



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

APPELLANT: 100 Overland Drive, LLC
DOCKET NO.: 20-05656.001-I-2
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: \$235,195
IMPR.: \$1,080,945
TOTAL: \$1,316,140

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 2020 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 1-story multi-tenant industrial building of masonry and precast concrete exterior construction with 99,436 square feet of building area.¹ The building was constructed in 1989. Features of the building include approximately 3,600 square feet, or 3.6%, of office area, a ceiling height of 22 feet in the warehouse area and 9 feet in the office area, central air conditioning in the office area, 11 loading docks, and 2 drive-in doors. The property has an approximately 239,998 square foot, or 5.52 acre, site, reflecting a land-to-building ratio of 2.43:1, and is located in North Aurora, Aurora Township, Kane County.

¹ The Board notes the appraiser described 98,828 square feet of building area, but the appraisal does not contain a sketch with measurements of the subject building. The Board finds the best evidence of building size is found in the subject's property record card presented by the board of review, which contains a sketch with measurements and was not refuted by the appellant in written rebuttal. However, the Board finds this difference of 608 square feet of building area is not material given the subject's total building size.

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 \$3,950,000 as of January 1, 2019. The appraisal was prepared by Andrew G. Hartigan, MAI, a certified general real estate appraiser, for ad valorem tax purposes.

Under the sales comparison approach, the appraiser selected five comparables located in Montgomery, Saint Charles, Naperville, and Aurora. The parcels range 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 1-story industrial buildings ranging in size from 65,047 to 133,000 square feet of building area that were built between 1972 and 1993. The buildings have ceiling heights ranging from 20 to 23 feet and from 4 to 8 loading docks. The comparables sold from April 2016 to July 2018 and 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 conditions and for differences from the subject, such as building size, age/condition, percent of office area, and land-to-building ratio, the appraiser concluded adjusted sale prices ranging from \$35.08 to \$44.50 per square foot of building area, including land. Based on the foregoing, the appraiser opined a market value of \$40.21 per square foot of building area, including land, or \$3,950,000, rounded, under the sales comparison approach.

Under the income approach, the appraiser selected six rent comparables located in West Chicago, North Aurora, Aurora or Naperville. The comparables range in size from 17,100 to 222,000 square feet of building area and were built from 1975 to 2001. The buildings have ceiling heights ranging from 22 to 30 feet and from 4 to 8 loading docks. The comparables have rents or asking rents ranging from \$4.33 to \$6.19 per square foot of building area. The appraiser noted the subject property rents for \$3.18 and \$8.25 per square foot of building area. After adjusting the comparables for lease terms, conditions of lease, economic trends, and differences from the subject, such as location and features, 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 considering the rental comparables on a modified gross lease basis and added \$168,008 to the subject's rental income for expenses reimbursable from tenants, such as utilities, repairs/maintenance, and insurance, to calculate potential gross income of \$711,562. The appraiser subtracted \$35,578 for vacancy and collection losses (or 5% based on the subject's historical vacancy and CoStar data) to arrive at an effective gross income of \$675,984. The appraiser subtracted \$214,556 for total operating expenses, including reimbursable expenses of insurance, repairs/maintenance, and utilities and non-reimbursable administrative expenses, management fees, and replacement reserves, to arrive at a net operating income of \$461,428. The appraiser next calculated a loaded capitalization rate of 11.69% based on the direct capitalization and band of investments methods to calculate a value for the subject of \$3,950,000, rounded, under the income approach.

The appraiser gave the sales comparison and income approaches equal weight in opining a market value for the subject of \$3,950,000 as of January 1, 2019. The appraiser did not develop the cost approach due to the subject being an older building and this approach being less reliable for older properties.

Based on this evidence the appellant requested a reduction in the subject's assessment to reflect the appraised value conclusion.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$1,573,889. The subject's assessment reflects a market value of \$4,723,556 or \$47.50 per square foot of living area, land included, when using the 2020 three year average median level of assessment for Kane County of 33.32% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on thirteen comparable sales, including a grid analysis of four comparable sales, a grid analysis of appraisal sale #1, and maps depicting the locations of these comparables in relation to the subject. The board of review also submitted a grid analysis of an additional eight comparable sales.² The board of review's comparables are located in Aurora, North Aurora, Elgin, Batavia, and Huntley. The parcels range in size from 4.23 to 16.45 acres of land area and are improved with 1-story industrial buildings ranging in size from 50,018 to 174,300 square feet of building area. Four buildings have concrete block, masonry, brick, or steel exterior construction. The buildings were constructed from 1991 to 2019. Six comparables have from 3,370 to 14,000 square feet, or from 2.51% to 12.29%, of office area. Eight comparables have ceiling heights ranging from 24 to 32 feet, from 3 to 8 loading docks, and from one to four drive-in doors. The comparables sold from May 2017 to April 2021 for prices ranging from \$4,600,000 to \$12,500,000 or from \$49.85 to \$249.91 per square foot of building area, including land.

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

In written rebuttal, the appellant argued the appellant's appraisal is the best evidence of the subject's market value when compared to the board of review's unadjusted sales, which lack details regarding the features of these comparables and lack a capitalization analysis. The appellant asserted the board of review's comparable #1 has features the subject lacks; the board of review's comparable #2 is an older building than the subject and has features the subject lacks; the board of review's comparable #3 is a 50% smaller building than the subject and is a newer building than the subject with a superior location to the subject; the board of review's comparable #4 is a 16% smaller building than the subject and is located more than three miles from the subject; and the board of review's comparable #5 has more parking than the subject and is located more than five miles from the subject.³

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

² The Board notes that the subject property identified on this second grid analysis is not the property that is the subject of this appeal. Nonetheless, the Board shall consider the comparables presented in this grid analysis, which are renumbered as comparables #6 through #13.

³ The Board notes that the appellant has mistakenly identified appraisal sale #1 as the board of review's comparable #5. This comparable is presented in a grid analysis entitled "Taxpayer Sale Comps."

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 appellant presented an appraisal and the board of review presented thirteen comparable sales in support of their respective positions before the Board. The Board finds the best evidence of market value to be the appraisal submitted by the appellant with a value conclusion of \$3,950,000 as of January 1, 2019 for the subject property. The appraisal was completed using similar properties to the subject as comparables for both the income and sales comparison approaches in estimating the subject's market value. The appraiser made appropriate adjustments to the comparable properties, which further advances the credibility of the report.

The subject's assessment reflects a market value of \$4,723,556 or \$47.50 per square foot of building 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 did not challenge the appellant's appraisal but rather presented unadjusted comparable sales, five of which lack descriptive details. The remaining eight comparables have varying degrees of similarity to the subject. These comparables have higher ceiling heights than the subject, five comparables are substantially larger buildings than the subject, five comparables are much newer buildings than the subject, five comparables have much larger sites than the subject, all of which would require substantial adjustments to make them more equivalent to the subject.

Based on this record, the Board finds the subject property had a market value of \$3,950,000 as of the assessment date at issue. Since market value has been established the 2020 three year average median level of assessments for Kane County of 33.32% 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:

May 16, 2023



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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