Adding in a tax rate of 2.08% to the base rate resulted in an effective tax rate of 10.33%. After dividing the subject's net income of $156,709 by the estimated overall capitalization rate of 0.1033 resulted in an estimated market value for the subject of $1,520,000, rounded, or $22 per square foot of gross building area using the income approach. (Appraisal, pages 79-81).

Cullerton next testified regarding his estimate of the subject's value utilizing the cost approach. Cullerton stated the land value estimate was difficult because the subject's site was sloped downhill. He compared the subject to multiple different industrial land sales in the general market area and concluded the subject was at the very low end of the range, which he indicated was $1.25 per square foot of effective area (excluding the pond and creek). Cullerton calculated the effective area using aerial measurements from the Sidwell Maps. Cullerton analyzed six land sales located in South Elgin, Bartlett, Carpentersville, Elgin and Elburn. They ranged in size from 101,495 to 431,244 square feet of land area and sold from June 2007 to November 2012 for prices ranging from $400,000 to $1,246,846 or from $2.22 to $3.94 per square foot of land area. Each land comparable was considered superior to the subject based on the subject's limited access and exposure with only 25 feet of frontage, and therefore, each comparable required a downward adjustment. Applying the estimated $1.25 per effective square foot of site area (235,660 square feet) indicated an estimated land value for the subject of $290,000, rounded.

The appraisers used Marshall & Swift Valuation service Section 14, Page 28, Mini Warehouses, Class D, Low cost to estimate the subject's replacement cost new. A base cost of $22.19 per square of building area was used with various multipliers applied for office area, height, local cost factors and current cost factors to arrive at an estimated replacement cost new of $30.59 per square foot of building area. This was then multiplied to the 68,100 square feet of building area to indicate an estimated replacement cost of $2,082,892.

Using the age/economic life method, an effective economic age was estimated at 22 years and typical economic life at 45 years which indicated accrued depreciation of 48.9%. Depreciation was also calculated utilizing three comparable sales based on market extraction. The annual rate of depreciation indicated by the three sales was 3%. Using an effective age of 15 years indicated an accrued depreciation of 45%, rounded. Based on these two methods, the appraisers conclude an accrued depreciation for the subject improvements of 47% or an annual rate of 3.13% which is slightly higher than typical depreciation rates due to the current high amount of external obsolescence. The subject also has asphalt paving and fencing, which were depreciated 60%. The depreciated value of the site improvements was estimated to be $193,000. The estimated land value of $290,000 was added to the estimated cost new of $2,082,892. From this, accrued depreciation of 47% was subtracted and the depreciated value of the improvements was added along with the contributory value of the site improvements and entrepreneurial incentive of 2% which indicated an estimated value by the cost approach of $1,610,000 or $23.64, rounded, per square foot of building area, including land.

Cullerton testified he searched the entire suburban Chicago region for comparable sales in developing the sales comparison approach to value. The appraisers analyzed six comparable sales located in Algonquin, Mokena, Crystal lake, Elgin and Sandwich, Illinois. The comparable sales were situated on sites ranging in size from 87,000 to 435,600 square feet of site area and had improvements ranging in size from 19,937 to 106,359 square feet of building area. The comparables ranged in age from 5 to 35 years old and had land-to-building ratios ranging from 2.67:1 to 10.18:1. The comparables sold from May 2010 to October 2012 for prices ranging from $620,000 to $3,600,000 or from $20.27 to $40.42 per square foot of building area, including land. Sale #1 was adjusted downward because of its superior exposure and access. Sale #2 was also adjusted downward because it was newer and had climate controlled areas, but was bank owned and needed additional work. Sale #3 was given a moderate upward adjustment because it was found to be similar in size to the subject, but had a lower land-to-building ratio. In addition, a downward adjustment was made to sale #5 based on its location near Lake Holiday, which is good for RV and boat storage. After making the various adjustments, the appraisers estimated $23.00 per square foot was reasonable for the subject which resulted in an estimated value for the subject using the sales comparison approach of $1,570,000. Cullerton testified that based on the stipulated size for the subject of 70,910 square feet, a estimated value would be $1,630,930.

Cullerton testified that he placed considerable weight on the sales comparison and income approaches. After reconciling the three approaches, his final estimated value for the subject was $1,550,000. Cullerton stated he formed this opinion in conformity with the Uniform Standards of Professional Appraisal Practice and the standards of professional conduct and code of ethics of professional associations to which he belongs.

Based on the evidence submitted and the testimony herein, the appellant requested a reduction in the subject's assessment to reflect a total estimated market value of approximately $1,549,070.

