



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

APPELLANT: D-Lux Motel  
DOCKET NO.: 05-25169.001-C-2 through 05-25169.004-C-2  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are D-Lux Motel, the appellant, by attorneys Brian P. Liston and Gregory P. Diamantopoulos, with the Law Offices of Liston & Tsantilis, P.C. in Chicago; and the Cook County Board of Review.

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

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
05-25169.001-C-2	24-28-401-029-0000	35,112	15,702	\$50,814
05-25169.002-C-2	24-28-408-005-0000	31,421	144,508	\$175,929
05-25169.003-C-2	24-28-408-006-0000	31,421	2,582	\$34,003
05-25169.004-C-2	24-28-408-007-0000	83,777	116,363	\$200,140

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of four land parcels improved with part one-story and part two-story, commercial buildings built in 1960 with an edition in 1975. The two-story buildings are used as a 62-room hotel, while the one-story building is used as a restaurant. The improvements comprise a total of 28,787 square feet of building area, while located in Alsip, Illinois.

The appellant's attorney argued that the subject's market value is not accurately reflected in its assessment as the basis of this appeal.

At the commencement of the hearing, the assistant state's attorney moved to Strike and/or Bar the Appellant's Appraisal Evidence. Upon due consideration of the parties' positions, the Board's Hearing Officer denied the board of review's Motion To Strike while indicating that the Board will determine the appropriate weight to be accorded the appellant's evidence.

As to the overvaluation argument, the appellant submitted an Illinois Department of Transportation (hereinafter IDOT) appraisal report as well as an IDOT Appraisal Review Certification. The IDOT appraisal report identified a final conclusion of market value of \$1,000,000 as of the appraiser's signature date of January 31, 2003. The appraiser, Mark Armstrong, holds the designation of State Certified General Real Estate Appraiser. The purpose of the report was "to arrive at an opinion of fair market value of the subject property in fee simple title as a whole; and when applicable, the fair market value of the property taken as part of the whole, the fair market value of the remainder after the taking as will be affected by contemplated improvements with consideration for damages, if any, and benefits, if any, to the remainder; and the total just compensation due property owner by reason of the taking as of November 14, 2002." The report stated that no person was interviewed representing the subject property even though a registered letter was sent to and received at the subject property.

The appraisal indicated that the highest and best use of the subject property, as vacant, would be for commercial development, while the highest and best use, as improved, was its existing use as a motel and restaurant.

In addition, the appraisal stated that the subject property's land comprised 1.454 acres or 63,336 square feet with the proposed land acquisition comprising 0.041 acres or 1,786 square feet. Therefore, it indicated that the remaining land would comprise 1.413 acres or 61,550 square feet.

As to the subject's improvements, the appraisal stated that there were three buildings on site, but that no interior inspection was conducted. The first building was a one-story, masonry building with approximately 4,500 square feet, which was vacant at the time of the report. The report stated that the source of the building size was obtained by a Clarke Engineering report, which was not attached thereto. The second or middle building was a two-story, masonry, motel building with offices and 30 guest rooms with exterior entrances. This building was built in 1960 and contained 12,051 square feet of building area. The third or western building is a two-story, masonry, motel building with 32 guest rooms and only interior entrances. This building was built in 1975 and contained 12,236 square feet of building area. Six undecipherable photographs of the subject property were submitted with a date of November 14, 2002, thereon.

The appraisal addressed three land sales identified as sale #1, #3 and #4. Because the analysis reflects two different sale dates for each property, the Board shall use the later date for its analysis. Therefore, these properties sold from March, 2000, to April, 2001, for prices that ranged from \$550,000 to \$1,500,000 or from \$9.67 to \$18.34 per square foot. The sales range in land size from 29,993 to 111,360 square feet. After making adjustments, the appraiser opined that these properties

reflected values ranging from \$10.64 to \$20.17 per square foot. Therefore, he opined that the subject's land value ranged from \$12.77 to \$16.16 per square foot. Using the subject's land size of 63,336 square feet, the appraisal estimated a value of \$13.00 per square foot or \$823,000, rounded.

