

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Investment Bancorp Inc.
DOCKET NO.: 03-00171.001-C-1
PARCEL NO.: 01-14-04-424-017

The parties of record before the Property Tax Appeal Board are Investment Bancorp Inc., the appellant; and the Douglas County Board of Review, by Douglas County State's Attorney Kevin Nolan.

The subject property consists of a commercial parcel improved with a two-story stone building currently used as a bank. The subject was built in 1950, contains 3,600 square feet of building area and features a 400 square foot unfinished basement and central air-conditioning. The subject is located in the town of Arcola, Arcola Township, in Douglas County.

The appellant appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of this argument, the appellant's evidence indicated the subject sold in April 2003 for \$30,000. In additional support of the overvaluation argument, the appellant submitted an appraisal performed by a real estate agent. The agent was not present at the hearing to provide direct testimony or be cross-examined regarding his report. The agent performed only a sales comparison approach in estimating a value for the subject of \$30,000 as of January 21, 2004. The agent examined three comparable properties located within one block of the subject. The comparables consist of two, two-story frame or brick buildings and one, one-story brick building. The comparables were reported to be at least 65 years old and range in size from 1,200 to 4,905 square feet of building area. Each of the comparables has central air-conditioning, two comparables have second floor apartments, but none has a basement. These properties sold between June 2001 and July 2002 for prices ranging from \$40,000 to \$80,000, or from \$15.44 to \$33.33 per square foot of building area including land.

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the Douglas County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	\$	1,800
IMPR.:	\$	17,041
TOTAL:	\$	18,841

Subject only to the State multiplier as applicable.

PTAB/MRT/11/20/07

The agent's report further stated the subject's overall condition is very poor, that it needs repairs to its plumbing, roof and electrical wiring, and that the basement and second floor were not suitable for use.

In further support of the overvaluation argument, the appellant submitted a letter prepared by a certified Illinois general real estate appraiser. The appraiser confirmed the market value estimate of \$30,000 for the subject as determined by the real estate agent. The appraiser, who was also not present at the hearing to provide testimony or be cross-examined, stated in his letter that the comparables used by the agent were superior in condition to the subject. Based on this evidence, the appellant requested a reduction in the subject's assessment.

During the hearing, the appellant argued the subject's basement is damp and frequently has water in it. He also opined that costs to repair the roof would be \$10,000 to \$15,000 and to replace the wiring would be \$5,000 to \$10,000. The appellant submitted no estimates for these repairs and supplied no credible market evidence to demonstrate the subject's loss of market value due to these factors. The appellant also opined there were significant differences in market conditions between Arcola, where the subject and the appellant's comparables are located, and Tuscola, where the board of review's lone comparable is located. The appellant acknowledged no market evidence to support this claim had been submitted. Finally, the appellant testified comparable 1 in his appraisal had been remodeled thirty years ago, but that he had no idea of the value of the remodeling.

During cross-examination, the Douglas County State's Attorney questioned the appellant regarding the subject's April 2003 sale. The appellant acknowledged that JoEllen Monaghan, president of seller Arcola Homestead Savings Bank, was also the agent for the buyer, Investment Bancorp, Inc. The appellant also acknowledged the president and secretary of the buyer, Investment Bancorp, Inc., were Joseph Monaghan and Timothy Monaghan, related to the buyer's agent, JoEllen Monaghan. The appellant also admitted the real estate agent who prepared the appraisal had been in contact with both the seller and buyer prior to the subject's 2003 sale.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$18,841 was disclosed. The subject has an estimated market value of \$56,410 or \$15.67 per square foot of building area including land, as reflected by its assessment and Douglas County's 2003 three-year median level of assessments of 33.40%.

In support of the subject's estimated market value, the board of review submitted information on one comparable bank property. The comparable was located in Tuscola, about seven miles from the subject, and consists of a 53 year-old, two-story brick and block building that contains 12,610 square feet of building area. The comparable was reported to have central air-conditioning, but no basement. The comparable sold in August 2000 for \$170,000, or \$13.48 per square foot of building area including land. The board of review's evidence indicated the subject contains 3,600 square feet of building area.

During the hearing, the board of review's representative testified that if the \$170,000 sales price of the board's comparable is divided by three, accounting for its much larger size when compared to the subject, the resulting figure of \$56,667 supports the subject's estimated market value of \$56,410, as reflected by the subject's assessment. The witness acknowledged the subject's improvement assessment had been reduced to account for the damp basement. The representative also testified the subject's April 2003 sale for \$30,000 was not an arm's length transaction because the vice president for the seller and the president and secretary for the buyer were related, that both seller and buyer were financial institutions and that the sale was not advertised. The representative submitted the Real Estate Transfer Declaration documenting the subject's sale at the hearing. Finally, the board of review's representative testified the real estate market for commercial properties in Arcola and Tuscola is similar.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Property Tax Appeal Board further finds no reduction in the subject property's assessment is warranted. The appellant argued overvaluation as a basis of the appeal. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 183, 728 N.E.2nd 1256 (2nd Dist. 2000). After analyzing the market evidence submitted, the Board finds the appellant has failed to overcome this burden.

The Board first finds the subject's April 2003 sale for \$30,000 cannot be relied on as a valid indicator of the subject's market value as of the January 1, 2003 assessment date. Evidence and testimony disclosed that various parties representing the seller and buyer were related individuals and that both seller and buyer were financial institutions. The Real Estate Transfer Declaration for the sale also indicated the sale was not advertised. For these reasons, the Board finds the sale is not

an arm's length transaction and so does not support a reduction in the subject's assessment.

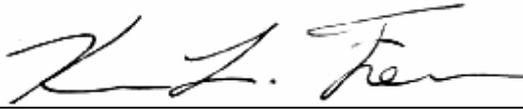
The Board gave no weight to the conclusion of value in the appellant's appraisal because the preparer of the report was not present at the hearing to provide testimony or be cross examined and was not a licensed general real estate appraiser, but a real estate sales agent. The appraiser performed neither a cost approach nor an income approach and failed to explain why he did not use these approaches. Also, testimony revealed that the seller and buyer were in contact with the appraiser prior to the April 2003 sale of the subject. The Board further gave no weight to the appraisal review letter submitted by the appellant in support of the realtor's appraisal because the review appraiser was not present at the hearing to provide testimony or be cross examined. However, the Board will consider the raw sales data in the appraisal. The Board finds the appellant submitted three sales of commercial properties located within one block of the subject in Arcola. The board of review submitted one sale of a bank located in Tuscola, about seven miles from the subject. The Board gave less weight to the board of review's comparable sale because it was considerably larger than the subject. The Board gave less weight to the appellant's comparable 2 because it was a one-story building, dissimilar in design to the subject. The Board finds two of the appellant's comparables were two-story buildings located near the subject and sold for prices of \$16.31 and \$33.33 per square foot of building area including land. The subject's estimated market value of \$15.67 per square foot is supported by these properties.

In conclusion, the Board finds the appellant has failed to meet his burden of proving overvaluation by a preponderance of the evidence and the subject's assessment as determined by the board of review is correct and no 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.



Chairman



Member



Member



Member



Member

DISSENTING: _____

C E R T I F I C A T I O N

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 7, 2007



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 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 the subsequent year 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.

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.