



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

APPELLANT: 2201 Main, LLC  
DOCKET NO.: 15-20637.001-I-2 through 15-20637.003-I-2  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are 2201 Main, LLC, the appellant(s), by attorney Michael A. Stone, of Abbey Road Tax Consultants LLC 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:

<b>DOCKET NO</b>	<b>PARCEL NUMBER</b>	<b>LAND</b>	<b>IMPRVMT</b>	<b>TOTAL</b>
15-20637.001-I-2	10-24-121-047-0000	14,088	4,483	\$18,571
15-20637.002-I-2	10-24-121-048-0000	82,522	83,163	\$165,685
15-20637.003-I-2	10-24-121-050-0000	130,290	135,454	\$265,744

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 2015 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, single-tenant industrial building. It was originally constructed in 1959. The total building square footage is 54,248 square feet with a 28,506 square feet of office area. It is situated on 106,777 square feet of land and is located in Evanston, Evanston Township, Cook County. The appellant, via counsel, appeared before the Property Tax Appeal Board arguing that the fair market value of the subject is not accurately reflected in its assessed value.

At hearing, the appellant's motion to substitute counsel was granted and Steven H. Wise was hereby entered as counsel for appellant, with no objection from the board of review.

The appellant submitted a complete summary appraisal report undertaken by Michael Weinstein, MAI with Weinstein and Zimmerman, LLC. The appraisal has a valuation date of January 1, 2013. The appraisal indicates Mr. Weinstein is an Illinois certified general real estate appraiser with an MAI. The appellant presented the testimony of Michael Weinstein, the appraiser. Weinstein testified he is an Illinois certified general appraiser and a designated MAI since 1993. Weinstein testified he has appraised approximately 4,000 to 5,000 properties located in Cook County. He has previously testified before the Property Tax Appeal Board and was tendered and accepted as an expert in real estate valuation, with no objection from the opposing party.

Weinstein described the subject property and its environs and estimated a total market value for the subject of \$1,800,000 as of January 1, 2013, Weinstein employed the sales comparison and the income approaches to value.

Under the income approach, Weinstein testified he analyzed comparable rentals, derived an opinion of market rent for the subject and then subtracted vacancy and collection losses and various expenses to arrive at a net operating income from which he capitalized at the base cap rate and then added a load factor to derive at an adjusted capitalization rate. The net income was then divided by the capitalization rate to derive a value under the income approach.

The appraisal states the following:

Rental #1 is located in Niles and contains 69,056 square feet of building area. It is a one-story, multi-tenant industrial building with 26 foot ceilings. It is 57 years old and is leased for \$4.75 per square foot, on a net basis.

Rental #2 is located in Evanston and contains 30,589 square feet of building area. It is a one-story industrial building with 20 foot ceilings. It is 60 years old and is leased for \$5.50 per square foot, on a net basis.

Rental #3 is located in Skokie and contains 198,200 square feet of building area. It is a one and part two-story industrial building with 18 foot ceilings and 14% office space. It is 48 years old and is leased for \$5.95 per square foot, on a net basis.

Rental #4 is located in Evanston and contains 20,000 square feet of building area. It is a one-story, two-unit industrial building with 14 foot ceilings. It is 58 years old and is leased for \$7.50 per square foot, on a net basis.

After making various adjustments with a concentration on location, size, ceiling height and land-to-building ratio, the appraisal estimated the subject's market rent to be \$6.50 per square foot, on a net basis. This resulted in a gross income of \$352,612. Vacancy, collection loss of 12.5% and managements fees estimated at 5% were deducted to reach an effective net income (ENI) of \$258,500.

In determining the appropriate capitalization (CAP) rate, the appraiser applied an overall CAP rate of 15.26% to the net income to estimate the market value for the subject under this approach at \$1,700,000, rounded.

The second method developed in the appraisal was the sales comparison approach. Weinstein testified he analyzed four sale comparables and gave this approach the most weight. Weinstein testified he focused on size, ceiling height, utility and stories in his analysis of the four sale comparables. Weinstein testified that upward and downward adjustments were made to the appraisal's sale comparables and that all the sale comparables were industrial buildings and located within two and one-half to three miles from the subject.

