COOK COUNTY
ASSESSOR'S OFFICE
Fritz Kaegi, Assessor

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Assessor's Office Defends Higher Data Center Assessments at Appeal Hearings

To protect homeowners from undue property tax burden, the Cook County Assessor's Office successfully defended its assessments of data centers and other large north suburban commercial properties during 2025 Cook County Board of Review appeal hearings.

In northwest suburban Elk Grove Township, these successful hearing results helped prevent increases in homeowners' share of the property tax base during the 2025 reassessment cycle. This result contrasted with the previous reassessment cycle, when homeowners saw their share of the tax base increase by 4 percentage points, which contributed to increases in their tax bills.

While property tax bills that reflect this reassessment will not come out until later in 2026, these results could mean fewer homeowners end up with spiking tax bills.

Over the past year, Assessor Kaegi hired additional staff and created a new team to defend more of the office's commercial property assessments.

"We've poured a lot of resources into building out a team that can make sure big commercial properties are assessed fairly," said **Cook County Assessor Fritz Kaegi**. "That's going to help keep tax bills manageable for homeowners struggling with affordability right now."

The new appeal hearings initiative is part of the office's implementation of the Cook County Roadmap, a set of recommendations from a 2024 study of commercial valuations put out by the county's Property Tax Reform Group.

Property owners in Cook County can appeal their assessments with both the Assessor's Office and Cook County Board of Review, a separate elected body. For most commercial properties, owners file an appeal with the Board of Review.

The 2024 study found commercial properties were typically assessed below fair market value once appeals with the Cook County Assessor's Office and Board of Review were complete. Higher-value commercial properties were especially likely to be underassessed.

In most cases, a successful result

For the 2025 tax year, the CCAO selected 14 large commercial property assessments to defend at appeal hearings at the Board of Review. Almost all of them are large data centers built in northwest suburban municipalities within Elk Grove and Leyden townships. Two other properties included an industrial park and an oil tank farm.

Of the 14 property assessments defended by the Assessor's Office, four did not receive any reduction at all from the Board of Review and kept their original assessment from the Assessor's Office:

- T5 Chicago II Data Center in Elk Grove Village, $106 million market value
- Skybox Chicago 1 Data Center in Elk Grove Village, $102 million market value
- EdgeConnex CHI 01 Data Center in Elk Grove Village, $70 million market value
- Bridge Point Industrial Park in Melrose Park, $179 million market value

The property owners requested assessment reductions for these properties that ranged from 24% to 90%.

Another four properties received reductions in their assessments of less than 25%, though appellants requested reductions as high as 86%.

Preserving the property tax base

These decisions will help preserve the property tax base in Elk Grove and Leyden. A larger tax base can protect homeowners and small commercial property owners from property tax increases caused by burden-shifting. This kind of burden-shifting contributed to larger tax bills in some parts of the north suburbs after the last reassessment in 2022.

In Elk Grove Township, the 2022 reassessment saw homeowners' share of the property tax burden increase by 4 percentage points, from 38% to 42%. This increase was partly due to large reductions during the appeals process for commercial properties.

Those reductions contributed to significant property tax spikes for residents: In recent years, nearly 7,000 homeowners in Elk Grove Township have seen their bills increase by 25% or more. For the typical homeowner, that increase was over $1,800.

For some neighborhoods in the village of Elk Grove, nearly half of homeowners saw that level of tax spike.

In the 2025 reassessment of Elk Grove Township, by contrast, homeowners maintained their share of the property tax base at 41% after appeals concluded at the Board of Review. While property tax bills that reflect this reassessment will not be out until later in 2026, that could mean fewer homeowners end up with spiking tax bills.

Three properties enter settlement agreements

In some instances, property owners enter into settlement agreements with local taxing districts. These settlement agreements fix the assessment of the property for several years at a value that is typically far below the assessor's certified value.

Settlement agreements help taxing districts avoid having to issue refunds years later for those properties that successfully appeal their assessments to the statewide Property Tax Appeals Board. Neither the Assessor's Office nor the Board of Review are involved in the settlement negotiations.

For three of the 14 properties that the CCAO targeted, the property owners entered into settlement agreements with local school districts that led to large assessment reductions.

These were all Digital Realty data center properties located in Franklin Park and Northlake:

- Digital Realty ORD-15 Data Center, 28.94% reduction in assessment
- Digital Realty ORD-12/ORD-13 and ORD-14 Data Centers, 33.91% reduction in assessment
- Digital Realty ORD-23 Data Center, 67.75% reduction in assessment

Continued concerns about commercial appraisal quality

The Assessor's Office is only able to participate in hearings for a small fraction of the appeals filed in front of the Board of Review each year. In Tax Year 2024, according to the Board of Review, there were 35,600 commercial appeals filed.

These appeals rely on appraisals that often systematically underestimate the market value of commercial property. In the fourteen cases the CCAO defended, appraisals were submitted that often called for reductions well beyond what the Board of Review granted.

In January 2025, the Assessor's Office published an analysis of 60 appraisals submitted as part of appeals with our office. It found that these appraisals underestimated the market value of properties by 38%.

"Our staff have done great work to defend our assessments during the appeals process," said Assessor Kaegi. "But we know that there are thousands of other cases filed each year. In the absence of more oversight and regulation of the appraisal industry, we will continue to work with the Board of Review to provide evidence during appeal hearings and prevent assessment reductions that could increase homeowners' tax bills."