



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

APPELLANT: WEC Energy Group
DOCKET NO.: 21-29121.001-C-3
PARCEL NO.: 16-34-209-018-0000

The parties of record before the Property Tax Appeal Board are WEC Energy Group, the appellant(s), by attorney Kevin P. Burke, of Smith Hemmesch Burke & Kaczynski in Chicago; the Cook County Board of Review by Cook County Assistant State's Attorney Sam O'Brien; and the Chicago Board of Education, the intervenor, by attorney Karen Kavanagh Mack of Burke, Warren, MacKay & Serritella, P.C. in Chicago.

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 Cook County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$375,407
IMPR.: \$1,374,593
TOTAL: \$1,750,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The 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 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 9.84-acre parcel of land improved with a four-year-old, one-story, masonry, single-tenant, owner-occupied industrial building containing 56,038 square feet of building area. The property is located in Chicago, West Township and is classified as a class 5 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant, through counsel, appeared before the Property Tax Appeal Board (the Board) arguing that the fair market value of the subject is not accurately reflected in its assessed value.

Procedurally, this appeal was consolidated with the 2022 and 2023 appeals for hearing purposes. A hearing on these matters was held on September 25, 2025.

The appellant called its first witness, Laura Budzinski. Ms. Budzinski testified she is employed by WEC Energy Group, also known as the gas company, and has worked there for 15 years. She testified she has a Bachelor of Science in aerospace engineering and works as the manager of technical training which has been based at the subject building for the last seven years. She described her job responsibilities. Ms. Budzinski described the building as a one-story building with many different rooms. She testified that there are offices for the training staff, cubicles and office spaces, meeting spaces, a large community room used for large meetings and external events, lab spaces for training to simulate work in the fields, and classroom space. She testified there is also a wellness room, a fitness center, a large lunchroom, and an emergency dispatch center with offices around that room. She testified that there are about four or five other departments that are based at the building with offices and cubicle space for those employees.

Ms. Budzinski was shown *Appellant's Exhibit #2*, a layout of the subject property. She testified that the upper left-hand side has a layout of the whole property including the parking lot and the outdoor facilities with a mock neighborhood that is called gas city. Ms. Budzinski described gas city as four "streets" with different huts of varying sizes that contain gas appliances. She testified that one building is a classroom and there is a building with pits to allow for practicing excavating and working with gas leaks. She described the "huts" as single space with a front door and no insulation. Ms. Budzinski confirmed that these properties are not on the tax rolls.

Ms. Budzinski testified that the balance of the exhibit is a larger diagram depicting the interior layout of the training center building. She estimated that there are approximately 90 rooms within the building. She described the use of the community room and other rooms within the building. She testified that many of the rooms are smaller than a typical office space. Ms. Budzinski testified that the West 35th Place Road is maintained by the owners within the area. Finally, she testified that there has been no change to the property between 2021 and 2023.

On cross examination, Ms. Budzinski testified that *Appellant's Exhibit #2* was last updated in 2024 but that this diagram reflects the layout of the property from January 1, 2021, through January 1, 2023. She testified that the building was completed in 2017 and there was an addition put on the property in 2020. She described the addition on the diagram as the portion of the building containing classrooms 181 through 183 along with the hallways. Ms. Budzinski opined that the building was newer. She described the route to the nearest expressway. She described some of the buildings around the subject's property.

In support of the market value argument, the appellant submitted an appraisal report with an estimate of value of \$6,150,000 as of January 1, 2021. The appellant presented the testimony of the appraisal's author, Joseph Ryan, with LaSalle Appraisal Group, Inc. Mr. Ryan testified he is the president of LaSalle Appraisal Group and holds the MAI designation from the Appraisal Institute since 1992. He testified he has been an appraiser since 1980. He stated he has been qualified as an expert previously in several courts and administrative agencies, including the Illinois Property Tax Appeal Board. The Board accepted Ryan as an expert witness in real estate appraisal without objection from the remaining parties.