The appraisal stated that each sale was verified and was an arm's length transaction. In addition, the appraisal noted that the sale data reflected a general upward trend in vacant land prices between 1999 and late 2000, after which prices had stabilized in the market.

The appraiser also submitted limited descriptive data on three improved sale comparables identified as sale #27, #28, and #29. These properties sold from January, 2000, through April, 2002, for prices that ranged from \$765,000 to \$2,275,000 or from \$11,983 to \$22,500 per unit price. They were each improved with a motel that ranged from 34 to 176 rooms and in land size from 129,375 to 245,069 square feet.

The appraisal stated that each of the properties contained an older motel and that sales #30 and #31 in the comparable sale book were also considered. After making adjustments, the appraiser estimated the subject's market value under this approach to value to be \$16,129 per room or \$1,000,000. The appraisal indicated that each sale sold with property rights comparable to the subject and that no adjustments were made for this category.

The narrative analysis of the taking indicated that the land would consist of approximately a nine-foot wide strip of land along the Cicero Avenue frontage of the property. The estimated area was 1,786 square feet of land valued, as a part of the whole, at \$35,000. Therefore, the report stated that the value of the remainder, as a part of the whole, was \$965,000. However, the report further stated that the damage to the remainder would be \$40,000; therefore, the fair market value of the remainder after the taking as will be affected by contemplated improvements would be \$925,000. The appraiser also noted that the loss of the business sign and the reconfiguration of the parking lot were considered in this final value conclusion. Lastly, the certification of the appraiser stated that the report is to be used in connection with the acquisition of right-of-way for a highway to be constructed by the state of Illinois with its funds and/or with the assistance of federal-aid highway funds.

In addition, the appellant submitted a copy of an IDOT Appraisal Review Certification undertaken by Charles A. Southcomb, District Reviewing Appraiser, who holds the designation of Certified General Real Estate Appraiser. This appraiser certification indicated: that as of January 17, 2003 he had visually inspected the subject property as well as the applicable sale comparables; that he has given consideration in the review to the value of the part taken and damages and/or benefits to the remainder, if any, to the extent allowed under Illinois statutes; and that as near

as can be determined noncompensable items of damage under Illinois law have not been included in this appraisal; that his determination of the fair market value is to be used in conjunction with a federal aid project; and that he does not concur with the total consideration in the appraisal of the subject that he had reviewed. Therefore, he estimated the fair market value of the property at \$950,000 less the fair market value of the property taken at \$25,000 with an additional \$25,000 allocated as damage to the remainder resulting in the remainder fair market value after taking at \$900,000. Based upon this evidence, the appellant requested a reduction in the subject's assessment.

At hearing, the appellant's attorney argued that the subject property was a non-national hotel chain, while the sale properties submitted by the IDOT appraiser were not national chains.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$460,886. This assessment reflects a market value of \$1,212,858 or \$42.13 per square foot of building area when the Cook County Ordinance level of assessment for class 5a, commercial property of 38% is applied.

As to the subject property, the board of review's brief states that the subject's site includes 102,802 square feet of land improved with three buildings. These improvements include one-story and two-story structures built in either 1960 or 1975 and containing 28,787 square feet of building area. The pleadings include a copy of an aerial photograph of the subject from the county assessor's records.

In support of the subject's market value, the board submitted raw sales data was submitted for ten properties. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold in an unadjusted range from \$750,000 to \$3,573,000, or from \$21.19 to \$94.02 per square foot, while the buildings ranged in size from 19,152 to 47,200 square feet. They ranged in age from one to 29 years and in rooms from 27 to 135 rooms.

The printouts indicated that the improvements were either a hotel or motel and that none of the ten sales included real estate brokers representing the parties to the sale transaction. Moreover, the printouts stated that sales #1 and #8 were not listed on the open market for sale and that sale #9 was part of an estate sale. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the assistant state's attorney asserted that in contrast to the appellant's argument that the subject property's market value had declined as of the January 1, 2005 assessment

date, he submitted board of review's Hearing Exhibits #1 and #2. These Exhibits were accepted into evidence over the objection of the appellant's attorney. Exhibit #1 is a certified copy of the Illinois Real Estate Transfer Declaration for the subject property reflecting a sale date in January, 2007, for a sale price of \$1,550,000. Exhibit #2 is a certified copy of the subject's Warranty Deed from the Cook County Recorder of Deeds Office.

