



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

APPELLANT: Julius Ameismaier
DOCKET NO.: 13-25895.001-I-2 through 13-25895.003-I-2
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Julius Ameismaier, the appellant(s), by attorney Saulius V. Kuprys, of the Law Offices of Saulius V. Kuprys 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 **No Change** 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
13-25895.001-I-2	20-04-105-011-0000	27,282	88,177	\$ 115,459
13-25895.002-I-2	20-04-105-004-0000	9,901	38,044	\$ 47,945
13-25895.003-I-2	20-04-105-007-0000	21,694	3,691	\$ 25,385

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 2013 tax year. The Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject consists of a five-story building of masonry construction with 110,000 square feet of building area. The building is 103 years old. The property has a 67,290 square foot site, and is located in Chicago, Lake Township, Cook County. The subject is classified as a class 5-93 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$0 as of January 1, 2013. The appraisal utilized only one of the traditional approaches to value, to wit, the sales comparison approach. In the "Highest and Best Use – As Improved" analysis, the appraisal states that "[t]he subject is located in a [sic] industrial area that is currently undergoing

weakening tenant demand resulting in higher vacancies and collection losses, reduced rents, and increasing concessions.” Based on these perceived market conditions, the appraisal concludes that the subject’s highest and best use, as improved, is to demolish the subject’s improvements and hold for future development. However, in the “Metropolitan Chicago Industrial Market Overview,” the appraisal states that “[a]lmost all indicators are improving including rising construction, declining vacancy, and increased absorption. Rental rates may begin to inch up provided the market’s momentum continues to hold.”

The “Highest and Best Use – As Improved” analysis included a cursory list of eight comparable rental properties and an operating statement. There was no quantitative or qualitative analysis presented to show what, if any, adjustments were made to these rental comparables, other than to say that all of them were superior to the subject. Based on this limited information, the appraisal concluded that the subject’s net operating income is -\$19,704. Notably, while this income and expense information is presented in the “Highest and Best Use – As Improved” analysis, the appraiser did not complete an income approach to valuation. It was explained that this approach was omitted because the subject was being valued as vacant land, and that “[i]ncome capitalization techniques are not used as primary valuation methods for vacant land except in special situations such as subdivisions analysis.”

The appellant also submitted an affidavit stating that the subject was 80% vacant for the entirety of tax year 2013. Based on this evidence, the appellant requested that the subject’s assessment be reduced to \$84,858.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$188,789. The subject's assessment reflects a market value of \$755,156, or \$6.87 per square foot of building area, including land, when applying the 2013 statutory level of assessment for industrial property under the Cook County Real Property Assessment Classification Ordinance of 25.00%.

In support of its contention of the correct assessment, the board of review submitted information on six comparable sales from the CoStar Comps Service.

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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The appellant submitted documentation showing the income of the subject property. The Board gives the appellant's argument little weight. In Springfield Marine Bank v. Prop. Tax Appeal Bd., 44 Ill.2d 428 (1970), the Illinois Supreme Court stated:

[I]t is clearly the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of

course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value". Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes.

Id. at 431.

As the Court stated, actual income and expenses can be useful when shown that they are reflective of the market. Although the appellant made this argument, the appellant did not demonstrate, through an expert in real estate valuation, that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using income and expenses one must establish, through the use of market data, the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. The appellant only provided this information within the highest and best use as improved analysis; however, this information was extremely limited and lacked any substantive analysis. Such cursory information is not enough to show whether the subject's net operating income, as determined in the highest and best use analysis, is reflective of the market. Notably, while the information appears to have been available to the appraiser, a full income approach to value was not completed, which would have better reflected the rental market, and market expenses and costs for the subject. Thus, the Board finds that a reduction is not warranted based on the appellant's income and expense analysis.

The Board gave little weight to the appraisal submitted by the appellant. The appellant's appraisal states that the subject's highest and best use as improved is to demolish the improvements and hold for future development. The appraisal cites alleged waning market conditions for the subject as evidence in support of this conclusion. However, the appraisal also states that the industrial market in the Chicago area is improving. Thus, the appraisal is internally inconsistent, and brings into question the genuineness of the appraisal's conclusion as to the subject's highest and best use as improved. The remainder of the appraisal is premised on valuing the subject as vacant land in accordance with the unsupported highest and best use as improved conclusion. As such, the remaining analysis is not germane to the subject, as it has an improvement. There is no further evidence in the record to show whether the subject is overvalued. Therefore, the Board finds that the appellant has not proven, by a preponderance of the evidence, that the subject is overvalued, and a reduction in the subject's assessment is not justified.

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.