



To: Cunningham Township Board of Trustees
From: Wayne T. Williams Jr., Cunningham Township Assessor
Date: April 7, 2022
Subject: CoStar Resolution

The mission of the Cunningham Assessor's office is fair and equitable assessments. This is only possible with the availability of data to inform our assessment decisions. Commercial properties don't turn over with the same frequency as residential properties, making valuation more difficult. As of today, our property record cards generally only contain the physical characteristics of commercial properties, i.e., square footage, number of stories, and type of construction. When a commercial property turns over or sells on the open market, the property's physical characteristics are not always the driving factors that impact the selling price. Other non-physical information such as lease rates, vacancy rates, and market capitalization rates are just as important, if not more important, than the physical characteristics of commercial properties.

As we strive to achieve our mission of fair and equitable assessments, our only limiting factor is data. Therefore, I am asking the Township Board to allow me to sign a contract for SAAS with CoStar Group. CoStar is the most extensive database for commercial transactions and analytics. They provide access to over 29,000 markets and submarkets with a few clicks of a button. CoStar also has transaction information for over 14 million properties. This is nationwide data. What we see locally is foreign (non-local) investors increasingly building and investing in our market. When a non-local investor is looking to invest in Urbana, they are not looking at just Champaign as a competitor; they are looking at other Big10 university towns to invest in. Places like Columbus, OH, Bloomington and West Lafayette, IN, and Madison, Wisconsin.

I cannot stress enough how important it is to have good data in the Cunningham Township Assessor's Office. Data is necessary to develop fair assessments; it is just as important when defending assessments before the Board of Review and the Property Tax Appeal Board (PTAB). Every year commercial taxpayers, with the help of their Chicago property tax appeal lawyers, exercise their right to appeal their assessment. Often, these lawyers use data from CoStar to defend the need for a reduction, and our office is at a significant disadvantage. To put it bluntly, pitting our property record cards against a lawyer specializing in property tax appeals with a well-written argument



backed up by CoStar data is like bringing a knife to a gunfight. Access to this data would help even the odds. I want to remind everyone that at the Board of Review level, every dollar a commercial taxpayer doesn't pay because of a reduced assessment does not defund the schools or the city or township; it forces the rest of us, residents, to pay more. Further along in the appeal process, if the PTAB grants the taxpayer a reduction, the school district, the city, and the township have to pay a refund from the current year's appropriations; however, the following year, the tax rate is adjusted up to recapture what was lost. The result, everyone else has to pay more.

Access to CoStar will allow our office to produce better commercial valuations using current market data. Acquiring Costar data will allow us to defend our assessments better. It will enable us to see if the opposing side is cherry-picking data. Access to CoStar will lead to more equity in Cunningham Township.

CoStar does have a cost I plan to incorporate into next year's budget. Therefore, I ask that you allow me to sign a three-year contract to access CoStar at the lowest price possible. I have personally tried to get access to CoStar for the last three years; however, due to recent restructuring, it has now only become affordable. In the past, CoStar quoted me \$995 a month for access. Today, the pricing is \$400, \$360, or \$320 a month for a 1, 2, or 3-year contract, respectively. In addition, these rates are subject to go up by CPI every year when the contract is over, so signing a three-year contract now will save us for years to come as two and three-year deals are locked in at the stated rate and do not have yearly CPI increases until the term is over.

I ask for your support in approving a contract with CoStar Group.