The appraisal prepared by Ryan was marked as *Appellant's Exhibit #1*. Ryan testified the appraisal was prepared on August 23, 2021, for a fee simple interest market value. Ryan defined

fee simple versus leased fee. He opined that the value of the use of the building to the gas company is far more than the value in exchange to another user.

Ryan testified he inspected the subject four or five times. He described the subject as a one-story, masonry, industrial building containing just over 56,000 square feet of building area. He testified that 50,000 square feet was built in 2017 while a 6,000 addition was built at the rear of the property in 2020. Ryan testified that *Appellant's Exhibit #2* accurately depicts the subject as he saw it during his inspections. He opined that the building floor plan is very different from a typical industrial building in that the subject has 90 rooms while an industrial building is usually wide open. He also testified that the subject has more office space at 50% than a typical industrial building and opined that the standard was 8-12% but it is currently 3-5% since logistical buildings came into the market. He opined that the subject's office space is more consistent with a flex building. Ryan defined a flex building as an industrial-type building that has more office space, lower ceiling clearance, and warehouse space with from 2 to 6 docks and a couple drive-in doors. He testified that the subject does not have any loading docks. Ryan then defined the term super adequacy as a physical characteristic this is greater than what the market would expect. He opined that 50% office space for an industrial building is a super adequacy. He also testified that workout rooms are rare for an industrial building.

Ryan described the typical flow of an industrial building product. He opined that product would not flow through the subject due to its walls and ceiling heights. Ryan testified that the subject has ceiling heights of 22 ½ feet. He testified that his appraisal lists the subject as having from 16 to 32-foot ceilings and explained that the subject has a tilt up panel construction, typical of an industrial building, but only 22 ½ feet ceilings which are similar to a flex building. He explained that this is why he used flex buildings as comparable buildings. Ryan was shown *Appellant's Exhibit #3*, a copy of the subject's property record card from the assessor's office. Ryan testified that this document lists the subject as having 32-foot ceiling heights. He testified that he measured each room in the subject with a laser measure just prior to the hearing and discovered the discrepancy between the actual size and that listed in his appraisal.

Ryan developed the sales and income approaches to value in estimating the subject's market value. He testified that he did not utilize the cost approach because the property was not constructed to market demands, didn't conform to the market it was in, and, in his opinion, no one other than the user would build a building like this. He opined that potential purchasers of the subject would not care what it cost to build and that they would pay for the utility that the building offers.

In developing the sales and income approaches, Ryan testified that he found the subject's design violated the appraisal principles of conformity, balance and increasing and decreasing returns. He testified that to get the maximum return a building should conform to the market its located in. He opined that the market was dominated by logistical distribution buildings, and the subject does not conform to this market. He opined that the subject also is not in a state of equilibrium as there are too many rooms and offices for a typical industrial property so you wouldn't expect to recapture all the capital invested.

Ryan testified that the principle of substitution is the basis for the sales comparison approach. He testified he utilized seven sales comparables. He testified that the subject does not have any

warehouse space and that the physical characteristics of 50% office space are more typical of a flex building. He opined that flex buildings are more typically located in the suburbs than the city. Ryan testified that he did not find any flex buildings in the City during his search and only found one or two in suburban Cook County so he expanded his search to the collar counties. He testified he was not concerned with the distance of his comparables to the subject because he was looking first for fee simple and second for flex buildings. He testified that one of his parameters was properties built after 2000. Ryan also testified that the comparables were all exposed to the open market with one sale a leased fee sale. He testified that leased fee sales include considerations other than the real estate such as the lease and the credit worthiness of the tenant.

Ryan described each comparable and the adjustments on each. The comparables range in building size from 22,000 to 54,471 square feet and sold from July 2018 to July 2021 for prices ranging from \$1,650,000 to \$5,625,000, or from \$75.00 to \$108.00 per square foot of building area, including land. They ranged: in age from 9 to 21 years; in ceiling heights from 22 to 34 feet; and in land to building ratio from 2.52:1 to 9.84:1. The comparables were located in Chicago, Libertyville, Aurora, Deerfield, Schaumburg, Elgin, and St. Charles.