On cross-examination, Cullerton acknowledged that Kling made a preliminary value conclusion ranging from $1.7 to $2.0 million prior to concluding the appraisal. Through impeachment, Cullerton admitted that he actually utilized the wrong category for his base cost. Class S should have been used instead of Class D which would have indicated a base cost of $29.98 per square foot of building area instead of the $22.19 that he used. Cullerton also acknowledged that his entrepreneurial incentive of 2% should have been applied prior to the adjustment for depreciation. Cullerton explained the differences between the physical age of the subject's improvements and the economic age which is increased due to the functional and external obsolescence acting on the property. Cullerton stated in the market extraction method the actual effective age was used. Cullerton testified that the seven year difference is best shown in the extraction from the market of what the total depreciation was from the sales. From the sales comparison approach, Cullerton testified that sale #3 was most applicable to the subject because it required the least amount of adjustments. Cullerton admitted that there were two South Elgin properties he could have utilized in his rental comparables that were not included in his report instead of properties in DeKalb and Sycamore. Cullerton testified he did not include them because he did not have the data for them. Upon questioning, Cullerton testified further that to the best of his knowledge the subject's value for January 1, 2012 would be $1,650,000 when the additional improvement is added in. Cullerton stated he investigated each sale in his sales comparison approach and reiterated that sale #1 had $500,000 of personal property included in the sale price. Cullerton stated that sale #2 was not an arms-length sale because it was an REO bank sale. He would not have utilized this sale if he had other really good comparables. Cullerton testified that the subject's rental rates are comparable to the market and it would not be improper to use the subject's actual rental data because of this.

In support of the subject's assessment, the board of review submitted its ''Notes on Appeal'' wherein the subject's total final assessment for the two parcels combined of $707,517 was disclosed. The subject's assessment reflects a market value of $2,121,490 or $29.92 per square root of building area, including land, using the 2012 three-year average median level of assessment for Kane County of 33.35% as determined by the Illinois Department of Revenue.[4] In support of the subject's assessment, the board of review submitted a letter prepared by board of review member, Michael E. Madziarek, and an income approach to value contained in a brief prepared by Steven P. Surnicki, the Elgin Township Assessor.

The board of review called Surnicki as its first witness. He is a certified general appraiser. Surnicki testified that the difference in assessment for the subject property from 2011 to 2012 was due to a GIS aerial photograph depicted they did not have all of the existing storage units on the rear portion of the site. Surnicki stated that in 2011 the additional storage units, approximately 24,000 square feet, as well as the additional newly built building, was added on the tax rolls. Surnicki stated that after looking at all market sales in Elgin; he revalued all of the storage facilities in Elgin. Surnicki felt the downward

[4] The parties stipulated the land assessment for parcel 06-26-304-014 should be $9,213 and for 06-26-326-017 of $85,522. This stipulation, taking into account the wetland, pond, creek and non-usable area reflects an estimated total land value for the subject of $284,063.

adjustment for sale #2 used in Cullerton's appraisal report was too high. He did not feel there was much of a difference in terms of location as both properties skirt an industrial park. Surnicki testified that the subject is located near residential property or apartment multi-family developments who often utilize self-storage facilities. Surnicki further testified that for 2012 the subject property is assessed at an estimated market value of $2,122,763 or $31.26 per square foot.

Surnicki developed an income approach to value for the subject based on a sister property with similar rents and on two storage facilities in South Elgin. Potential gross income was estimated to be $495,258. He calculated the self-storage units could generate $7.35 per square foot of building area with the two steel buildings generating $5.35 per square foot building area and parking bringing in an additional $3,900 for a total potential gross income estimate of $495,258. He used the Marcus & Millichap 2nd Quarter 2012 Chicago Market Report, which indicated an 85% occupancy rate. Expenses of $147,339 (35%) was estimated based on an analysis of the sales on Weld Road and Algonquin Road in addition to a facility located in Dundee Township which indicated an expense average of 36% of effective gross income. Net operating income of $273,630 was capitalized at a loaded rate of 10.33% indicating a market value of $2,648,887.

The board of review's evidence included two improved self-storage sales. The two sale comparables were located in Algonquin and Elgin. They were situated on 245,243 and 130,680 square feet of site area, had land-to-building ratios of 4.31:1 and 3.62:1, were 25 and 35 years old and contained either 56,900 or 41,040 square feet of building area. The properties sold in December and April of 2011 for prices of $2,225,000 and $875,000 or for $39.10 and $24.25 per square foot of building area, receptively, including land.[5] Based on the evidence and testimony, the board of review requested confirmation of the subject's assessment.

