



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

APPELLANT: Sherwin Williams Company
DOCKET NO.: 12-27821.001-I-3 through 12-27821.005-I-3
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Sherwin Williams Company, the appellant, by attorney Patrick C. Doody, of the Law Offices of Patrick C. Doody in Chicago; and the Cook County Board of Review.

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
12-27821.001-I-3	29-16-205-125-0000	20,492	104,301	\$124,793
12-27821.002-I-3	29-16-205-130-0000	20,250	91,184	\$111,434
12-27821.003-I-3	29-16-205-186-0000	946	420	\$1,366
12-27821.004-I-3	29-16-205-187-0000	58,479	253,793	\$312,272
12-27821.005-I-3	29-16-205-191-0000	12,304	6,581	\$18,885

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Cook County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2012 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 consists of two non-contiguous, irregularly shaped, corner land parcels improved with an industrial complex consisting of four improvements. The improvements are part one-story and part two-story, warehouse buildings totaling 152,540 square feet of building area of either metal panel or masonry exterior construction. The buildings were constructed in stages from 1970 through 1998. The property is located in Thornton Township, Cook County. The subject is classified as a class 5B, industrial property under the Cook County Real Property Assessment Classification Ordinance.

On a procedural note, the appellant moved to consolidate the 2011 and 2012 tax appeals for hearing purposes without objection from the board of review. Upon considering the parties' positions, the Board granted the appellant's motion, while indicating that the cases would be consolidated for hearing purposes solely and that distinct decisions would be rendered in each case.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal estimating that the subject property had a market value of \$2,275,000 as of January 1, 2011. The appraisal developed two of the three traditional approaches to value: the income and sales comparison approaches. It indicated that an interior and exterior inspection was undertaken on September 28, 2011, while submitting interior and exterior photographs. Moreover, the appraisal stated that the subject's land size was 329,202 square feet in totality.

At hearing, the appellant called as its expert witness, Joseph Ryan, who prepared the appraisal. He stated that he holds a general certified appraisal license in Illinois, Indiana and Michigan as well as the Member of the Appraisal Institute (MAI) designation. He testified that he has appraised thousands of industrial buildings. Ryan was offered as an expert in appraisal theory and practice without objection from the board of review and was accepted as such by the Board.

Ryan testified that there had been no significant variance in the subject's market value from 2011 through 2012. He also stated that the subject contains two sites which are located on non-contiguous, land parcels improved with multiple industrial buildings that were built in stages from 1970 through 1998. He testified that he did not develop a cost approach due to: the subject's old age; the subject's multiple buildings; the subject's signs of functional obsolescence; and the subject's non-contiguous parcels. Based upon his experience, Ryan stated that market participants do not necessarily consider the cost approach in their investment or purchase. Moreover, he indicated that the subject was an owner-occupied property composed of Class C industrial buildings.

As to the income approach, Ryan testified that his four rental comparables were all asking rents, not actual rentals. They were located in the south suburban market and were of comparable size to the subject. The asking rates ranged from \$3.95 to \$4.53 per square foot. He stated that he reconciled a rental rate of \$3.75 per square foot for the subject for a potential gross income of \$572,000. He applied a 10% vacancy and collection loss resulting in an effective gross income of \$514,822. Total operating expenses of \$65,000 were deducted reflecting a net operating income of \$449,822. After using market data to develop an overall capitalization rate of 10%, Ryan's estimate of market value under this approach was \$2,270,000 for the subject.

In the sales comparison approach, Ryan testified that he used five sale comparables. These sales occurred from April, 2008, to August, 2011, for prices that ranged from \$950,000 to \$4,290,000 or from \$8.25 to \$20.27 per square foot. They ranged: in land size from 326,700 to 855,954 square feet; in building size from 115,211 to 211,595 square feet of building area; in number of docks or overhead doors from 7 to 27; and in year of construction from 1945 to 1975. The appraisal indicated that sales #2 and #3 were leased fee sales. Ryan testified that he verified and inspected each sale property which he characterized as Class C buildings. Based upon this data,

Ryan stated that he estimated a market value for the subject of \$15.00 per square foot or \$2,290,000.

In reconciling the two approaches to value, Ryan indicated that most weight was accorded the sales comparison approach with support from the income approach to value resulting in a final market value for the subject of \$2,275,000.

On cross examination, Ryan provided the percentage of office space for three of the five sale properties, while also indicating that each sale included a single improvement thereon. As to Ryan's rental properties, he testified that asking rentals represent the high end of the market for the reason that they are negotiated downward from the asking price and that is the reason there was sufficient rental data in his report. On the basis of this evidence and testimony, the appellant requested a reduction in market value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$877,102. The subject's assessment reflects a market value of \$3,508,408 or \$23.00 per square foot of building area, when applying the level of assessment for class 5, commercial property under the Cook County Real Property Assessment Classification Ordinance of 25%. The board's memorandum indicated that the subject land size was 329,202 square feet while submitting copies of the property record cards.

In support of its contention of the correct assessment, the board of review submitted unadjusted, raw sales data on five suggested comparable sales. The properties were identified as for: industrial warehouse, industrial distribution, or industrial manufacturing use, while sales #1, #3, and #4 were leased fee transactions while sale #2 was a deed in lieu of foreclosure. They ranged in building size from 147,872 to 173,000 square feet and in sale price from \$23.12 to \$34.49 per square foot.

Moreover, the board of review's memorandum stated that the data was not intended to be an appraisal or an estimate of value and should not be construed as such. This memorandum indicated that the information provided therein had been collected from various sources that were assumed to be factual and reliable; however, it further indicated that the writer hereto had not verified the information or sources and did not warrant its accuracy. As a result of its analysis, the board requested confirmation of the subject's assessment.

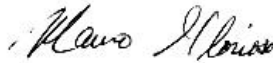
At hearing, the board of review's representative rested on the written evidence submission.

Conclusion of Law

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). The Board finds the appellant *met* this burden of proof and a reduction in the subject's assessment *is* warranted.

The Board finds the best evidence of market value to be the *appraisal submitted by the appellant*. The Board finds the subject property had a market value of \$2,275,000 as of the assessment date at issue. Since market value has been established, the level of assessment for class 5B, industrial property under the Cook County Real Property Assessment Classification Ordinance of 25% shall apply. (86 Ill.Admin.Code §1910.50(c)(2).

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



Acting Member



Acting Member

DISSENTING: _____

CERTIFICATION

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: May 19, 2017



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.