Ryan testified that comparable #3 was purchased by a recent tenant, but that the building was listed on the market prior to the purchase and that the tenant was not in the space very long when they purchased it. He testified that comparable #4 was sold at auction, but that the property had been on the market for an extended time prior to the auction. Ryan also testified that the transfer declaration for comparable #6 disclosed that the property was not advertised for sale, but he spoke with the broker on the sale who indicated the property was fully advertised and marketed.

Ryan opined that these comparables would have a longer exposure time on the market because the properties have less conformity to the market than a distribution warehouse. After the adjustments for pertinent factors, Ryan testified he estimated a value for the subject of \$110.00 per square foot of building area which is just above the high end of the range for the comparables. He opined that he could not find a directly comparable property but that these properties represented the highest comparability to the subject and made adjustments accordingly. Ryan testified that he did not think a logistic distribution building or a truck terminal were similar to the subject. His final opinion of value for the subject property under the sales comparison approach was \$6,165,000, rounded.

Under the income approach, Ryan testified that his key factors were properties built after 2000 and located in the city. He testified that there were no rentals of flex buildings in the city, but he did use two comparable rentals of flex buildings from the suburbs. He testified he utilized four rental comparables that ranged in rental rates from \$5.50 to \$9.95 per square foot of building area. Ryan opined a rental rate for the subject of \$9.00 per square foot of building area on a net basis for a potential gross income of \$504,342.

Ryan testified that he applied a 5.7% vacancy and collection rate for an effective net income of \$475,595. Ryan testified he deducted management fees and replacement reserves for total expenses of \$15,800. He testified that the estimated stabilized net income was just under \$460,000.

In determining the appropriate capitalization (CAP) rate, Ryan testified he reviewed realty rates and investor surveys for institutional-type properties and non-institutional but good quality properties. Ryan defined institutional-type properties. He opined that the subject would not be an institutional-type property because it is designed for a specific purpose and use. He opined there is no demonstrative demand for the property other than the current user. The appraisal also included the band of investment technique. Ryan testified he estimated a CAP rate of 7.5%. He testified he adjusted this CAP rate to account for the landlord portion of the tax load during vacancy of .32% for a total CAP rate of 7.82%. for an estimate of market value under this approach at \$5,900,000, rounded.

In reconciling the various approaches, Ryan testified he gave significant weight to both approaches with the sales comparison getting more weight for a fee simple appraisal. After reconciliation, the appraisal estimated the value for the subject property as of January 1, 2021 of \$6,150,000. Ryan opined that this value would not change from 2021 to 2023.

Under cross examination by the intervenor, Ryan testified that he is familiar with CoStar Services and has used the product in his appraisal practice. He testified he is familiar with the I-55 corridor and acknowledged there is a substantial amount of industrial-type development along the corridor. He testified he did not include any paired sales or Costar reports within his appraisal to show that the building had more value in use than value in exchange. He testified he was unaware if other utilities such as ComEd or Nicor have training facilities similar to the subject. He acknowledged that trade unions would have training facilities.

As to the subject's ceiling height, Ryan testified that he measured the ceiling height with a laser measure three months prior to the hearing which he acknowledged was five years after the date of value. He acknowledged that part of the building was four years old at the date of valuation and part was one year old and that there were some unique features to the building. He then testified that the cost approach was not a good option because the building wasn't built to the demands of the market. He opined that a land value was not needed to determine the highest and best use because the sales in his database support the highest and best use. Ryan was then shown typographical error in the appraisal which he acknowledged were computer glitches.

As to the sales comparison approach, Ryan acknowledged that comparable #1 sold 30 months prior to the lien date and was the only property located in Chicago. Ryan was unaware of whether this comparable had a "6B" status on the property. He was shown *Intervenor's Exhibit #3*, a CoStar Service printout for comparable #1 showing this property having a "6B" status that was renewed in 2015. Ryan acknowledged that 6B status lasts for 12 years and that this status is not included in the report. Ryan testified that a 6B property has a 10% level of assessment as opposed to 25%. He testified that he did not call this property a flex building.