Sale #1 is located in Niles and sold in March 2012 for \$28.72 per square foot, including land. It contains: 74,687 square feet, 14 foot ceilings, and 15% office space. It was built in 1968 and has a land-to-building ratio of 1.44:1. Weinstein testified he made adjustments for size, ceiling height, utility, and conditions of sale. Weinstein concluded an unadjusted price per square foot of \$28.72 and that this sale is inferior to the subject.

Sale #2 is located in Niles and sold in August 2011 for \$31.13 per square foot, including land. It contains: 51,400 square feet, 16 foot ceilings, and 29% office space. It was built in 1972 and has a land-to-building ratio of 1.91:1. Weinstein testified he made two adjustments for size and condition. Weinstein concluded that after adjustments, this sale is similar to the subject.

Sale #3 is located in Morton Grove and sold in February 2011 for \$31.44 per square foot, including land. It contains: 66,786 square feet, 18 foot ceilings, and 8% office space. It was built in 1967 and has a land-to-building ratio of 3.60:1. Weinstein testified he made upward and downward adjustments for size and ceiling height. Weinstein concluded that after adjustments, this sale is similar to the subject.

Sale #4 is located in Skokie and sold in June 2012 for \$36.55 per square foot, including land. It contains: 72,500 square feet and 20 foot ceilings. It was built in 1957 and has a land-to-building ratio of 2.27:1. Weinstein testified he made adjustments for size, age, utility, condition, and ceiling height. Weinstein concluded that after adjustments, this sale is similar to the subject.

Weinstein testified that after making adjustments for differences between the subject and the comparables, with emphasis on building size, utility, stories, and ceiling height, he estimated a value for the subject of \$33.00 per square foot of building area, including land which yields a value for the subject property under the sales comparison approach of \$1,800,000, rounded.

Weinstein testified that he did not utilize the cost approach in his analysis due to the subject being located in fully developed area with no comparable land sales, and the subject's significant amount of physical depreciation and functional external obsolescence. He concluded that the cost approach is not applicable.

In reconciling the two approaches, Weinstein testified he gave the greatest weight to the sales comparison approach. After reconciliation, the appraisal estimated the value for the subject property as of January 1, 2013 to be \$1,800,000.

Lastly, Weinstein testified that he did not analyze the subject's sale in June 2013 because it occurred after appraisal date of January 1, 2013 and his date of inspection of April 2013. He also testified that the sale was not an arm's length sale which he confirmed with the property owner and CoStar.

Under cross-examination by the board of review, Weinstein testified he was not aware of the subject's 2013 sale as of the appraisal's effective date, and only became aware of the sale after the date of inspection of April 2013 and the appraisal's transmittal letter dated August 2013. Weinstein confirmed that the appraisal's date of valuation is January 2013 and the appraisal was completed in August 2013. Weinstein further testified that he most likely completed the appraisal in August 2013.

The board of review distinguished the appraisal's sale comparables #1, #2, and #4. The board of review testified that sale comparable #1 is an REO sale. Sale #2 is an REO sale. Sale #4 included no overall net adjustments. In support, the board of review tendered a copy of the Cook County Recorder of Deeds deed trail, marked as "Exhibit A." The appellant objected based on speculation, as the deed trail does not state it is pursuant to an REO sale. The deed trail was entered into evidence as a copy of recorder of deeds printout regarding appraisal sale comparable #2. The deed trail indicates that the subject was transferred via a special warranty deed in September 2011. Mr. Weinstein testified that he was not aware that sale comparable #1 is an REO sale and that a special warranty deed does not equal a distressed/REO sale. Regarding sale comparable #4, Weinstein testified that it does not require a net adjustment and sold for \$36.55 per square foot which is similar to the subject's current assessed value.

On re-direct by the appellant, Weinstein testified that the subject's sale in 2013 would not affect the appraised value because the sale was not an arm's length sale. Specifically, the transaction was between related parties. Next, Weinstein testified that sale comparable #2 is not an REO sale per CoStar, real estate brokers, recorder of deeds, and the multiple listing service. Weinstein again reiterated that a special warranty deed does not equal an REO sale and is an arm's length sale.

On re-cross examination, Weinstein testified that regardless of a special warranty deed offering a limited warranty and recovery, it is not a distressed/REO sale.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$501,792 was disclosed. This assessment reflects a fair market value of \$2,007,168 or \$37.00 per square foot of building area, land included, when the Cook County Real Property Assessment Classification Ordinance level of assessments of 25% for Class 5, industrial property is applied.