During cross-examination, Surnicki acknowledged he did not submit any rental comparables to support his income analysis. Surnicki further acknowledged that the appellant's appraisers actually estimated a value for the subject's land that was higher than what he estimated it to be. Surnicki stated he took his rental data from three of four sources; however, they were not included in his report. Surnicki admitted that the $500,000 sale price reduction for his sale #1 was calculated by an appraiser in another appeal who was also the Chairman of the Kane County Board of Review. He then testified that the two sales were only being used to extract market data expense ratio information. The board of review acknowledged the only evidence submitted into the record to support the subject's assessment is the income approach analysis prepared by Surnicki. Surnicki testified that he relied upon the sales submitted in the appellant's appraisal report. He

[5] Net price after adjustment for excess land and personal property.

felt the sale on Weld Road and on Algonquin Road were the two most similar properties when compared to the subject.

The intervenor, Elgin S.D. U-46, adopted the board of review's evidence and deferred to the board of review for presentation and cross-examination.

After hearing the testimony and having considered the evidence, the Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The appellant contends overvaluation as the basis of the appeal. 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 Board further finds the best evidence of the subject's market value as supported in this record is found in the comparable sales relied upon by both parties.

The Board initially finds the parties stipulated that the 2012 land assessment placed on both parcels is correct. Further, at hearing, the parties stipulated the subject contains 70,910 square feet of gross building area. The Board finds the testimony from Andrew Shanahan regarding the difficulties developing the subject property, seclusion, lack of frontage access, increased advertisement expenses, concessions and/or discounts was credible. His testimony was supported by evidence presented by Cullerton using historical operating income and expense statements for the subject from 2009 through 2014. As Cullerton testified too, the income and expense statements remained consistent through the years prior to the appeal and were representative of the market. The Board gave Cullerton's cost approach to value less weight in its analysis because he admitted he erred in selecting the proper classification utilizing the Marshall & Swift Cost Manual. Cullerton testified that he placed primary weight on the income and sales comparison approaches to value, therefore, the Board finds the errors contained in the cost approach does not diminish the credibility of the appraisal report or the subject's final opinion of value as testified to by Cullerton.

Cullerton's appraisal depicted an estimated market value for the subject of $1,550,000 as of January 1, 2012. However, based on a mistake by Shanahan, the 3,870 square foot addition, added to the subject improvements in late 2011 was not included in his final estimate of value. Shanahan testified that the new addition, less 10 parking spaces, increased the subject's annual income by approximately $15,000. Cullerton testified that the subject's market value was increase by approximately $100,000 with the addition of the 3,870 square foot building.

The Board finds Cullerton presented credible testimony regarding the three approaches to value he utilized, how he selected his comparables and the adjustments thereto. Both parties presented an income analysis with potential gross income being approximately equal. The parties differed on the estimated amount of expenses. Surnicki calculated the subject's expenses of 35% of effective gross income ($2.09 per square foot of building area) based on two sales, a sister property and an appeal before the board of review located in Dundee Township. Cullerton calculated the subject's expenses utilizing the subject's actual expenses for the first nine months of 2012, which was then projected to be 33% annually. The appraisal depicts the subject 2011 expenses were 34% of effective gross income. In estimating the subject's expenses, Cullerton referenced the 2012 Self-Storage Expense Guidebook published by MiniCo which depicted on and off site management, administration and advertising expenses of $2.09 per square foot of building area. Cullerton estimated expenses included additional costs for advertising and concession/discounts. Even though Shanahan testified to the additional expenses incurred, the Board finds the best evidence of the subject's expenses is presented by Surnicki and is supported by the 2012 MiniCo publication. The parties also differed on the percentage of vacancy for the subject. Surnicki based his estimate on the Marcus & Millichap 2nd Quarter 2012 Chicago Market Report to estimate vacancy of 15%. Cullerton also used the Marcus & Millichap report, however, he found that competing properties in the suburban marketplace offered one month free rent to entice tenants and therefore, increased his vacancy loss by 8.3% to arrive at an estimated vacancy and credit loss of 30%. The Board finds Shanahan testified that his occupancy was 80% to 85%, but his income was lower based on discounts. The appraisal depicts an occupancy rate of 80% for late 2011 was supported by Cushman and Wakefield, a national brokerage firm that tracks properties similar to the subject. The Board finds the best evidence of the subject's vacancy is found in the evidence presented by Surnicki and the testimony by Shanahan (15% - 20%), and is supported by the national publications with a slightly higher offset in effective gross income because of the additional credit losses incurred.