Ryan acknowledged that sale comparable #2 is located in Lake County at least 25 miles from the subject. He testified this sale was a leased fee investment sale. Ryan testified he was unaware of a sale after this listed sale, but prior to the lien date in question. He was shown *Intervenor's Exhibit #4*, a PTAX-203 for the subject property showing a sale in 2020. Appellant's counsel objected to this document as new sales evidence submitted for valuation purposes. Intervenor's counsel argued that this exhibit is for impeachment purposes. The Board overrules the objection and finds the exhibit can be used for impeachment purposes only. Ryan testified that this sale

was in December 2020 for \$5,000,000. He acknowledged that this document discloses that the parties to the sale opined the sale price was at market value. Ryan agreed that the document discloses that the property was not advertised for sale. Ryan acknowledged that these forms can be wrong and agreed that one of his sales disclosed it was not advertised for sale, but that he spoke with the broker who indicated it was. Ryan agreed that a paired sale is good for use in appraising property. Ryan testified that comparable #2 was a flex building.

Ryan agreed sale comparable #3 was located 25 miles from the subject and on the market for six years. He acknowledged that the property was purchased by the tenant, but testified the tenant was only in the property for a few months. Ryan acknowledged that comparable #4 is the only comparable that is actually called a flex building in the report. He testified that both comparables #2 and #3 are also flex buildings. He acknowledged that comparable #4 is located 20 miles from the subject but testified it is located in Cook County. Ryan was shown *Intervenor's Exhibit #5*, a CoStar Services report for this comparable. Ryan testified that he did not disclose in the report that the building became a Montessori school after the sale. Ryan opined that the subject's design could be used as a Montessori school but may not be appropriate. He agreed this sale was an auction sale and opined that auction had become more popular at the time of this sale.

Ryan acknowledged that comparable #5 is not described as a flex building. He agreed that this property is over 20 miles from the subject but located in Cook County. Ryan recognized that comparable #6 was a flex building in its description and that this property was located in Kane County over 25 miles from the subject. He agreed that he did not describe comparable #7 as a flex building and that it was located over 30 miles from the subject in Kane County. Ryan testified that the typical multiplier for Cook County during the lien years in question is about 3% while the typical multiplier in Lake, Kane or DuPage Counties is 0 or 1%.

As to the income approach, Ryan testified he became aware of the sale of rental comparable #1 at the time of the lien date in question. He testified he was not aware of this sale at the time the appraisal was written. He acknowledged that rental comparables #3 and #4 were located in other counties from 15 to 25 miles away from the subject. Ryan testified he looked at CAP rates in the South City, Chicago Metro Area as designated by CoStar Services. He acknowledged his rental comparables are not located in the South City region.

On re-direct, Ryan defined a "6B" property and testified that the subject does not have this classification. He opined that this difference would impact the value, and he would consider it an advantage for sales comparable #1. As to sale comparable #2, Ryan agreed that *Intervenor's Exhibit #4* disclosed that this property was not advertised for sale. He testified that he used a sale, comparable #6, that also disclosed that it was not listed on the open market, but that he verified the sale by speaking with the broker to determine that the property was in fact marketed and met the criteria for an arm's length transaction. As to sale #4, Ryan testified that *Intervenor's Exhibit #5* describes this comparable as a "3 star flex Light Distribution" and affirmed that all but one of his sales comparables, comparable #1, are flex-like buildings. Ryan testified that an auction sale can be a conventional method for selling. Ryan further testified that his sales were not located in the I-55 corridor, but in suburban industrial parks. He went through each sale and described their location in proximity to highways or thoroughfares.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$2,100,000 was disclosed. This assessment reflects a fair market value of \$8,400,000 when the Cook County Real Property Assessment Classification Ordinance level of assessment of 25% for Class 5 commercial property is applied.

