



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

APPELLANT: Nippon Express USA, Inc.
DOCKET NO.: 14-02727.001-I-1
PARCEL NO.: 03-03-401-011

The parties of record before the Property Tax Appeal Board are Nippon Express USA, Inc., the appellant, by attorneys Brian P. Liston and George J. Banakis, of the Law Offices of Liston & Tsantilis, P.C. in Chicago, and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$485,200
IMPR.: \$1,201,950
TOTAL: \$1,687,150

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the DuPage County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2014 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 one-story warehouse/distribution facility of tilt-up construction with 128,136 square feet of building area. The building was constructed in 1983 consisting of one unit that features a 32 foot building height, 6.24% office space, 13 overhead doors and 11 load levelers. The property has a 220,979 square foot site resulting in a land to building ratio of 1.72:1 and is located in Wood Dale, Addison Township, DuPage County.

The appellant appeared before the Property Tax Appeal Board by Attorney Banakis contending overvaluation as the basis of the appeal.¹ In support of this argument the appellant submitted information on four comparable sales. Counsel indicated on the record that the comparable data was prepared by another attorney within the law firm who is no longer with the firm. The very limited data in the Section V grid analysis reveals that the comparable parcels range in size from

¹ Both parties adopted the hearing testimony presented in Docket No. 14-02721.001-I-1 for purposes of this matter.

191,664 to 348,480 square feet of land area. The parcels are improved with buildings that range in size from 98,445 to 140,698 square feet of building area. The comparables were built between 1969 and 1979 as depicted on a separate summary sheet. The comparables had land to building ratios ranging from 1.62:1 to 2.81:1. The properties sold between November 2012 and December 2013 for prices ranging from \$3,500,000 to \$5,000,000 or from \$23.36 to \$35.54 per square foot of building area, including land.

Based on this evidence, the appellant requested a total assessment of \$1,587,650 which would reflect a market value of approximately \$4,762,950 or \$37.17 per square foot of building area, including land.

In the course of questioning Attorney Banakis about his evidence, the board of review representative Carl Petersen ascertained that appellant's comparables #1 and #4 were each located in Cook County. Counsel for the appellant contended that none of the comparables were physically distant from the subject property. Petersen inquired as to the building heights of the appellant's comparables which were 18 or 24 feet for comparables #1 through #3; the building height of comparable #4 was unknown. Petersen also inquired about the percentage of office space of the appellant's comparables discovering that comparables #1 through #3 had from 5% to 8.8% office space. Appellant's comparable #3 was acknowledged to have been a 1031 exchange which raises questions about the arm's length nature of the transaction.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$1,687,150. The subject's assessment reflects a market value of \$5,063,456 or \$39.52 per square foot of building area, land included, when using the 2014 three year average median level of assessment for DuPage County of 33.33% as determined by the Illinois Department of Revenue.

Petersen had taken an oath for the proceeding and asserted in the course of the hearing that the appellant's Cook County comparables are not suitable "due to the level of taxation" reflecting a different tax rate that is paid in DuPage County which would affect the rents.

In support of its contention of the correct assessment the board of review submitted information prepared by Frank Marack, the Chief Deputy Assessor of the Addison Township Assessor's Office. Marack's data consisted of a "report" based on the market approach concluding a value for the subject of \$7,050,000. The board of review called Marack as its sole witness to testify regarding the comparables he chose and the adjustments that he made. Marack's report included six properties located in DuPage County where comparables #1 and #2 reflected two separate sales of the same property that occurred in May 2014 and June 2013, respectively.

The comparable parcels range in size from 220,414 to 402,494 square feet of land area. The parcels are improved with one-story or part one-story and part two-story buildings of masonry, tilt-up or masonry and metal construction. The buildings range in size from 103,478 to 258,444 square feet of building area. Comparables #1 and #2 had an "effective" date of construction of 1993; the remaining five comparables were built between 1969 and 1989. The comparables had building heights ranging from 20 to 29 feet, had 1 or 4 units and with percentage of office space ranging from 5.15% to 23.48%. The comparables had land to building ratios ranging from 1.60:1 to 2.35:1. The properties sold between June 2013 and December 2014 for prices ranging

from \$4,815,000 to \$12,500,000 or from \$40.33 to \$71.89 per square foot of building area, including land. The last page of Marack's report depicts "adjustments" to each of the comparables for various characteristics resulting in reported adjusted sale prices ranging from \$42.81 to \$73.33 per square foot of building area, including land.

