



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

APPELLANT: 1500 Hicks Building Corporation
DOCKET NO.: 19-49055.001-C-1
PARCEL NO.: 02-26-200-065-0000

The parties of record before the Property Tax Appeal Board are 1500 Hicks Building Corporation, the appellant(s), by attorney Nicholas T. McIntyre, of Much Shelist, 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 **No change** 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: \$132,750
IMPR.: \$142,250
TOTAL: \$275,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

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 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 58-year-old, one-story, four-unit, industrial facility with 32,037 square feet of rentable area, constructed with concrete, brick, metal, and steel. It features 22-foot ceiling heights, six drive-in doors, two exterior docks, and 33% office area. The property has an 88,500 square foot site and is located in Rolling Meadows, Palatine Township, Cook County. The property is a class 5-93 property under the Cook County Real Property Assessment Classification Ordinance.

Appellant contends overvaluation as the basis of the appeal. In support of this argument, appellant submitted an appraisal estimating the subject property had a market value of \$1,100,000 or \$34.34 per square foot of building area as of January 1, 2019. The appraiser utilized the income capitalization approach and the sales comparison approach in the appraisal of the subject property.

Under the income capitalization approach on the appraiser analyzed the subject's leases and five comparable rental properties that ranged between \$7.95 and \$9.00 per rentable square foot on a modified gross basis to arrive at a potential gross income of \$9.00 per square foot or \$288,333. Vacancy and collection loss was estimated at 7.5% for an estimated effective gross income (EGI) of \$266,708. Total expenses of \$88,300 were deducted from the EGI to arrive at a net operating income of \$178,408. Utilizing a loaded capitalization rate of 17.25% and a net income for the subject property of \$178,400, the appraiser estimated the subject property's market value at \$1,030,000, rounded.

Under the sales comparison approach, the appraiser analyzed six comparable properties that sold between December 2016 and March 2019 that sold for prices ranging from \$22.92 to \$43.68 per square foot of building area. After adjusting for pertinent factors, the appraiser estimated the subject property's market value at \$1,280,000, rounded.

In reconciling the approaches, the appraiser opined that the income approach provided the most relevant means in determining market value while the sales comparison approach was given a lesser amount of weight.

The appraisal report reflects the two approaches indicate a market value for the subject property of \$1,100,000. Appellant also submitted a copy of the board of review's decision letter reflecting a total assessment for the subject property of \$320,370. Based on this evidence, appellant requests the subject property's total assessment be reduced to \$275,000.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$320,370. The subject's assessment reflects a market value of \$1,281,480, or \$40.00 per square foot of rentable area, including land, when applying the level of assessments under the Cook County Real Property Assessment Classification Ordinance. The board of review did not submit any additional evidence.

Pursuant to proper notice provided to all parties, this matter proceeded to hearing on March 19, 2024. During the hearing, the appellant moved to submit the appraisal report and the board of review representative objected due to the appraiser not being present to testify. The administrative law judge sustained the objection and allowed the data in the appraisal report but not any of the opinions of the appraiser contained therein. The appellant stated six comparables sales were included in the appraisal report and are within range. The appellant also argued comparables 1 and 3 were located half a mile from the subject property and were most similar to it. The board of review representative argued that comparables 3, 4, 5, and 6 in the appraisal report submitted by the appellant indicates no assessment adjustment to the subject property is required.

Conclusion of Law

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 appellant *did not meet* this burden of proof and a reduction in the subject's assessment *is not* warranted.

The appellant's appraiser was not present at hearing to testify as to his qualifications, identify his work, testify about the contents of the evidence, the conclusions or be cross-examined by the board of review and the Board. In Novicki v. Department of Finance, 373 Ill.342, 26 N.E.2d 130 (1940), the Supreme Court of Illinois stated, "[t]he rule against hearsay evidence, that a witness may testify only as to facts within his personal knowledge and not as to what someone else told him, is founded on the necessity of an opportunity for cross-examination, and is basic and not a technical rule of evidence." Novicki, 373 Ill. at 344. In Oak Lawn Trust & Savings Bank v. City of Palos Heights, 115 Ill.App.3d 887, 450 N.E.2d 788, 71 Ill.Dec. 100 (1st Dist. 1983) the appellate court held that the admission of an appraisal into evidence prepared by an appraiser not present at the hearing was in error. The appellate court found the appraisal to be hearsay that did not come within any exception to the hearsay rule, thus inadmissible against the defendant, and the circuit court erred in admitting the appraisal into evidence. Id.

In Jackson v. Board of Review of the Department of Labor, 105 Ill.2d 501, 475 N.E.2d 879, 86 Ill.Dec. 500 (1985), the Supreme Court of Illinois held that the hearsay evidence rule applies to the administrative proceedings under the Unemployment Insurance Act. The court stated, however, hearsay evidence that is admitted without objection may be considered by the administrative body and by the courts on review. Jackson 105 Ill.2d at 509. In the instant case, the board of review has objected to the appraisal as hearsay. Therefore, the Board finds the appraisal hearsay and the adjustments and conclusions of value are given no weight. However, the Board will consider the raw sales data submitted by the parties.

The Board finds the best evidence of market value to be the six comparables submitted by the appellant within the appraisal. These properties sold from December 2016 and March 2019 that sold for prices ranging from \$22.92 to \$43.68 per square foot of building area. The subject's assessment reflects a market value of \$40.00 per square foot of building area which is within the range of the best comparables in the record.

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 21, 2024



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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