



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

APPELLANT: First Midwest Bank
DOCKET NO.: 19-02227.001-C-1
PARCEL NO.: 08-31-426-003

The parties of record before the Property Tax Appeal Board are First Midwest Bank, the appellant, by attorney John P. Fitzgerald, of Fitzgerald Law Group, P.C. in Burr Ridge; 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: \$124,144
IMPR.: \$98,966
TOTAL: \$223,110

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 bank/office building of brick and stone exterior construction with 4,300 square feet of building area.¹ The building was constructed in 2008 and features include a concrete slab foundation, central air conditioning and a full overhead dry sprinkler system. Additional features include three covered drive-through lanes and one ATM lane with a 1,056 square foot canopy. The property has a 43,928 square foot site and is located in Elburn, Campton Township, Kane County.

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 \$670,000 as of January 1, 2019. The appellant's appraisers inspected the subject property on August 12, 2019 and observed that the subject was in average condition for its age. In discussing the market

¹ All descriptive data of the subject has been drawn from the appellant's appraisal report.

value of the subject, the appraisers wrote, "The subject property has a particular use value for the current occupant; it is currently used as a bank/office building with drive-through. However, a potential owner/investor may not place the same value on the property due to its unique features. Therefore, while we acknowledge that the subject property has a particular value for its current use; its market value would not equal its use value." The appraisers utilized the sales comparison approach and the income approach in valuing the subject.

Under the sales comparison approach, the appraisers selected nine comparable properties that are located in Geneva, Carpentersville, Batavia, Aurora, Elgin, Saint Charles, Elburn and Sugar Grove. The comparables have sites ranging in size from 15,246 to 279,683 square feet of land area, which reflect land to building ratios ranging from 4.49:1 to 58.10:1. The comparables are improved with one-story bank/office buildings that were built between 1981 and 2006. The buildings range in size from 2,320 to 8,699 square feet of building area and each has a drive-through containing from 1 to 6 lanes. Seven of the comparables have sale dates ranging from July 2016 to November 2017 and sold for prices ranging from \$252,520 to \$1,410,000 or from \$97.91 to \$162.09 per square foot of building area, including land. Comparable #8 was under contract with a list price of \$900,000 and comparable #9 was for sale with a list price of \$599,000. After adjusting the comparables' sale prices or listing prices for property rights, sale market conditions, location, building size, age, condition, basement and land to building ratio, when compared to the subject, the appraisers estimated the subject would have a unit value of \$155.00 per square foot of building area, including land or an estimated total market value of \$665,000, rounded.

Under the income approach, the appraisers selected five comparable rental properties that are located in Carpentersville, Plano, Batavia, Montgomery or Elmhurst. Comparables #1, #2, #4 and #5 are entire bank/office buildings available for lease or space in a bank/office building available for lease, but they all include a drive-through. Comparable #3 is a fast-food restaurant with a drive-through. The comparable buildings were built between 1960 and 2005. The rentals range in size from 1,200 to 10,006 square feet of building area and have rents or asking rents ranging from \$14.00 to \$22.18 per square foot of building area. After adjusting the comparables' rent for condition of lease, location, size, age, condition and land to building ratio, the appraisers arrived at an estimated market rent for the subject of \$17.00 per square foot of building area or a potential gross income of \$73,100 for the subject. The appraisers then subtracted \$5,483 for vacancy and collection loss to arrive at an effective gross income of \$67,617. The appraisers subtracted \$5,285 for total operating expenses to arrive at a net operating income of \$62,332, which was capitalized at a rate of 8.76%, for an estimated market value for the subject under the income approach of \$710,000, rounded.

Under reconciliation, the appraisers 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 \$670,000 as of January 1, 2019.

Based on this evidence, the appellant requested that the subject's total assessment be reduced to \$223,311.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$286,638. The subject's assessment reflects a market value of

\$860,775 or \$200.18 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 ten suggested comparable properties that are located in Carol Stream, Westmont, Woodstock, New Lenox, Elgin, Elmhurst, Saint Charles and Darien. The comparables are improved with bank buildings that were built between 1913 and 2008. The buildings range in size from 2,381 to 10,506 square feet of building area. The comparables have sale dates ranging from February 2015 to October 2017 and sold for prices ranging from \$638,888 to \$3,600,000 or from \$203.22 to \$1,000.00 per square foot of building area, including land. The board of review's submission included an income approach using all of the appellant's appraisal's income approach figures but adjusting the market rent to \$21.00 per square foot of building area based on rent rolls from an adjoining strip shopping center. The board of review submitted an equity grid of other comparable banks located in Kane County to show the subject is being uniformly assessed. The board of review also disclosed that the subject was purchased in October 2011 for \$2,450,000.

Based on this evidence the board of review did not offer to reduce the subject's assessment but agreed that a slight reduction is appropriate based on the evidence to \$15.35 per square foot of assessed building area.

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 \$670,000 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 \$860,775 or \$200.18 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. The board of review's comparable sales grid contained only four properties from Kane County, three of which are dated 2015 sales, as opposed to the appraisal's comparable sales which were all located in Kane County. The Board finds the board of review's income approach was skewed by using market rents from an adjoining strip shopping center, instead of using rentals with drive-throughs, like the appraisal. The Board also gives less weight to the board of review's equity grid, as this evidence is not responsive to the overvaluation argument brought by the appellant. Finally, the Board gives less weight to the subject's October 2011 purchase for \$2,450,000 due to its occurrence greater than 7 years prior to the assessment date at issue. Based on the evidence in this record, the Board finds the subject property had a market value of \$670,000 as of the

assessment date at issue. Since market value has been established the 2019 three-year average median level of assessments for Kane County of 33.30% as determined by the Illinois Department of Revenue shall apply. (86 Ill.Admin.Code §1910.50(c)(1)).

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:

October 19, 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

AGENCY

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