



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

APPELLANT: 100 Overland Drive, LLC
DOCKET NO.: 19-00415.001-I-1
PARCEL NO.: 15-04-351-013

The parties of record before the Property Tax Appeal Board are 100 Overland Drive, LLC, the appellant, by attorney Nikos D. Tsonis, of Tsonis & Associates, LLC 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: \$217,914
IMPR.: \$1,140,336
TOTAL: \$1,358,250

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 2019 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, multi-tenant, industrial building of masonry construction that was built in 1989. The building contains 98,828 square feet of building area, of which approximately 3,600 square feet or 3.6% is office area. The building has a ceiling height of 22 feet in the warehouse and 9 feet in the office. The building is 100% sprinklered, has central air conditioning in the office, has gas-fired heaters for the warehouse, has 11 loading docks and 2 drive in doors. The property has approximately 239,998 square feet of land area, which reflects a land to building ratio of 2.43:1, and is located in North Aurora, Aurora Township, Kane County.¹

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a copy of a lease from one of the two tenants in the subject building and an

¹ The Board finds the best evidence of the description and features of the subject is the appellant's appraisal.

appraisal estimating the subject property had a market value of \$3,950,000 as of January 1, 2019. The appellant's appraiser observed that the subject was in average condition for its age and noted a minimal amount of deferred maintenance during the time of inspection. The appraiser utilized the sales comparison approach and the income approach in valuing the subject.

Under the sales comparison approach, the appraiser selected five comparable properties that are located in Montgomery, Saint Charles, Naperville and Aurora. The comparables have sites ranging in size from 154,202 to 498,326 square feet of land area, which reflect land to building ratios ranging from 2.08:1 to 3.75:1. The comparables are improved with one-story industrial buildings that were built between 1972 and 1993. The buildings range in size from 65,047 to 133,000 square feet of building area and have ceiling heights ranging from 20 to 23 feet. Each building has from 4 to 8 truck docks. The comparables have sale dates ranging from April 2016 to July 2018 and sold for prices ranging from \$2,894,592 to \$5,800,000 or from \$33.42 to \$44.50 per square foot of building area, including land. After adjusting the comparables' sale prices for market condition, building size, age/condition, percent of office area and land:building ratio, when compared to the subject, the appraiser estimated the comparables would have adjusted unit sale prices ranging from \$35.08 to \$44.50 per square foot of building area, including land. Based on the average of the adjusted unit sale prices, the appraiser estimated that the subject would have an approximate value of \$40.21 per square foot of building area, including land, or \$3,950,000, rounded.

Under the income approach, the appraiser selected six comparable industrial space rentals that are located in West Chicago, North Aurora, Aurora or Naperville. The comparable buildings were built between 1975 and 2001. The buildings range in size from 17,100 to 222,000 square feet of building area and have ceiling heights ranging from 22 to 30 feet. Each building has from 4 to 8 truck docks. The comparables have rents or asking rents ranging from \$4.33 to \$6.19 per square foot of building area. After adjusting the comparables' rent for lease terms, conditions of lease, economic trends, location, physical characteristics and other, and considering the two leases from the subject property with rents of \$3.18 and \$8.25 per square foot of building area, the appraiser arrived at an estimated market rent for the subject of \$5.50 per square foot of building area or a total rental income of \$543,554. The appraiser added \$168,008 to the subject's rental income for reimbursable income from the tenants' utilities, general repairs/maintenance and insurance expenses, for a total potential gross income of \$711,562 for the subject. The appraiser then subtracted \$35,578 for vacancy and collection loss to arrive at an effective gross income of \$675,984. The appraiser subtracted \$214,556 for total operating expenses to arrive at a net operating income of \$461,428, which was capitalized at a rate of 11.69%, for an estimated market value for the subject under the income approach of \$3,950,000, rounded.

Under reconciliation, the appraiser considered both the sales comparison approach and the income approach separately, and comparatively with each other, in estimating the subject property had a market value of \$3,950,000 as of January 1, 2019.

Based on this evidence, the appellant requested that the subject's total assessment be reduced to \$1,358,250.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$1,458,249. The subject's assessment reflects a market value of \$4,379,126 or \$44.31 per square foot of building area, land included, when using the 2019 three-year average median level of assessment for Kane County of 33.30% as determined by the Illinois Department of Revenue.

In response to the appellant's complaint, the board of review submitted six suggested comparable properties that are located in Aurora and Montgomery. The comparables are improved with industrial buildings that were built between 1991 and 2017. The buildings range in size from 29,607 to 840,912 square feet of building area. The comparables have sale dates ranging from March 2016 to August 2018 and sold for prices ranging from \$2,220,000 to \$70,000,000 or from \$56.19 to \$153.91 per square foot of building area, including land. The board of review also disclosed that the subject was purchased in October 2014 for \$4,000,000.

Based on this evidence the board of review requested confirmation of the subject's assessment.

Under rebuttal, the appellant's attorney submitted a letter asserting that the board of review did not criticize or dispute the accuracy of the appellant's appraisal. In critiquing the board of review's comparables, the appellant's attorney asserts that the board of review's comparables differ significantly from the subject in size and age.

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 submitted by the appellant estimating the subject property had a market value of \$3,950,000 as of January 1, 2019. The appraisal was completed using similar comparable properties, when compared to the subject, for both the income and sales comparison approaches in estimating the subject's market value. The appraisal also contained appropriate adjustments to the comparable properties, which further advances the credibility of the report. The subject's assessment reflects a market value of \$4,379,126 or \$44.31 per square foot of living area, including land, which is above the appraised value. The Board gives less weight to the board of review's submission, as the board of review did not challenge the accuracy of the appellant's appraisal and instead, submitted unadjusted comparable sales that the Board finds do not support the subject's assessment. All but one of the comparables are significantly larger than the subject, all of the comparables are newer than the subject and all but one of the properties sold for prices ranging from \$14,322,500 to \$70,000,000, which the Board finds would require consideration of an excessive amount of adjustments, when compared to the subject's estimated market value of \$4,379,126 as reflected by its assessment. Finally, the Board gives less weight to the subject's October 2014 purchase for \$4,000,000 due to its occurrence greater than 4 years prior to the assessment date at issue.

Docket No: 19-00415.001-I-1

Based on the evidence in this record, the Board finds a reduction in the subject's assessment commensurate with the appellant's request is justified.

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 21, 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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