



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

APPELLANT: William Plocinski  
DOCKET NO.: 16-01036.001-I-2  
PARCEL NO.: 06-27-429-008

The parties of record before the Property Tax Appeal Board are William Plocinski, the appellant, by attorney Brian S. Maher, of Weis, DuBrock, Doody & Maher, in Chicago, and the Kane 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 **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$165,767  
**IMPR.:** \$534,233  
**TOTAL:** \$700,000

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the Kane County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2016 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 industrial building of steel frame and insulated metal panel construction with 58,850 square feet of building area. The structure has 4,775 square feet of office space or approximately 8% of total building area and 54,075 square feet of warehouse space with approximately 18-foot clear ceiling heights. The building was constructed in stages in 1994, 1997, 2000 and 2007 for a weighted average age of 16 years and has a full wet sprinkler system and air conditioning in the office and front portions of the warehouse area or about 52% of the gross building area. The structure also contains approximately 4,775 square feet of mezzanine level storage space above the office area which is not included in the gross building

area. The property has an approximately 141,637 square foot site reflecting a land-to-building ratio of 2.4:1. The property is located in Elgin, Elgin Township, Kane County.<sup>1</sup>

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant substantially completed Section IV – Recent Sale Data and submitted an appraisal.

As to the recent sale of the subject property, the appellant reported the property was purchased in July 2015 for \$2,075,000. The property was purchased from Chicago Title Land Trust Company Trust #13581 and the parties to the transaction were not related. The property was sold using a Realtor and the property was advertised with the Multiple Listing Service (MLS) and "circulars." The appellant did not disclose how long the property was advertised in Section IV where the information was requested. In further support of the purchase price, the appellant provided a copy of the settlement statement reiterating the purchase price, date of sale, parties to the transaction and that a commission was paid in association with the sale. A copy of an undated circular was also submitted depicting an asking price for the subject property of \$2,299,000.

The appellant also submitted an appraisal report prepared by Keith J. Stewart and Edward V. Kling, each of whom are Certified General Real Estate Appraisers. The appraisers utilized all three approaches to value in estimating the subject property had a market value of \$2,300,000 or \$39.08 per square foot of building area, including land, as of June 23, 2015 which was the last physical observation of the property by one of the appraisers (Appraisal, p. 2). The purpose of the appraisal was to arrive at an estimate of the fair market value of the subject property using fee simple rights as of the effective date with an understanding, the appraisal report would be used by the client for loan underwriting and possible loan syndication (asset sale), or loan participation (Appraisal, p. 1). The client was American Heartland Bank and Trust in Sugar Grove, Illinois.

The appraisers reported on page 10 of the report that the subject property was under contract for a sale price of \$2,075,000. The seller was Harris Bank of Roselle, T#13581 and the appellant with a spouse was the buyer. The appraisers further noted the subject property had been listed for several years with an asking price of \$2,999,000.

The appraisers noted the subject property was reasonably well maintained and was in average condition. The building was described as a mid-sized, single-user, freestanding industrial building available for use by a variety of industrial users. The appraisers further noted the long and narrow configuration of the subject was considered less desirable and would be a functional issue; the layout was best for a production line with raw material entering one end of the warehouse and exiting the other end of the warehouse. (Appraisal, p. 24)

Under the cost approach the appraisers estimated the subject had a site value of \$570,000. Utilizing *Marshall & Swift Valuation Service*, the appraisers estimated the replacement cost new of the improvements to be \$3,867,816. The appraisers used the age/life method to estimate depreciation to be 57% or \$2,204,655 resulting in a depreciated improvement value of

---

<sup>1</sup> All descriptive data for the subject property has been drawn from the appellant's appraisal report as the board of review failed to provide a copy of the subject's property record card as required by the procedural rules. (86 Ill.Admin.Code §1910.40(a))

\$1,663,161. The appraisers also estimated the site improvements had a value of \$100,000. Adding the various components, the appraisers estimated the subject property had an estimated market value of \$2,330,000, rounded, under the cost approach to value. (Appraisal, p. 45-48)

Using the sales comparison approach, the appraisers considered six sales of comparable industrial buildings located in Batavia, Spring Grove, McHenry, South Elgin and Elgin. The parcels range in size from 82,328 to 242,630 square feet of land area and have been improved with buildings that range in age from 21 to 35 years old. The structures range in size from 30,960 to 67,048 square feet of building area with varying degrees of similarity in office space, clear ceiling heights, air conditioning and/or sprinkler systems. The comparables present land-to-building ratios ranging from 2.11:1 to 4.82:1. The properties sold between June 2013 and May 2015 for prices ranging from \$1,300,000 to \$2,575,000 or from \$28.82 to \$60.75 per square foot of building area, including land. After making adjustments to the comparables to account for differences in financing terms, location, physical characteristics, and other features, the appraisers reported adjusted sales prices for the comparables ranging from \$35.44 to \$42.52 per square foot of building area, including land. From this data, the appraisers estimated a value for the subject of \$39.00 per square foot of building area or \$2,300,000, including land.

