



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

APPELLANT: Diesel Radiator Company, Inc.
DOCKET NO.: 21-06634.001-C-1
PARCEL NO.: 03-02-201-010

The parties of record before the Property Tax Appeal Board are Diesel Radiator Company, Inc., the appellant, by attorney Brian S. Maher, of Weis, DuBrock, Doody & Maher, in Chicago, and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$111,280
IMPR.: \$276,510
TOTAL: \$387,790

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the DuPage County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2021 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, single-tenant, masonry industrial building containing 19,232 square feet of gross building area of which approximately 2,432 square feet or 12.7% is office space. The building was constructed in 1969 and is approximately 50 years old. Features include a concrete slab foundation, a warehouse with 14 to 16 foot clear ceiling heights, a 100% wet sprinkler system, a depressed truck dock and a series of interior drive-in doors on the west, north and south elevations along with two 5-ton overhead cranes on one rail. The property has a 40,533 square foot site for a land-to-building ratio of 2.11:1 and is located in Elk Grove Village, Addison Township, DuPage County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by First Real Estate Services, Ltd. and signed by four individuals, three appraisers and one an appraisal trainee, estimating the subject property had a

market value of \$1,160,000 as of January 1, 2019. Ronda Sandic, Gary M. Skish and Gary T. Peterson are each Certified General Real Estate Appraisers in Illinois and John Pamphilis at the time of the report was an Illinois Associate Real Estate Trainee Appraiser. The purpose of the appraisal is to develop an opinion of the fee simple retrospective market value for *ad valorem* purposes. Intended users are the client, the client's attorney, the DuPage County Assessor, DuPage County Board of Review and the Illinois Property Tax Appeal Board. (Appraisal, Summary of Salient Facts & p. 3, 6)

The appraiser(s) inspected the subject property on June 15, 2020 and described the subject to be in average overall condition. Noted items of deferred maintenance included separation cracks at the interior partition wall where it meets the south elevation wall due to settling; broken, chipped, and cracked bricks and areas with eroded mortar in need of tuckpointing on north, south and west elevations; water stained masonry block wall on interior of south elevation; cracks in concrete slab in multiple areas of warehouse flooring; cracks in asphalt parking lot; rust and corrosion on steel frame warehouse windows; and water stained acoustical ceiling tiles in the office area. The appraisers noted functional obsolescence of the subject due to interior walls that restrict uniform warehousing and efficient process flow along with limited parking area for a building of its size, despite the availability of off-street parking. Likewise, external obsolescence was reported since street parking is restricted to one side of the street with a two-hour limit, restricting the parking for the number of employees and visitors to the property. (Appraisal, p. 6 & 23-24)

The appraisers opined both an exposure and marketing time for the subject property of approximately 4 to 6 months. (Appraisal, p. 4)

The appraisers calculated a total estimated economic life of 45 years, an estimated effective age of 35 years, resulting in an estimated remaining economic life of 10 years for the subject. (Appraisal, p. 28) A highest and best use analysis was prepared and concluded the best use of the subject site as-vacant would be industrial use and in its as-is state, was determined to be continued use as a single-tenant industrial building. (Appraisal, p. 31-34)

At appraisal pages 37 to 50, an income approach to value was prepared using ten lease comparables located in Elk Grove Village, Wood Dale and Bensenville. These comparables were summarized on page 39 and ranged in leased square footage from 5,600 to 36,459 square feet of gross building area. These comparables had rental rates ranging from \$4.46 to \$7.20 per square foot of building area. After considering adjustments, the appraisers concluded that the subject would have a market rent of \$6.00 per square foot resulting in a potential rental income of \$115,392 along with additional expense reimbursements of \$2.25 per square foot for a total potential gross income (PGI) of \$158,664. The appraisal set forth that historical vacancy and credit loss typically is from 5% to 20% of PGI. Based on this data, it was estimated the subject would have an 8% or \$12,693 allowance for vacancy and credit loss resulting in an effective gross income (EGI) of \$145,971. The appraiser next estimated operating expenses for the subject of \$22,033 resulting in net operating income (NOI) of \$123,938.

The final step under the income approach was to estimate the direct capitalization rate to be applied to the subject's net income. Using national survey data and the band of investment method resulted in a capitalization rate of 7.75%. Next, the appraisers calculated a loaded

capitalization rate to account for the real estate tax expense resulting in a loaded capitalization rate of 10.61%. Capitalizing the subject's estimated net income of \$123,938 by 10.61% resulted in an estimated value under the income approach of \$1,170,000, rounded.

Using the sales comparison approach to value on appraisal pages 51 to 63, the appraisers examined five comparable sales of industrial buildings that were each reported to have an effective age of 35 years. The comparables were located in Elk Grove Village. The comparables range in size from 8,904 to 19,499 square feet of gross building area. The comparables sold from November 2016 to September 2019 for prices ranging from \$495,000 to \$1,250,000 or from \$53.45 to \$64.10 per square foot of gross building area, including land. Having adjusted these sales prices for differences from the subject concerning conditions of sale, size, land-to-building ratio, office space, ceiling height, truck docks/doors and construction/configuration, the appraisers arrived at adjusted mean/median sales prices of \$58.19/\$55.59 per square foot of gross building area, including land, to arrive at an estimated market value for the subject of \$60.00 per square foot of gross building area, including land, or \$1,155,000 (rounded).

In reconciling the two approaches to value in the report at pages 64 and 65, the appraisers placed primary emphasis on the sales comparison approach in concluding a value for the subject as of January 1, 2019 of \$1,160,000.

Based on this evidence, the appellant requested a total assessment of \$386,628 which would reflect a market value of \$1,160,000, including land, when applying the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$465,020. The subject's assessment reflects a market value of \$1,391,026 or \$72.33 per square foot of building area, land included, when using the 2021 three year average median level of assessment for DuPage County of 33.43% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review asserted that there was a stipulation on this property in 2019 before the Property Tax Appeal Board. Thus, the only changes to the assessment were for the Addison Township factors applied to all non-farm properties in the township for 2020 and 2021 of 1.04 and 1.044, respectively.¹ Based on the foregoing, the board of review requested confirmation of the subject's assessment.

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

¹ Taking notice of the total assessment in the 2019 tax year stipulation in Docket No. 19-08996 of $\$428,290 \times 1.04 = \$445,422 \times 1.044 = 465,020$ (recognizing that DuPage County has a practice of rounding to the nearest 10). Thus, resulting in no change in the current assessment under this mathematical analysis.

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 and only evidence of market value in the record to be the appraisal submitted by the appellant. The board of review failed to present any market value evidence to contradict the appraised value conclusion and/or to support the subject's current assessed valuation. Furthermore, since there is no provision in the Property Tax Code to maintain the assessment of a non-owner-occupied residence (i.e., commercial or industrial building) as set forth in Section 16-185 (35 ILCS 200/16-185), there is no basis in law to give any credence to the prior stipulation of the parties that has only been increased over the prior two tax years by the application of township multipliers

The subject's assessment reflects a market value of \$1,391,026 or \$72.33 per square foot of building area, including land, which is above the appraised value conclusion of \$1,160,000 in the record. The Board finds, in the absence of any counter market value evidence, that the subject property had a market value of \$1,160,000 as of the assessment date at issue. Since market value has been established on this limited record the 2021 three year average median level of assessments for DuPage County of 33.43% as determined by the Illinois Department of Revenue shall apply with rounding to the nearest 10 as is applied in DuPage County. (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:

December 19, 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

AGENCY

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