In support of this market value, the board of review submitted unadjusted sales data on four comparables. These properties are described as 2- or 3-star industrial properties. They sold from February 2020 to December 2021 for prices ranging from \$179.76 to \$414.65 per square foot of building area. At the hearing, the board of review did not call any witnesses and rested its case upon its written evidence submissions. The appellant submitted written rebuttal to the board of review's evidence.

In support of the intervener's position, the intervenor submitted a summary appraisal of the subject prepared by Clinton Joseph Wallace with Wildcat Valuation Group. The appraisal submitted in this appeal was marked as *Intervenor's Exhibit #1* and the appraisal for the subsequent years was marked as *Intervenor's Exhibit #2*. Mr. Wallace testified has been a commercial real estate appraiser for 24 years and is one of the founding members of Wildcat Valuation. He testified he was previously with Praedium Valuation Group for 20 years. Mr. Wallace testified he has a bachelor's and master's degrees and the professional designation of an MAI in addition to a real estate brokers license. He described his professional licenses and the education required to maintain those licenses. Mr. Wallace testified he has appraised all types of properties and for various purposes with approximately 300 appraisals being for ad valorem purposes. He testified he has been qualified as an expert previously in several courts and administrative agencies but has not testified before the Property Tax Appeal Board before. The Board accepted Wallace as an expert witness in the valuation of industrial properties without objection from the remaining parties.

The appraisal utilized the sales comparison and income capitalization approaches to value to estimate the value of the subject property at \$8,370,000 as of January 1, 2021. Wallace testified that *Intervenor's Exhibits #1 and #2* are appraisals prepared for the intervenor's two attorneys. He testified that the valuation dates are the same, the estimated valuations are the same, and the methodology used is the same. Wallace testified that the difference is the date of the report as the second report was reissued a year after the first but he affirmed that the methodology and comparables used are the same between the two. He testified to typographical error in the appraisal and stated that they did not impact the conclusion of value.

Wallace testified he performed an inspection of the subject on February 24, 2023. He described the property and its environs. He testified that the subject is one-story, has between 16 and 32 foot ceilings, and has six drive-in doors. He testified the subject is zoned M2-1, manufacturing industry and has a land to building ratio of 7.7:1. He opined the subject was in good condition and estimated an effective age of three years. He concluded a highest and best use as vacant as industrial and as improved as its continued use.

Wallace did not perform the cost approach. He testified that typical buyers and sellers in this market do use the cost approach to set pricing for their properties.

To estimate the value for the subject through the sales comparison approach, Wallace testified that he analyzed five sales and described each property. The properties range in building size from 20,000 to 67,580 square feet and sold from February 2019 to January 2021 for prices ranging from \$2,600,000 to \$11,975,000, or from \$129.64 to \$177.20 per square foot of building area, including land. The properties ranged in age from four to 63 years and in land to building ratio from 1.04:1 to 14.69:1.

Wallace testified that sale #1 is located southwest of the Chicago Central Business District in Chicago. He testified to the sources he used to confirm the sale and that he confirmed the sales for comparables #3 and #4 with the brokers. He testified that comparables #1, #3, #4, and #5 are all located within 10 miles of the subject. Wallace testified the adjustments made to the comparables for pertinent factors. He estimated a value for the subject of \$150.00 per square foot of building area, including land which yields a value for the subject property under the sales comparison approach of \$8,410,000, rounded.

Under the income approach, Wallace testified he analyzed five comparable rentals located along the I-55 industrial corridor. He described the rental comparables. These properties range in rental size from 10,208 to 69,139 square feet of rentable area. Wallace testified he made adjustments to these comparables for pertinent factors and for asking gross or modified gross rates for a rental rate range from \$9.75 to \$12.00 per square foot of net rentable area after adjustments. He testified he concluded a rent for the subject at \$12.00 per square foot of building area. Wallace testified he reviewed two market sources relied on by appraisers to estimate vacancy and collection at 5% for an effective gross income of \$704,152. He then used his knowledge of similar properties in the market area to deduct expenses for a net operating income (NOI) of \$604,376.