In support of this market value, the board of review included the subject's property record card and raw sales information on five industrial properties suggested as comparable to the subject. These properties range in size from 6,000 to 85,295 square feet of building area. They sold between January 2010 and February 2015 for prices ranging from \$325,000 to \$3,500,000 or from \$41.03 to \$64.37 per square foot of building area, including land.

At the hearing, the board of review testified that the subject sold in June 2013 for \$3,465,000. In support, the board of review tendered a copy of the Real Property Transfer Declaration form (PTAX) relating to the subject 2013 sale. Appellant object on the basis this is a copy and not the actual PTAX form. The board of review responded that it is public record document and that it is time and date stamped. The objection was overruled and the PTAX form was admitted and

marked as "Exhibit B." The appellant's attorney stated that the subject's 2013 sale was excluded from the pleadings because this sale was between related parties and thus, not an appropriate indicator of value. Furthermore, he stated the 2013 sale date was not listed on the pleadings due to an erroneous omission. The board of review testified that per Exhibit B, the subject was not advertised for sale and was not listed on the open market.

In appellant's rebuttal, Weinstein testified that the board of review's sale comparables are not similar to the subject. Weinstein testified that sale comparables #2, #3, #4, and #5 are smaller in size than the subject, sale comparables #2 and #4 were sold in 2010 and not similar in age, and that sale comparables #1 and #2 were sold in a 1031 Exchange transaction. Weinstein again testified that the subject 2013 sale was after the appraisal's effective date of January 2013 and he was not aware of the 2013 sale in August 2013 when the appraisal was completed. In support, the appellant tendered a copy of the subject's CoStar printout marked as "Exhibit C." The board of review's objection based on it not being a public document was overruled. The Costar printout states that the subject sold in June 2013 for \$3,465,000 and was between inter-related parties. Lastly, the appellant tendered a copy of printouts from the Office of Illinois Secretary of State marked as "Exhibit D" with no objection from the board of review. Exhibit D stated that both the seller and the buyer of the subject's 2013 sale were limited liability companies with different names but the same agent's name and address.

Lastly, Weinstein testified that upward adjustments were made to the appraisal's sale comparables #1, #2 and #4 and downward adjustments were made to sale comparables #2 and #4. Weinstein testified that all the sale comparables were industrial buildings and located within two and one-half to three miles from the subject.

### **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.

In determining the fair market value of the subject property, the Board examined the appellant's appraisal report, evidence, and testimony, as well as the board of review's submissions to determine the best evidence of the subject's market value.

The board of review's preparer of evidence was not present or called to testify about their qualifications, identify their work, testify about the contents of the evidence, the conclusions or be cross-examined by the appellant, intervenors and the Property Tax Appeal Board. Therefore, the Board finds the opinions in the board of review's condominium analysis is accorded no weight.

The Board finds that the sale of the subject in June 2013 does not have the elements of an arm's length transaction. The testimony and the evidence including the PTAX, CoStar, and Secretary of State printouts confirm that no real estate brokers were involved, the parties were related, and

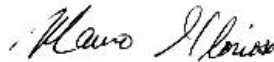
that the subject was not advertised or exposed for sale on the open market. The Board finds that the subject's sale is not an arm's length transaction reflective of fair cash value.

The courts have stated that where there is credible evidence of comparable sales, these sales are to be given significant weight as evidence of market value. Chrysler Corp. v. Illinois Property Tax Appeal Board, 69 Ill.App.3d 207 (2nd Dist. 1979); Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5th Dist. 1989). The appraiser gave the greatest consideration to the sales comparison approach when concluding a final value for the subject. Therefore, the Board will give this approach the most weight.

The Board finds the best evidence to be the appellant's appraisal. As to the subject's market value, the Board finds that the appellant's appraiser utilized two of the three traditional approaches to value in developing the subject's market value. The Board finds this appraisal to be persuasive for the appraiser: has extensive experience in appraising and assessing property; personally inspected the subject property; utilized market data in undertaking the approaches to value; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale, as well as adjustments.

Therefore, the Board finds that the subject property had a market value of \$1,800,000 for the tax year 2015. Since the market value of the subject has been established, the level of assessment as determined by the Cook County Classification Ordinance for class 5, industrial property of 25% shall apply. In applying this level of assessment to the subject, the total assessed value is \$450,000 while the subject's current total assessed value is above this amount at \$501,792. 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(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: September 18, 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

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