Moreover, the assistant state's attorney argued: that the appellant's submitted evidence was not for ad valorem tax purposes, but an appraisal for an eminent domain taking; that the intended user of the appraisal was IDOT; that there were conflicting dates of appraisal and certification; that the submitted comparables were aged land sales; and that the purpose of the appraisal was self-serving as the basis was to acquire property. Moreover, he questioned the qualifications of the appraiser to complete such an assignment.

In rebuttal argument, the appellant's attorney argued that the board of review's suggested sale comparables are part of national hotel chains where the entrances are interior entrances, not exterior entrances. He stated that the subject's property contains one building with each type of entrance. He also asserted that the submitted comparables were relatively new with a higher quality of materials, whereas the subject was built in 1960 and 1975. Therefore, he concluded that the board of review's properties lack comparability to the subject.

After considering the arguments as well as reviewing the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

When market value is the basis of the appeal, the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3<sup>rd</sup> Dist, 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> 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.Adm.Code 1910.65(c)). Having considered the evidence presented, the Board finds that the appellant has not met this burden and that a reduction is not warranted.

The Board finds the appraisal report and sale comparables submitted by the appellant to be unpersuasive for a myriad of reasons. First, the Board finds that the appraisal report discloses that no personal inspection was undertaken of the subject and then employs 63,336 square feet of land, which runs contrary to the data submitted by the county assessor without designating the source of his land size conclusion. Therefore, the Board finds that the board of review's position that the

subject contains 102,802 square feet of land as designated by the county assessor is persuasive. Second, the appraisal report indicated that the intended user of the report was to be IDOT with the intended use for eminent domain taking purposes and not for ad valorem tax purposes.

Further, the Board finds that this report is too aged reflecting an effective date in either 2002 or 2003 and fails to address the ad valorem value of the subject property as of the assessment date at issue, which is January 1, 2005. In addition, both appraisers apply a lump sum adjustment to their market value opinion for damage to the remaining property, which is an inappropriate adjustment to the subject underscoring that their value estimate is not a fee simple market valuation for ad valorem tax purposes. Moreover, the Board finds that the appraiser and review appraiser referred to and used sales data that was not submitted as part of their respective reports. The sales data that was submitted was either dated ranging from 2000 to 2002, or incomplete in submission. The appraisal report refers to land sales #1, #3 and #4 as well as improved sales #27, #28, and #29 as well as a summary notation that sales #30 and #31 were considered. There is no explanation within the confines of the report as to what the remaining numbered properties related to or why that data was not included within the report. Lastly, the Board finds that the appellant failed to proffer the appraiser as a witness in this property tax appeal in order to present clarifying testimony and be submitted for cross-examination regarding the methodology used therein. Therefore, the Board finds the appraisal report unpersuasive.

Moreover, the Board finds that the board of review submitted raw sales data on ten properties reflecting unadjusted sale prices from \$21.19 to \$94.02 per square foot of building area, while the subject is accorded a market value of \$42.13 per square foot. In addition, the Board finds that the board of review failed to provide any documentation to indicate that each sale was an arm's length transaction, especially in light that the submitted printouts reflect: that none of the ten properties included representation by a real estate broker; that two properties were never listed for sale on the open market; that another property was part of an estate sale; and that the properties were considerably newer in actual age in comparison to the subject. Further, the board of review failed to proffer any evidence of a valuation similarity or disparity between non-chain and national chain hotels or motels, which could have been an aide to a comparability analysis.

Therefore, the Board finds that the appellant has not met its burden by a preponderance of the evidence and that the subject does not warrant a reduction based upon the market data submitted into evidence.

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.



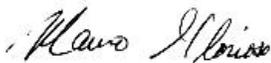
Chairman



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: March 23, 2012



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.