Wallace testified he utilized CoStar Services, the band of investment method, and reviewed surveys to estimate the capitalization rate (CAP). In reviewing CoStar, Wallace testified he looked at a five-mile radius around the subject and found five industrial property sales within this radius that were charted within the appraisal to show a CAP of 6.9%. Wallace described the band of investment method and the surveys he reviewed. He testified he concluded an overall rate of 7% that he applied a .25% tax factor to which resulted in an indicated value for the subject under the income approach at \$8,340,000, rounded.

In reconciling the approaches to value, Wallace testified he placed significant weight on each of the approaches to estimate a value for the subject of \$8,370,000 as of January 1, 2021. He testified the market was increasing for January 2022 and January 2023, but the value would remain substantially the same.

Under cross-examination by the appellant, Wallace agreed that *Intervenor's Exhibits #1 and #2* were two separate reports and that the second report did not include a statement that a previous report was done. He explained the minimal differences between the two reports. He acknowledged further typographical errors within the report. He testified that his description of the subject throughout the report as a one-story is correct and his description of the office portion of the building as two stories is also correct. He testified that the building is a majority one-story built as a precast tilt up one-story building and that the portioned office has two-stories. He explained that the subject is predominantly a one-story industrial building that has office on two-

stories built inside the one-story envelope. Wallace read multiple pages of his report that stated the subject was a one-story, industrial building. He testified that knowing that the ceiling heights, which he listed as from 16-32 feet based on the appellant's appraisal, were actually 22 feet would impact his value but maybe not materially.

Wallace testified that he was not aware that the subject was located on a private road. He was shown *Appellant's Exhibit #4*, a blown-up version of an aerial photograph of the subject's street and property that was included in the intervenor's appraisals. Wallace testified that the photographs and maps he reviewed did not clearly show the property line including the road and that he does not know if the road is public or not. He agreed that CBRE and CoStar Services are reliable sources. Wallace testified that he does not think the subject's location would fit neatly into one of the submarkets listed in these sources and stated he looked at city south and south suburbs.

Wallace was shown *Appellant's Exhibit #2* and agreed that this floor plan depicted what the subject looked like when he inspected the property. He testified that the subject has space or rooms that were larger than others but that the subject was not a warehouse facility. He agreed that there were no loading docks for the subject.

As to the comparable sales, Wallace testified that he did not inspect the interiors of these properties. He testified that he reviewed offering memoranda for three of the properties that included interior information. He testified the appraisal references that he spoke to the listing agents and had marketing materials. He agreed that only two of the sales comparables, comparables #4 and #5, are within 30% of the subject's size and that comparables #1, #2, and #3 are not even half the size of the subject. Wallace testified to the office space size of the comparables and compared them to the subject. He testified that comparables #2, #3, #4, and #5 are not located within the I-55 corridor.

Wallace testified that sale comparable #1 was a fee simple transaction. He was shown *Appellant's Exhibit #5*, a CoStar Services printout for this comparable. He acknowledged that the document discloses that the property was 100% leased at the time of sale but did not believe it to be correct. He testified that he reviewed the marketing material but acknowledged that he did not speak to the broker on this sale to confirm. He opined that the document contradicts itself.

As to sale comparable #2, Wallace defined the term truck terminal and confirmed that this comparable is a truck terminal. He acknowledged that he did not review the PTAX report for this comparable. Wallace was shown *Appellant's Exhibit #6*, the PTAX-203 for this comparable. He acknowledged that line 7 of this form discloses that the property was not advertised for sale and indicates that it was the fulfillment of real estate contract. Wallace was then shown *Appellant's Exhibit #7*, a CoStar Services printout for this comparable. Wallace pointed out the discrepancies within this document regarding the property's square footage. He acknowledged that this property is a truck terminal, is approximately one third the size of the subject, has less office space, and has a much higher land to building ratio but opined that this sale is important in pointing out certain features along with other comparables in the report. Wallace would not say if this property was similar to the subject but reiterated that it was important.

Wallace agreed that sale comparable #3 is 40% of the size of the subject. He testified the property was an industrial building converted into office. He acknowledged that the highest and best use of this comparable was not similar to the subject's highest and best use.

