



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

APPELLANT: Sherwin Williams Company
DOCKET NO.: 13-27666.001-I-3 through 13-27666.005-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 by assistant state's attorney Oscar Garcia from the assistant state's attorneys office in Chicago. The initial intervenor, Thornton T.H.S.D. #205, by attorney Allan Mullins of Scariano Himes and Petrarca, Chtd in Chicago was defaulted on February 6, 2018 by Board Order.

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
13-27666.001-I-3	29-16-205-125-0000	20,492	104,301	\$124,793
13-27666.002-I-3	29-16-205-130-0000	20,250	91,184	\$111,434
13-27666.003-I-3	29-16-205-186-0000	946	421	\$1,367
13-27666.004-I-3	29-16-205-187-0000	58,479	253,793	\$312,272
13-27666.005-I-3	29-16-205-191-0000	12,304	6,580	\$18,884

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 an industrial complex with four, one-story buildings with a total of 152,540 square feet of gross building area therein. The building was constructed in various stages from 1970 through 1998 and is located in Thornton Township, Cook County. The subject

contains 329,202 square feet of land and is classified as a class 5-93, industrial property under the Cook County Real Property Assessment Classification Ordinance.

Procedurally, the Board scheduled this matter for a pre-hearing conference on January 10, 2018 with all parties sent notice to appear. Said notice was dated December 6, 2017. At the pre-hearing conference on January 10th, the intervenor's attorney failed to appear. The appellant moved to default the intervenor for failure to appear without objection from the board of review. Per Board Order dated January 19, 2018, the intervenor's attorney was accorded 10 days to respond to the Board regarding the failure to appear at the scheduled pre-hearing conference and demonstrating good cause shown pursuant to the Board's rules. The intervenor's attorney did not respond to this Order. Per a second Board Order dated February 6, 2018, the Board found that the intervenor was in default for failure to appear and for failure to show good case for this failure to appear. Section 1910.69(a) of the official rules of the Property Tax Appeal Board states that failure of any party to comply fully with all the rules and/or specific requests of the PTAB...shall result in the default of that party. Therefore, any evidence previously submitted by the intervenor is accorded no weight.

In addition, a second pre-hearing conference was held on March 14, 2018 with the two remaining parties. The appellant moved to decide the case without a hearing, while including an Exhibit reflecting a copy of the board of review's Notes on Appeal that indicated that the board of review had not requested a hearing on its evidence submission. The assistant state's attorney was accorded time to consult with his client. In a written response, he responded that the board of review had no objection to the appellant's motion. Therefore, the Board granted appellant's motion to render a decision without a hearing via notice dated March 19, 2018.

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 \$2,275,000 as of January 1, 2011 prepared by Joseph M. Ryan who holds the designation of Member of the Appraisal Institute (MAI). The appraisal developed two of the traditional approaches to value: the income and sales comparison approaches to value. It indicated that an interior and exterior inspection was undertaken on September 28, 2011, while submitting interior photographs. The appraisal indicated that the subject property consists of two non-contiguous irregular shaped corner sites with a total area of 329,202 square feet as well as a land-to-building ratio of 2.16:1 based upon the gross building area of 152,540 square feet. The improvements were described as masonry or metal panel, one-story or two-story buildings constructed in various stages from 1970 to 1998. All the buildings were described as being in overall average condition.

The appraisal developed the subject's highest and best use as vacant for an industrial use, and as improved for the continuation of the present use. The subject was described as containing docks and overhead doors as 13/4 and containing from 9 to 21 foot ceiling heights.

In the income approach, the appraiser used four rental properties that contained asking rents from \$3.10 to \$4.53 per square foot with improvement square feet ranging from 170,563 to 344,300 square feet. The appraisal stated that the market rent estimate for the subject property is based on a gross basis with the landlord paying for all of the operating expenses even though the subject is an owner-occupied complex. After making adjustments, the appraisal estimated the

subject potential gross income at \$3.75 per square foot or \$572,025. Vacancy and collection loss of 10% was deducted indicating an effective gross income of \$514,822. Using market data, the appraisal estimated total operating expenses at \$65,000 resulting in a net operating income of \$449,822. Using the direct capitalization technique, market data reflected an overall capitalization rate ranging from 5.62% to 13.63%, while using the band of investment technique resulted in a range from 4.27% to 9.48%. The appraisal indicated that a 10% overall capitalization rate was best for the investors' criteria for the subject, which then resulted in a loaded overall capitalization rate of 19.84%. Capitalizing the net operating income indicated a market value conclusion of \$2,270,000, rounded, under the income approach to value.

In the sales comparison approach, the appraisal used five improved properties that sold from April, 2008, to August, 2011, for sale prices that ranged from \$5.85 to \$20.27 per square foot. The properties ranged: in year of construction from 1945 to 1975; in number of docks & overhead doors from 0/7 to 25/2; in ceiling height from 24 to 28 feet; in land area from 326,700 to 855,954 square feet; and in building area from 115,211 to 211,595 square feet. The appraisal indicated that all of the sales contained fee simple property rights. Moreover, the appraisal stated that adjustments were made for market conditions, property rights, financing terms, location, size, and other physical characteristics which were described in detail in the appraisal. After weighing these factors, the appraisal indicated a value estimate for the subject of \$15.00 per square foot of building area or \$2,290,000, rounded.

In reconciliation, the appraisal stated that the cost approach to value was not used because investors would not typically use this in purchasing property similar to the subject. The income approach was given secondary weight with primary consideration accorded to the sales comparison approach resulting in a market value estimate of \$2,275,000.

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%.

In support of its contention of the correct assessment, the board of review submitted unadjusted sales data on five suggested comparable sales. The properties were identified as for industrial/warehousing or industrial/manufacturing use. Property #1 was located in South Holland and was noted as part of a multi-property sale. Properties #2, #3 and #5 were located in Chicago or Alsip, while property #4 was located in South Holland, as is the subject property. The properties #2 through #5 ranged in building size from 102,107 to 240,255 square feet and in sale price from \$16.67 to \$25.81 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.

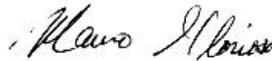
Conclusion of Law

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*. Overall, the Board finds that this appraisal: developed two of the three traditional approaches to value; developed a highest and best use for the subject; used market data in estimating a value under the income approach to value; and used market sales in the sale comparison approach to value while making detailed adjustments for pertinent factors. In contrast, the board of review submitted raw, unadjusted sales data on properties, while noting that this data was neither verified nor warranted its accuracy.

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 5, commercial 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. 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: _____

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: July 17, 2018



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

Sherwin Williams Company, by attorney:
Patrick C. Doody
Law Offices of Patrick C. Doody
70 West Madison Street
Suite 2060
Chicago, IL 60602

COUNTY

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

INTERVENOR

Thornton Twp. H.S.D. #205, by attorney:
Anthony Scariano III
Scariano Himes and Petrarca, Chtd
180 North Stetson
Suite 3100
Chicago, IL 60601