



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

APPELLANT: DeSimone  
DOCKET NO.: 17-27540.001-C-1  
PARCEL NO.: 23-13-103-019-0000

The parties of record before the Property Tax Appeal Board are DeSimone, the appellant, by attorney Arnold G. Siegel, of Siegel & Callahan, P.C. 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:

**LAND:** \$ 83,750  
**IMPR.:** \$ 41,250  
**TOTAL:** \$125,000

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 2017 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 52,509 rectangular, corner-block, square foot site improved with a 33-year old, two-story, commercial building. The improvement is a masonry, multi-tenant, office building containing 17,958 square feet of gross building area. Additional site improvements include approximately 85 parking spaces. The subject is located in Palos Township and is classified as a class 5-92, commercial 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, identified at hearing as Appellant's Exhibit #1, estimating the subject property had a market value of \$500,000 as of January 1, 2017.

At hearing, the appellant called as its witness, Paul D. Leali, Senior Appraiser of Chicago Commercial Appraisal Group. Leali testified that he holds the designation of State certified general real estate appraiser since 2001. Leali was offered as an expert in real estate appraisal and commercial property valuation. Without objection from the board of review's representative, the Board accepted Leali as such an expert. In addition, the appellant requested that the appraisal timely submitted in this matter be identified for the record as Appellant's Hearing Exhibit #1 without objection from the board of review. The Board granted this request and the appraisal was marked accordingly.

The appellant's appraiser, Leali, testified that in preparing his report he looked at the fee simple property rights of the subject. He described the subject property as containing 52,509 square feet of land improved with a two-story, masonry, commercial office building. He indicated that the building contained 17,958 square feet of gross building area, which reflected a land-to-building area of 2.92:1. He testified that he conducted an exterior and interior inspection of the subject's site on September 14, 2017. He also elaborated that the subject's improvement was 33-years old with multiple tenants as well as approximately 85 parking spaces. He stated that the subject was of average condition in that normal obsolescence with age was evidence. He also indicated that some deferred maintenance was observed during the inspection including dated washrooms, worn carpet, worn door frames and damaged or missing ceiling tiles. Lastly, he indicated that there was a lack of elevator.

As to the subject's configuration, Leali testified that the subject contained 16,150 square feet of net rentable area with a total of 15 office units that ranged in size from 200 to 2,200 square feet. His appraisal indicated that the subject owner reported a vacancy of 16.4% with rents ranging from \$6.00 to \$21.00 per square foot.

As to highest and best use for the subject, Leali testified that under the current economic conditions, that the highest and best use as vacant would be speculative investment in anticipation of future commercial development which would have to wait several years before development would be feasible. As to the highest and best use as improved, Leali stated that the subject 's current improvement continues to make a positive contribution to land value.

Leali testified that he developed all three of the traditional approaches to value. The appraisal indicated a market value under the cost approach of \$620,000 that was accorded minimal weight; under the income approach of \$480,000 that was accorded primary weight; and under the sales comparison approach of \$540,000 that was accorded secondary significant weight. After reconciliation, the appraisal estimated the subject's value at \$500,000.

Under the cost approach, Leali stated that this approach was a test of the market specifically because of the high level of depreciation applicable to the aging subject property. He indicated that five land sales were used to develop a land value for the subject of \$5.00 per square foot resulting in a land value estimate of \$265,000. Using the Marshall Valuation Service to develop a replacement cost new for the subject of \$2,029,301. Total accrued depreciation from all sources were estimated at 84%. Adding the land value resulted in an estimated market value for the subject of \$620,000 rounded, under the cost approach.

In the income approach, Leali used five asking rentals that ranged in size from 893 to 4,000 square feet of rentable area and rental rates that ranged from \$10.00 to \$12.00 per square foot. He stated that considering the subject's location, layout and condition, that the current contract rent of \$11.47 per square foot is supported by the data, while the vacant office space was stabilized at \$12.00 per square foot, gross lease basis. Thereby, resulting in rental reserves of \$186,600. Applying a vacancy and collection of 10% as well as miscellaneous and operating expenses resulted in a net operating income of \$87,090. After looking to the market and considering the subject's actual vacancy, a loaded capitalization rate of 18.137% was estimated. Capitalizing the net operating income resulted in an estimated market value of \$480,000, rounded, for the subject.

In the sales comparison approach to value, Leali testified that he used five sale comparables within varying locations. They sold from June, 2014, to March, 2017, for unadjusted prices that ranged from \$11.30 to \$32.92 per square foot. The improvements ranged: in age from 31 to 45 years; in improvement size from 12,000 to 20,200 square feet of gross building area; and in land-to-building ratios from 1.321 to 5.441. The appraisal indicated that all of the sales were arm's length transactions with the exception of sale #2 which was a sale at auction. Leali testified that after making adjustments for various factors the sale values ranged from \$27.50 to \$32.50 per square foot. He estimated a value for the subject under this approach of \$30.00 per square foot or \$538,740, rounded to \$540,000.

Leali testified at length regarding each sales' details including various physical aspects of each sales' improvement.

The board of review has no questions on cross examination. On examination by the Board, Leali testified regarding the subject's photographs, indicating that they reflected the subject as of the January 1, 2017 assessment date. He indicated that the subject contained neither an elevator nor escalator for the subject's two-story building with only stairwells as access to the second floor. Further, he stated that based upon his knowledge of commercial property as well as the subject's condition, he believed the subject to be a Class C office building.

In reconciliation, Leali testified that he placed most weight on the income approach, which was supported by the sales comparison approach. Therefore, a market value of \$500,000 was opined for the subject as of January 1, 2017.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$195,109. The subject's assessment reflects a market value of \$780,436 or \$43.46 per square foot, when applying the level of assessment for class 5-92, commercial property under the Cook County Real Property Assessment Classification Ordinance of 25%.

In addition, the board of review submitted unadjusted sales data on five suggested comparable sales of office buildings ranging from Class A to Class C.

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.

At hearing, the board of review's representative, Colin Brady, stated that the board of review would rest on its written evidence submissions.

### **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 with supporting expert testimony submitted by the appellant*. The Board accorded minimal weight to the unadjusted sales submitted by the board of review. The Board further finds that the only expert witness accepted in this proceeding without any objections, has credibly testified at length regarding the three traditional approaches to value that were developed to estimate a market value for this subject.

Therefore, the Board finds the subject property had a market value of \$500,000 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: November 17, 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

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