Wallace acknowledged that sale comparable #4 was a leased fee sale and that he did not make any adjustment for this factor. He testified that there was no evidence that the lease was not at market rent and therefore no adjustment was warranted. He acknowledged that he did not know the rent for this comparable. Wallace was directed to the rental rate of this comparable as listed in the appellant's appraisal which used this property as a rental comparable in the income approach. He testified that he did not know if the \$9.95 per square foot of rentable area was below market because he did not know if there were any concessions given or if there were any buildouts in the rate. He agreed that this building had adjustments that indicated it was a superior building.

As to sale comparable #5, Wallace was shown *Appellant's Exhibit #8*, a copy of the PTAX-203 for this comparables. He acknowledged that the document discloses that 37% of the building was occupied or leased at the time of sale.

Wallace was then questioned on his income approach. He acknowledged that the income approach was closer to the final estimate of value but testified he gave considerable weight to both approaches. He acknowledged that the appraisal lists two of the rental comparables as asking rent in sentence or chart and actual rent in another. He confirmed that these were inconsistencies but could not recall which was correct. He testified that asking rents tend to be higher than actual rents. He acknowledged he chose a market rent of \$12.00 for the subject. Wallace testified that earlier in his report he disclosed that CBRE shows a rental range from \$5.64 to \$6.43 per square foot for the Chicago Metro Area and the total market to be from \$5.45 to \$6.20 per square foot. He acknowledged that his chart from CoStar Services shows rental rates from \$6.00 to \$8.00 for 2020 and between \$7.00 and \$8.00 for 2021. He agreed he relied on these sources.

Wallace opined that the subject straddles the line between institutional grade and slightly below institutional grade property. He testified that the CAP chart on page 62 of his appraisal shows the different points between institutional and non-institutional grade properties. He acknowledged the second chart on this page lists CAPs for warehouse properties and flex spaces and that the CAP for flex spaces is higher than for warehouses.

On redirect, Wallace reaffirmed that *Intervenor's Exhibit #1* is the only appraisal performed by him for the subject. He testified to the errors on page 30 of *Intervenor's Exhibit #1* and confirmed that the data was for information purposes only and did not impact the valuation of the subject. He acknowledged there was an error in the report regarding adjustments to the comparables for location and testified that he did make adjustments to all the sale comparables for location. Wallace testified that the information in the report is either verified or provided by a reliable source. He testified that the grid for the sales comparables is correct and correctly indicates that the comparables were smaller than the subject and were adjusted downward. He reaffirmed that there are six drive-in doors at the subject.

Wallace testified that the transaction notes on *Appellant's Exhibit #5* for sale comparable #1 discloses that the sale was an owner user sale. He opined that this would mean that at the time of sale, the property would be vacated so it would be a fee simple sale. He was also shown *Appellant's Exhibit #8* in regard to sale comparable #5 and testified that the parties disclosed that it was a fee title sale.

As to sale comparable #2, Wallace testified that he utilized this comparable, the truck terminal, because he attempted to find sales that bracket both the low and high end on a dollar per square foot. He testified that he felt this comparable was important because it was built the same year as the subject but inferior in construction and in an inferior market area. He opined this comparable is inferior to the subject but important to demonstrate with newer construction. He acknowledged that *Appellant's Exhibit #6* discloses that this comparable was not advertised for sale but that later in the document the parties disclose that the property was on the market for 12 months.

Conclusion of Law

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the Board examined the appellant's and intervenors' appraisal reports, the witnesses' testimony, exhibits, and the board of review's submission.

The Board finds the board of review's witness was not present or called as a witness to testify about their qualifications, identify their work, testify about the contents of the evidence, the conclusions or be cross-examined by the appellant, intervenor and the Property Tax Appeal Board. Without the ability to observe the demeanor of this individual during the course of testimony, the Property Tax Appeal Board gives the evidence from the board of review no weight.

