



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

APPELLANT: Gribenes, LLC
DOCKET NO.: 16-25902.001-C-1 through 16-25902.002-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Gribenes, LLC, the appellant(s), by attorney Richard D. Worssek, of Worssek & Vihon 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
16-25902.001-C-1	08-26-400-004-0000	21,136	371	\$ 21,507
16-25902.002-C-1	08-26-401-027-0000	112,100	51,393	\$ 163,493

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 2016 tax year. The Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of this appeal.

Findings of Fact

The subject consists of a three-story building of part masonry and part steel and glass construction with 34,320 square feet of building area. The building is 38 years old. The property's site is 102,124 square feet, and it is located in Elk Grove Township, Cook County. The subject is classified as a class 5-92 property under the Cook County Real Property Assessment Classification Ordinance.

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 \$740,000 as of January 1, 2016. Based on this evidence, the appellant requested a reduction in the subject's assessment to \$185,000.

The board of review submitted its “Board of Review Notes on Appeal” disclosing that the total assessment for the subject is \$283,601. The subject’s assessment reflects a market value of \$1,134,404, or \$33.05 per square foot of building area, including land, when applying the 2016 statutory level of assessment for class 5 property of 25.00% under the Cook County Real Property Assessment Classification Ordinance.

In support of its contention of the correct assessment, the board of review submitted information on eight sale comparables from the CoStar Comps service. These sale comparables sold from March 2011 to May 2016 for \$1,706,320 to \$5,125,000, or \$52.27 to \$118.99 per square foot of building area, including land.

At hearing, the appellant’s attorney called Kevin Byrnes, M.A.I. as a witness. After *voir dior*, the Board accepted Mr. Byrnes as an expert in real estate valuation. Mr. Byrnes testified that he completed the appraisal submitted by the appellant in this appeal, wherein he completed the income capitalization and sales comparison approaches to value in estimating the subject’s market value to be \$740,000 as of January 1, 2016. Mr. Byrnes testified that he inspected the property on June 10, 2016, and then testified as to the subject and its environs. The appraiser testified that the subject is a neighborhood office building, and used his own office as an example of a neighborhood office building.

Under the sales comparison approach, Mr. Byrnes testified that he utilized four sale comparables, which sold from August 2013 to September 2015 for \$17.89 to \$34.56 per square foot of building area, including land. After making adjustments for conditions of sale, market conditions, location, size, age, and land to building ratio, Mr. Byrnes concluded that the subject’s unit price was between \$18.28 and \$25.62 per square foot of building area, including land. The appraiser testified that he stabilized the subject’s unit price of \$23.00 per square foot of building area, including land, for a total estimate of market value under the sale comparison approach to value of \$760,000, rounded.

Under the income capitalization approach to value, Mr. Byrnes looked to the subject’s actual income, and four rental comparables in concluding that the subject’s potential gross income was \$397,416. The appraiser then deducted 20.0% to account for vacancy and collection losses. The vacancy and collection losses rate of 20.0% was derived by looking to CoStar (19.7% average vacancy for Class C office space in the O’Hare submarket for 2016 Q1), the Jones Lang LaSalle market survey (21.3% average vacancy for Class B office space in the O’Hare submarket for 2012 Q1), the four rental comparables (average vacancy rate of 26.0%), and the subject’s actual vacancy (27.2% as of the appraisal’s date of value). Mr. Byrnes then added \$2,000 in “other income” to the subject’s potential gross income minus the 20.0% for vacancy and collection losses to arrive at an effective gross income of \$319,933. The appraiser testified that this potential gross income was more than the subject’s actual income, and identified the subject’s actual profit and loss statements for 2013, 2014, and 2015, which were attached as an addendum to the appraisal. These profit and loss statements state that the subject’s actual income was \$211,522 in 2013, \$215,265 in 2014, and \$245,971 in 2015. In determining the subject’s operating expenses, the appraiser looked to the subject’s actual expenses as expressed on the profit and loss statements, as well as the annual survey published by the Building Owners and Managers Association, wherein Mr. Byrnes stabilized the subject’s operating expenses at \$213,611. Thus, the subject’s stabilized net income was \$106,322. Mr. Byrnes arrived at a

capitalization rate of 8.0% by looking to market transactions, the PriceWaterhouseCoopers Investor Survey, and the mortgage equity technique. The effective tax rate of 6.6% was added to the capitalization rate to arrive at a loaded capitalization rate of 14.6%. Thus, Mr. Byrnes concluded that the total estimate of market value under the income capitalization approach to value was \$730,000, rounded.

In reconciling the two approaches to value, Mr. Byrnes gave primary emphasis to the income capitalization approach, and secondary emphasis to the sales comparison approach in arriving at an estimate of market value for the subject of \$740,000 as of January 1, 2016.

During cross-examination, Mr. Byrnes clarified that he was only referring to his personal office as an example of a neighborhood office building, and not for any other purpose.

During the board of review's case-in-chief, the board of review's analyst reaffirmed the evidence previously submitted.

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 proven 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 meet 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. The subject's assessment reflects a market value above the best evidence of market value in the record. The Board accorded no weight to the board of review's sale comparables, as there were no adjustments made to these comparables. The Board finds the subject property had a market value of \$740,000 as of the assessment date at issue. Since market value has been established, the 2016 statutory level of assessment for class 5 property under the Cook County Real Property Assessment Classification Ordinance of 25.00% shall apply. 86 Ill.Admin.Code §1910.50(c)(3).

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 18, 2021



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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