Given this data, Marack chose \$55.00 per square foot as an appropriate market value conclusion for the subject property. Marack was asked if it was his opinion that the subject's assessment was incorrect and he testified that it was not his opinion. Marack stated that the subject's assessment should be confirmed for purposes of uniformity as mass appraisal techniques are done for assessment purposes, but for the purposes of this appeal hearing before the Property Tax Appeal Board, the assessor's office prepares a singular valuation. In light of those differing principles or bases of valuation, Marack did not feel it would be appropriate to seek an increase in the assessment of the subject property.

Based on the foregoing evidence and testimony, the board of review requested confirmation of the subject's assessment.

On cross-examination, counsel inquired of the witness whether any of the board of review's sales were part of a portfolio or bulk sale transaction. Marack testified that to his knowledge none of the sales were part of a portfolio or bulk sale transaction. At the hearing, appellant's counsel presented Marack with a multi-page CoStar printout (Appellant's Exhibit #1 at hearing) represented as a multi-state portfolio sale involving 93 properties, one of which was board of review comparable sale #3.

The board of review objected to the appellant's exhibit as the document was not timely filed as rebuttal. The objection was taken under advisement at the hearing. The Property Tax Appeal Board hereby sustains the objection. By letter issued on December 17, 2015, appellant's counsel was given 30 days to submit rebuttal evidence in accordance with Section 1910.66 of the Board's procedural rules (86 Ill.Admin.Code §1910.66). Appellant's Exhibit 1 presented at hearing concerns an October 2014 sale transaction which appellant could have discovered and presented in the appropriate time period as rebuttal evidence.

As to the details of the October 2014 sale of board of review comparable #3, Marack testified that he relied upon the PTAX-203 Illinois Real Estate Transfer Declaration referencing that the transfer was by warranty deed along with the PTAX-203 Supplemental Form A which depicted the property as having been advertised on the market for 13 months prior to the sale. Marack had no knowledge of the bulk or portfolio sale transaction referenced by appellant's counsel.

Upon questioning, Marack refused to agree that his comparable #7 with 258,444 square feet was substantially larger than the subject, instead characterizing it as a "larger" building for which he made adjustments for the size difference. As to the adjustment process depicted on the last page of his report of plus (+) indicating an upward adjustment, minus (-) indicating a downward and similar (=) indicating no adjustment was warranted, Marack agreed that there is no evidence in the record of what specific adjustments were made or methodology used.

Marack testified that five of the seven sales presented occurred after the lien date of January 1, 2014.

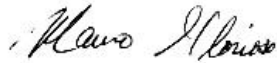
Conclusion of Law

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 parties submitted a total of eleven comparable sales of ten properties to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to appellant's comparable sales #1, #3 and #4 along with board of review comparable #4 as these buildings were constructed between 1969 and 1976, making each of these comparables older than the subject building that was constructed in 1983. Reduced weight has also been given to appellant's comparable sale #2 as the sale occurred in November 2012, a date more remote in time to the valuation date at issue of January 1, 2014. The Board finds that board of review comparables #5 and #7 differ from the subject in land size and/or building size which has resulted in reduced weight for these properties in the Board's analysis.

The Board finds the best evidence of market value to be board of review comparable sales #1, #2, #3 and #6. These three most similar comparable properties sold between June 2013 and October 2014 for prices ranging from \$4,815,000 to \$7,450,000 or from \$40.33 to \$67.55 per square foot of building area, including land. The subject's assessment reflects a market value of \$5,063,456 or \$39.52 per square foot of building area, including land, which is within the range established by the best comparable sales in this record in terms of overall value and slightly below the range on a per-square foot basis. The Board finds that the subject's estimated market value as reflected by its assessment appears to be supported by the best comparable sales in the record when giving due consideration to differences in age, size, design, building height and/or number of units. Based on this evidence the Board finds a reduction in the subject's assessment is not justified.

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

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: November 23, 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.