The Board then reviewed the two appraisals and the testimony regarding these appraisals to determine the best evidence of the subject's market value.

In the income approach, the Board finds the Wallace appraisals failed to reconcile the estimated rent for the subject with the CBRE and CoStar Service reports for the subject area that were included in the appraisal. Under cross examination, Wallace acknowledged that CBRE showed rental rates for industrial properties from \$5.64 to \$6.43 per square foot of building area for the Chicago Metro Area with a total market range from \$5.45 to \$6.20 per square foot of building area. He acknowledged that his chart from CoStar Services shows rental rates from \$6.00 to \$8.00 per square foot of building area for 2020 and between \$7.00 and \$8.00 per square foot of

building area for 2021. Wallace reiterated several times throughout his testimony that he uses these reliable sources. In addition, the appraisal failed to describe the rental comparables clearly. The Board finds the combination of these two missing elements reduces the credibility of this approach. In contrast, the Board finds the appellant's income approach fully described the rental comparables and estimated a rental rate for the subject that is more consistent with the market data.

As to the sales comparison approach in the intervenor's appraisal, the Board finds that Wallace's sale comparable #1 was possibly leased at the time of sale. Wallace was cross-examined concerning the CoStar Service printout for this property in which he opined that it contained conflicting information regarding whether the property was leased at the time of sale. He testified that he did not speak with any party to the transaction. The Board finds this contradictory data calls into question the type of title transfer and diminishes the weight to be given to this comparable. The Board also finds that Wallace was presented with conflicting data on sale comparable #2. *Appellant's Exhibit #6* regarding this comparable disclosed the property was not advertised for sale but was the fulfillment of a contract. However, this document also disclosed that the property was listed on the open market for 12 months. Again, without any confirmation from the parties involved in the transaction this comparable is given diminished weight. Moreover, the Board finds this comparable as a truck terminal is not similar to the subject to be an appropriate comparable. This property contains over 40 docks and only 10% of office space. The Board finds Wallace's sale comparables #4 and #5 were leased or partially leased at the time of sale. Wallace testified that he did not know the rental rates for comparable #4 and did not make any adjustments for this leased fee sale. The Board finds Wallace did not make adjustments since he opined there was no indication that the rent was not at market. However, the Board finds that this assumption not credible and that Wallace should have looked for rental data to make this determination. In addition, Wallace was unaware that sale comparable #5 was partially leased at the time of sale and made no adjustments for this.

As to the sales comparison approach in the appellant's appraisal, the Board finds that sale comparable #2 was leased at the time of sale. Ryan did not make adjustments for this condition of sale, nor did he speak to any party involved in the transaction to determine the rental rate at the time of sale. The Board also finds that sale #3 was purchased by the tenant which created a leased fee condition. Ryan testified that he did not make adjustments for this condition of sale as the buyer was in the building for only a short time prior to purchase. The Board finds this factor alone does not make the sale at market without further research into the lease, which was not done.

The courts have stated that where there is credible evidence of comparable sales, these sales are to be given significant weight as evidence of market value. Chrysler Corp. v. Illinois Property Tax Appeal Board, 69 Ill.App.3d 207 (2nd Dist. 1979); Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5th Dist. 1989). Therefore, the Board will give this approach more weight than the income approach.

The Board finds the six remaining comparables submitted by both parties are similar to the subject and most reflective of the subject's market value. These comparables sold from July 2018 to July 2021 and have unadjusted sales prices ranging from \$75.00 to \$149.38 per square foot of building area, including land. The Board finds that Wallace testified that his sale

comparable #3 is an industrial building converted into office space. Also, Ryan's sale comparable #1 had a "6B" classification. The Board finds the need for more adjustments to these comparables for these factors. Therefore, after considering all the evidence including the experts' testimony and submitted documentation as well as the adjustments necessary to the unadjusted sales values, the Board finds that the subject property had a market value of \$7,000,000. Since market value has been determined, the Cook County Real Property Assessment Classification Ordinance level of assessments of 25% for Class 5 property shall apply and a reduction is warranted.

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:

April 21, 2026



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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