



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

APPELLANT: First Midwest Bank  
DOCKET NO.: 13-27581.001-C-1  
PARCEL NO.: 03-06-400-048-0000

The parties of record before the Property Tax Appeal Board are First Midwest Bank, the appellant(s), by attorney John P. Fitzgerald, of Fitzgerald Law Group, P.C. in Burr Ridge; 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:

**LAND:** \$83,110  
**IMPR.:** \$166,890  
**TOTAL:** \$250,000

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 finds that it has jurisdiction over the parties and the subject matter of the appeal.

**Findings of Fact**

The subject property consists of a 39,111 square foot parcel of land improved with an approximately 24 year old, two-story, commercial, bank building containing 11,400 square feet of building area. The property is located in Wheeling Township, Cook County and is a class 5 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant's appeal is based on overvaluation. In support of the market value argument, the appellant submitted an appraisal undertaken by Thomas W. Grogan of Sterling Valuation. Grogan was the appellant's only witness. The parties stipulated to Grogan's qualifications as an expert witness and he was admitted as an expert witness in property valuation. In addition, Grogan testified that he has appraised approximately 200 bank facilities in the last 10 years.

The appraisal indicated the subject has an estimated market value of \$1,000,000 as of January 1, 2013. The appraisal report utilized the three traditional approaches to value to estimate the market value for the subject property. Grogan described the subject property and testified that the four drive thru lanes were no longer being used and that the subject was used for administration and office support. Grogan testified he inspected the subject in June 2013 and October 2017 for this appraisal and hearing; he also inspected the property in 2016 for a different appraisal.

As to the cost approach to value, Grogan testified that he analyzed six land sales to arrive at a value for the subject's land at \$8.50 per square foot or \$330,000, rounded. He testified he estimated the replacement cost new at \$2,675,403. This value was depreciated to arrive at a total depreciated cost \$698,162. He testified he added the site improvement and land value to arrive at a total estimate of value under cost approach of \$1,050,000, rounded.

Under the sales comparison approach, Grogan testified that he looked for sold properties similar to the subject in characteristics as a bank and an office building. He testified he made adjustments to these sales to arrive at an estimate of value for the subject. He testified that he excluded properties that were not similar to the subject, that did not sell within three years of the date of value or if there was a relationship between the buyer and seller. Grogan opined that when the subject property is owner-occupied, it is better to use owner-occupied sales comparables to be similar with the subject.

Grogan testified that he relied on five sales in estimating the subject's value. He testified to the following details of the five sales: listed on the open market between three month and three and one-half years with one sale unknown; located within two to 17 miles from the subject; ranged in size from 3,388 to 32,996 square feet of building area; sold between June 2012 and May 2013; and sold for prices ranging from \$53.79 to \$125.14, adjusted, per square foot of building area. He testified to the adjustments made to each of these properties for size, age, land to building ration, basement, and location.

Grogan further testified that sale #2 contained excess land with a land to building ration of 46.09:1. He testified he made an adjustment to account for excess land. He opined that an economic land to building ratio of 20:1 was higher than the subject, but more consistent with the market. Therefore, Grogan testified he adjusted the sale price from \$1,000,000 or \$295.16 per square foot of building area to \$425,000 or \$125.14 per square foot of building area. He testified that he based this adjustment on data that he has utilized in the past for other properties.

As to sale comparable #5, Grogan testified that this property was located in DuPage County and that he made adjustments to account for this difference. He testified that properties outside of Cook County typically have a lower tax load and he made downward adjustments for this factor.

Grogan testified as to the two listing properties and the adjustments made to those comparables. He opined that properties usually sell for less than the asking price and that he made a downward adjustment to the listing comparables for this factor. He testified that the market for this comparable is similar to the subject's market.

Grogan testified that after adjustments he estimated a value at \$85.00 per square foot of building area for a total estimated value under the sales comparison approach of \$970,000, rounded.

Under the income approach, Grogan testified he analyzed five rental comparables to estimate a gross rent of \$10.00 per square foot of building area. This resulted in a potential gross income of (PGI) \$114,000. Vacancy and collection loss was estimated at 10% of PGI for an effective gross income (EGI) of \$102,600. Grogan testified he estimated expenses at \$8,265 for an estimated net operating income (NOI) of \$94,335.

In determining the appropriate capitalization (CAP) rate, Grogan testified he utilized market surveys and the band of investment method to estimate a CAP rate of 9%. He testified he applied this CAP rate to the NOI to estimate the market value for the subject under this approach at \$1,050,000, rounded.

In reconciling the three approaches to value, Grogan testified he gave most weight to the sales comparison approach with secondary weight to the income approach and least weight to the cost approach to arrive at a final estimate of value for the subject as of January 1, 2013 of \$1,000,000.

Under cross-examination by the board of review, Grogan acknowledged that there were significant size differences between the subject and comparables #1 through #4. He also acknowledged that he adjusted the sale price for comparable #2 for excess land to a value of \$125.14 per square foot of building area. He agreed that this price was higher than the subject's current market value, based on the assessment, of \$122.00 per square foot of building area, but opined that this did not support the subject's current assessment because the adjusted sale price of \$125.14 per square foot of building area was before any adjustments required for differences in pertinent factors.

Grogan acknowledged that comparable #5 was a foreclosure sale and located in DuPage County. He opined that this sale was an arm's length transaction as it was advertised for sale.

On redirect, Grogan testified that he made adjustments for the differences between the subject and the comparables. He reiterated that sale comparable #2 was further adjusted downward from the \$125.14 per square foot of building area based on pertinent factors. He reiterated that he has appraised over 200 bank buildings in the last 10 years.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment was \$347,699; yielding a market value of \$1,390,796 or \$122.00 per square foot of building area, including land, using the Cook County Real Property Classification Ordinance for Class 5 property of 25%.

In support of the assessment the board of review submitted a total of five sales comparables. The board of review's memoranda disclosed that the data is not intended to be an appraisal or estimate of value and should not be construed as such. In addition, it discloses that the information is assumed factual, accurate, and reliable, but has not been verified and does not warrant its accuracy. The board of review rested on the evidence submitted.

On cross-examination, the board of review's representative, John Giokaris acknowledged that sale comparables #1, #4 and #5 are located outside of Cook County. He also acknowledged that

sale #1 occurred in 2008 and sale #5 occurred in 2009. Mr. Giokaris testified that he did not have knowledge as to the conditions of these sales.

### **Conclusion of Law**

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the Board examined the appellant's appraisal report and testimony and the board of review's evidence.

The Board finds the preparer of the board of review's evidence was not present or called to testify about his/her qualifications, identify his/her work, testify about the contents of the evidence, or be cross-examined by the appellant and the Property Tax Appeal Board. Moreover, the board of review's witness was unable to testify as to the conditions of these sales or provide further information on these comparables. Therefore, the Property Tax Appeal Board gives this evidence from the board of review no weight.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appellant's appraisal and testimony. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The Board finds the appraisal and testimony to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; and used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary.

Therefore, the Board finds the subject had a market value of \$1,000,000 for the 2013 assessment year. Since the market value of this parcel has been established, the Cook County Real Property Classification Ordinance for Class 5 property of 25% will apply. Therefore, the Board finds that 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. Pursuant to Section 1910.50(b) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(b)) 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



Acting Member



Member



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: December 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 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

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