Both parties applied an overall loaded capitalization rate of 10.33%, which the Board finds is reasonable. Utilizing the income approach to value, Surnicki estimated the subject's total value for 2012 of $2,122,763 after including an additional 24,000 square feet of building area he found omitted on the subject's property record card. Cullerton estimated the subject's total 2012 value of $1,620,000 using the income approach after inclusion of the 3,870 square foot building that was mistakenly omitted in the appraisal report. Based on the following case law and the differences reiterated above, the Board placed increased weight in its analysis on the sales comparison approach to value.

The Board finds the comparable sales submitted by the appellant and relied upon by the board of review are better indicators of the subject's fair market value. The courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach. Since there are credible market sales contained in this record, the Board placed most weight on this evidence.

Cullerton presented six comparable sales in developing his comparable sales approach to value. Surnicki admitted these were the only sales available, but refuted their comparability and the adjustments made by Cullerton. Surnicki submitted no sales in support of the subject's assessment, but rather, relied upon the sales as submitted by the appellant. The record depicts sale #1, which sold for $2,300,000 or $40.42 per square foot of building area, included an allocated $500,000 in the sale price for personal property and goodwill. Surnicki agreed comparable sale #1 was superior to the subject in location, but argued it was mitigated by its location in a significantly less dense populated area and therefore, did not require a 40% negative adjustment as applied by Cullerton. Sale #2, a newer climate controlled facility, was an REO purchase of a storage facility in Mokena. Sale #3, a property similar in size to the subject, was located in Crystal Lake and sold for $1,385,000 or $20.27 per square foot of building area in October of 2012. This property also included an allocated $50,000 for personal property. Cullerton applied a 5% positive adjustment to this property for date of sale and superior exposure/access. The evidence depicts sale #4, which sold for $620,000 or $31.10 per square foot of building area, was located in Cook County and required a downward adjustment for date of sale and size. Sale #5, located in South Elgin, was found to be superior based on location near an RV/boat site sold in 2010 for $1,300,000 or for $30.39 per square foot of building area. This property was also adjusted downward 20% for date of sale and size. Both parties found sale #6 was similar to the subject. This sale was located in Elgin, however, it was older than the subject and needed repairs. No adjustments were made to this property. Cullerton opined that sales #3 and #6 were most similar to the subject property based on the adjustments. Surnicki opined Cullerton's sale #1 and #6 were most similar to the subject.

The Board finds the most similar comparables contained in this record are comparable sales #1, #3 and #6. These properties ranged in size from 41,040 to 68,100 square feet of building area; were situated on sites ranging in size from 130,680 to 245,243 square feet of land area, had land-to-building ratios ranging from 3.18:1 to 4.31:1 and ranged in age from 24 to 36 years old. In comparison to the subject, the subject contains 70,910 square feet of building area, is situated on approximately 292,069 square feet of land area, has a land-to-building ratio of 4.12:1[6] and is 15 years old. The most similar comparable sales

[6] Based on the stipulated size of 70,910 square feet of building area.

sold from May 2011 to October 2012 for prices ranging from $925,000 to $2,300,000 or from $20.27 to $40.42 per square foot of building area, including land. The subject's assessment reflects an estimated market value of $2,121,490 or $29.92 per square root of building area, including land. After considering both parties comparables and the adjustments made thereto, the Board finds the subject had a market value of approximately $1,857,842 or $26.20 per square foot of building area, including land as of January 1, 2012. Slightly less weight was given Cullerton's final opinion of value because his appraisal did not include the additional 3,870 square foot building and he testified that he would be required to perform a more in-depth analysis to determine the exact increase in value. In addition, less weight was given Surnicki's estimated value because the Board finds his income analysis was not supported in this record with credible documentation. The Board finds the board of review presented no comparable sales, no cost approach, and only submitted an income analysis without supporting documentation to verify the figures used.

Appellant's counsel argued that the significant increase from 2011 to 2012 was unjustified based on the addition of a 3,870 square foot building; however, Surnicki explained that he also added 24,000 square feet of omitted building area, which the parties agreed resulted in a correct square footage for the subject of 70,910.

Based on the evidence presented herein and on the testimony provided herein, the Board finds the preponderance of the evidence depicts the subject's assessment is excessive based on this record and a reduction is warranted.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.

Chairman

Member	Member
Member	Acting Member
Member	

DISSENTING:

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: March 18, 2016

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.