Using the income approach to value, the appraisers analyzed six suggested rental comparables located in McHenry, Elgin, Bolingbrook, Waukegan, Woodstock and Bensenville. The comparables were described as industrial buildings that range in size from 15,126 to 100,294 square feet of building area. The rental comparables had net rental rates ranging from \$2.95 to \$5.69 per square foot of building area. After consideration of the adjustment process, the appraisers concluded the subject property had a projected net rental rate of \$4.00 per square foot of building area. Therefore, the subject's potential annual rental income was estimated to be \$235,400 with expense recoveries estimated to be \$104,165 resulting in a total potential income of \$339,565. Vacancy was estimated to be 10% or \$33,956, resulting in an effective gross income of \$305,608. Expenses for management, real estate taxes, insurance, maintenance, reserves, legal and accounting totaled \$133,155 resulting in an estimated net operating income of \$172,494. Using the band of investments method and other sources, the appraisers calculated an overall capitalization rate of 7.75% to be applied to the subject's estimated net operating income. As a result, the appraisers concluded a value under the income approach of \$2,230,000, rounded.

In reconciliation, the appraisers gave primary consideration to the sales comparison approach and gave minimal consideration to both the cost and income approaches to value. The appraisers opined that the subject property had an estimated market value as of June 23, 2015 of \$2,300,000.

Based on the foregoing evidence, the appellant requested a total assessment of \$691,597 which approximately reflects the 2015 purchase price of \$2,075,000 at the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$820,612. The subject's assessment reflects a market value of \$2,466,522 or \$41.91 per square foot of building area, land included, when using the 2016 three year average median level of assessment for Kane County of 33.27% as determined by the Illinois Department of Revenue.

The Kane County Board of Review contended that the "Property Tax Appeal Board's ruling from the prior year lowered the assessment to \$833,250 which is actually higher than the current year." The Property Tax Appeal Board takes judicial notice of an appeal concerning the subject property known as Docket No. 15-00944.001-I-2. (86 Ill.Admin.Code §1910.90(i)) Pursuant to a stipulation by the parties, including an intervening taxing district, the Property Tax Appeal Board issued a decision for tax year 2015 reflecting a total assessment of \$833,250.

Based on the foregoing argument, the board of review 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 appellant submitted limited evidence concerning the July 2015 purchase price of the subject property and an appraisal of the subject property with an opinion of value as of June 23, 2015. The Board has given some weight to the purchase price of the subject property even though there is an absence of data indicating how long the property was on the market. The record does contain a flyer advertising the subject property for a price of \$2,299,000. Additionally, the closing statement discloses that a commission was paid to Stony Creek Brokerage, Inc., the same entity identified on the flyer. The Board finds this evidence discloses that the property was actively marketed.

The Board finds the appraisal submitted by the appellant with an opinion of value of \$2,300,000 or \$39.08 per square foot of building area, including land, is credible. Upon examining the appraisal report, the Board finds the appraisal appears to present a logical and credible opinion of value for the subject property with appropriate considerations for adjustments based on differences between the subject and comparable properties in the sales comparison approach. Furthermore, the appraisers performed both the cost and income approaches to value in the report. In contrast, the board of review submitted no comparable sales to refute the arm's-length nature of the sale transaction or the opinion of value of the subject property as determined by the appraisers; the board of review also presented no market value or other evidence to support the subject's estimated market value as reflected by its assessment. The subject's assessment reflects a market value of \$2,466,522 or \$41.91 per square foot of building area, including land, which is above both the purchase price and the appraised value conclusion.

Based on this evidence, the Board finds a reduction in the assessment of the subject property 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: May 26, 2020



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

William Plocinski, by attorney:  
Brian S. Maher  
Weis, DuBrock, Doody & Maher  
1 North LaSalle Street  
Suite 1500  
Chicago, IL 60602-3992

COUNTY

Kane County Board of Review  
Kane County Government Center  
719 Batavia Ave., Bldg. C, 3rd Fl.  
Geneva, IL 60134