

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Spiro Angelo
DOCKET NO.: 05-26242.001-C-1
PARCEL NO.: 07-13-200-010-0000

The parties of record before the Property Tax Appeal Board are Spiro Angelo, the appellant, by attorney Brian P. Liston of Liston & Tsantilis, P.C., Chicago, and the Cook County Board of Review.

The subject property consists of a 51,414 square foot parcel improved with a one-story style restaurant building of masonry construction containing 7,100 square feet of building area. The subject is located in Schaumburg Township, Cook County.

The appellant, through counsel, appeared before the Property Tax Appeal Board arguing that the subject's fair market value is not accurately reflected in its assessment. In support of the market value argument, the appellant submitted an appraisal authored by Patrick Maher of MP Real Estate Valuations, Orland Park. The report indicates Maher is a State of Illinois certified general appraiser and has an Associate Member of the Appraisal (MAI) designation. In Maher's highest and best use analysis, he suggested as vacant the subject's highest and best use was for commercial development and its highest and best use as improved is its current use.

The appellant's appraiser employed the three classic approaches to value to estimate a fee simple market value for the subject of \$980,000 as of January 1, 2005.

A land value was estimated utilizing the sales of five parcels located in the subject's general area. The comparable parcels ranged in size from 45,000 to 131,987 square feet of land area. These the sales occurred from February 2001 to August 2005 for prices ranging from \$4.38 to \$17.01 per square foot of land area. All the comparable sales were adjusted for size, location, shape and other unique characteristics. Based on the adjusted sales, the appraiser estimated the subject's land value at \$12.50 per acre or \$640,000, rounded. The appraiser employed the *Marshall & Swift* cost software to estimate a replacement cost new for the

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Based on the facts and exhibits presented, 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:	\$	244,216
IMPR.:	\$	128,184
TOTAL:	\$	372,400

Subject only to the State multiplier as applicable.

subject of \$635,663, or \$89.53 per square foot of building area. Additional indirect costs of \$19,070 and entrepreneurial incentive of \$65,473 were added to estimate a revised replacement cost new of \$720,206 (RCN.) Total accrued depreciation of 60.2% or \$433,776 was deducted from the RCN resulting in a depreciated cost of the improvement of \$286,430. Site improvements of \$67,000 and the land value were added to estimate a value for the subject of \$990,000, rounded, through the cost approach.

The second approach addressed by the appraiser was the income approach to value. The appraiser utilized six rent comparables located in market areas similar to the subject's market area. The leased spaces ranged in size from 5,000 to 32,800 square feet. After analysis of the comparables leases and other applicable factors, the appraiser concluded the subject could reasonably rent for \$16.00 per square foot of building area net or \$113,600 as a potential gross income (PGI) for the subject. Vacancy and collection loss of 8.0%, or \$9,088, and operating expenses of \$10,136 were deducted to estimate a stabilized net operating income (NOI) of \$94,376. The NOI was then capitalized employing a capitalization factor of 09.5% to estimate a market value for the subject through the income approach of \$990,000, rounded.

Next the appraiser employed the sales comparison approach to value utilizing the sales of six retail facilities in market areas similar to the subject's market area. The comparables range in size from 6,000 to 12,600 square feet of building area. The sales occurred from June 2001 to November 2005 for prices ranging from \$815,000 to \$1,700,000, or from \$106.25 to \$148.77 per square foot of building area. After adjustments to the comparables, the appraiser estimated a value for the subject of \$138,000 per square foot of building area, or \$980,000, rounded, through the sales comparison approach to value.

The appraiser placed primary weight on the sales comparison approach and accorded secondary support to the income approach. The cost approach was considered supportive of the two other approaches to value. The appraiser's final estimate of value was \$980,000 for the subject as of January 1, 2005.

The appraisal disclosed that the subject sold in July 2005 for a price of \$4,650,000, which was not an arm's length sale but a division of interests among related parties. The appellant proffered sworn and notarized affidavit, in which the appellant revealed the subject's 2005 sale was between related parties; and included the purchase of a business, debt, personal property, and non-tangible business interests.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$469,433 was disclosed. The subject's final assessment reflects a fair market value of \$1,235,350, when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38%

for Class 5a properties such as the subject is applied. In support, the board of review offered a memorandum indicating the sales of properties in the subject's area suggest an unadjusted range of from \$150.00 to \$179.80 per square foot of building area thus supporting the current assessment. Cook County Assessor's Office sales sheets for the four comparables were offered in support. The comparable properties are one-story commercial buildings ranging from eight to twenty-one years old and in building size from 5,915 to 9,000 square feet. These properties were sold from June 2001 to March 2005. Based on the foregoing, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of this appeal. The issue before the Property Tax Appeal Board is the subject's fair market value. Next, 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, 728 N.E.2d 1256 (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. Section 1910.65 *The Official Rules of the Property Tax Appeal Board* (86 Ill.Adm.Code §1910.65(c)). Having considered the evidence, the Board concludes that the appellant has satisfied this burden.

The Property Tax Appeal Board finds that the best evidence in the record of the subject's fair market value as of January 1, 2005 is the appraisal report submitted by the appellant. The appellant presented an appraisal utilizing the three classic approaches to value. The Board finds the appraisal contained credible data and a concluded a final estimate of value based on a well reasoned analysis of that data. The appraiser relied most heavily on the sales comparison approach and each sale presented was described with appropriate adjustments made to each property when compared to the subject. In the income approach to value, the appraiser utilized appropriate methodology and the conclusion of value through this approach was reasonable. Although utilized in a supportive role, the appraiser's cost approach was thorough and based on a nationally recognized costing manual. The Board finds that the appraiser's final conclusion to value to be logical and aligned with the conclusions reached in all three approaches to value.

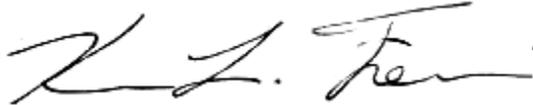
The Property Tax Appeal Board places no weight on the board of review's evidence. The board of review presented what appears to be an in-house memorandum summarizing raw data from the sales of commercial properties. The Board finds that the memorandum lacked analysis concerning the suggested comparables' similarity

or dissimilarity to the subject. Further, there are no adjustments to the sales for time of sale, conditions of sale, condition of the buildings, location, size, or any other factor used in a conventional comparative analysis. The Board finds the board of review's presentation of four sales without any meaningful analysis merely anecdotal.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$980,000, as of January 1, 2005. Since the fair market value of the subject has been established, the Board finds that the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5a properties such as the subject shall apply and a reduction is accordingly 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.

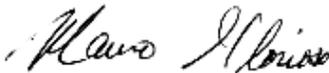
Chairman



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: April 24, 2009



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.