



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

APPELLANT: William & Shirley Plocinski
DOCKET NO.: 18-00921.001-C-1
PARCEL NO.: 06-27-429-008

The parties of record before the Property Tax Appeal Board are William & Shirley Plocinski, the appellants, 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: \$158,124
IMPR.: \$541,876
TOTAL: \$700,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants 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 2018 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 approximately 58,850 square feet of building area.¹ 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 years² and has a full wet sprinkler system and air conditioning in the office and front portions of the

¹ There is a slight size discrepancy of 229 square feet between the data presented in the appellants' appraisal and the board of review submission including a property record card with a schematic drawing. The Board finds this discrepancy does not prevent a determination of the correct assessment on this record.

² The dates of construction were drawn from the appraisal report; the assessor's memorandum differs slightly reporting a construction date of 1993 with additions in 1996, 2001 and 2005. Again, this discrepancy does not prevent a determination of the correct assessment on this record.

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.

The Property Tax Appeal Board takes judicial notice that the subject property was the subject matter of appeals the prior two tax years under Docket Nos. 16-01036.001-I-2 and 17-00274.001C-1. In each of those appeals, the Property Tax Appeal Board issued decisions reducing the subject's assessment to \$700,000 based on equity and the weight of the evidence. (86 Ill.Admin.Code §1910.90(i)).

The appellants contend overvaluation as the basis of the appeal. In support of this argument, the appellants 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 appellants also submitted evidence that the subject property was purchased on July 15, 2015 in an arm's-length transaction for a purchase price of \$2,075,000 as outlined in counsel's brief and as depicted in prior year appeals containing a copy of the Settlement Statement related to the sale and an advertising flyer or brochure from the listing broker, Stony Creek Brokerage.

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 at the time the appraisal was prepared in 2015 for a sale price of \$2,075,000. The seller was Harris Bank of Roselle, T#13581 and the appellants were the buyers. The appraisers further noted the subject property had been listed for several years with an asking price of \$2,999,000.

The appraisers opined an estimated market value for the subject 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 which 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 analysis and adjustment of the sales data, the appraisers estimated a value for the subject of \$39.00 per square foot of building area or \$2,300,000, including land (Appraisal, p. 49-65). Finally, using the income approach to value, the appraisers analyzed six suggested rental comparables in order to conclude the subject property had a projected net rental rate of \$4.00 per square foot of building area. Having estimated net operating income to be \$172,494, the appraisers next calculated an overall capitalization rate of 7.75% and as a result the appraisers concluded a value for the subject under the income approach of \$2,230,000, rounded (Appraisal, p. 66-77).

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 (Appraisal, p. 78-79).

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% which was referenced on page 10 of the appraisal report.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$762,244. The subject's assessment reflects a market value of \$2,285,589 or \$38.84 per square foot of building area, land included, when using the 2018 three year average median level of assessment for Kane County of 33.35% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review noted that the "appellant's own evidence of an appraisal done at the time of purchase would indicate an assessment of \$766,590."

In support of its contention of the correct assessment the board of review submitted a memorandum from the Elgin Township Assessor along with information on five comparable sales. The memorandum indicates that the subject property was purchased in July 2015 for \$2,075,000 and had been listed with Stony Creek Brokerage.

The grid analysis depicts five sales of comparable industrial buildings located in either South Elgin or Elgin. Board of review comparables #1 and #3 are the same sales presented as appellants' appraisal sales #4 and #6, respectively. The parcels range in size from 87,120 to 121,533 square feet of land area and have been improved with buildings that range in age from 20 to 38 years old. The structures range in size from 30,780 to 67,048 square feet of building area with varying degrees of similarity in office space, clear ceiling heights and/or sprinkler systems. The comparables present land-to-building ratios ranging from 1.31:1 to 2.83:1. The properties sold between June 2013 and June 2017 for prices ranging from \$1,400,000 to \$2,325,000 or from \$34.68 to \$65.18 per square foot of building area, including land.

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

Conclusion of Law

The appellants contend 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 appellants met this burden of proof and a reduction in the subject's assessment is warranted.

The appellants submitted an appraisal with an estimated market value for the subject property as of June 2015 of \$2,300,000 or \$39.08 per square foot of building area, including land, along with

evidence of the subject's 2015 purchase price. The board of review submitted data on five suggested comparable sales, two of which were contained within the appellants' appraisal report.

The Property Tax Appeal Board also finds from its analysis of the record that the evidence in this appeal is not substantially different from that of a prior year in Docket No. 16-01036.001-I-2 but for the sales #2, #4 and #5 presented by the board of review which sold between 2014 and 2017. The Board has given reduced weight to board of review comparable #2 which sold in October 2014.

On this record, the Board has given weight to the appellants' appraisal report, the subject's purchase price and to board of review comparable sales #4 and #5. These two comparables presented by the board of review have varying degrees of similarity to the subject and sold in December 2015 and June 2017 for prices of \$1,950,000 and \$2,006,160 or for \$48.28 and \$65.18 per square foot of building area, including land, respectively; each comparable is smaller than the subject building and thus would be expected to have a higher price per-square-foot based upon the principle of the economies of scale. The subject property was purchased in July 2015 for a price of \$2,075,000 or \$35.26 per square foot of building area, including land, and the appellants' appraisers estimated a market value for the subject of \$2,300,000 or \$39.08 per square foot of building area, including land. The subject's 2018 assessment reflects a market value of \$2,285,589 or \$38.84 per square foot of building area, including land.

Considering all of the foregoing market value evidence from the parties and the prior years' decisions of the Property Tax Appeal Board, the Board finds that the subject property is overvalued based upon its 2018 assessment. After giving due consideration to the sale of the subject, the appraisal of the subject, the most recent sales presented by the board of review and the prior decisions of the Property Tax Appeal Board along with necessary adjustments to the comparables for differences when compared to the subject, the Board finds that the assessment as established in the prior year's appeal of this property before the Board is appropriate and therefore a reduction in the subject's assessment 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



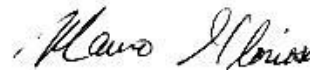
Member

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

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