

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Auto MD, LLC
DOCKET NO.: 06-01874.001-C-1
PARCEL NO.: 09-03-303-027

The parties of record before the Property Tax Appeal Board are Auto MD, LLC, the appellant, by attorney Edwin M. Wittenstein of Worssek & Vihon, LLP in Chicago; and the DuPage County Board of Review.

The subject property consists of a 12,800 square foot lot improved with a one-story masonry, 6 bay service garage that is described as containing 3,900± square feet of building area of which 430± square feet is office and/or waiting area. The subject, built in 1975, is located in Westmont, Downers Grove Township, Illinois.

The appellant, through counsel, appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal of the subject property with an effective date of January 1, 2006. To estimate the market value of the subject property the appraiser developed the three approaches to value.

Under the cost approach the appraiser estimated the value of the land using five comparable land sales that ranged in size from 21,600 to 43,560 square feet and sold from February 2003 to March 2006 for prices ranging from \$15.51 to \$35.78 per square foot. The land sales were adjusted for conditions of sale, location size and street frontage. The appraiser estimated the subject had a land value of \$25.00 per square foot for a total land value of \$320,000.

Next the appraiser estimated the replacement cost new of the building improvements using the Marshall and Swift Computerized Cost Estimate Program to be \$243,490. Entrepreneurial profit of 10% or \$24,349 was added to arrive at a total estimated cost new of \$267,839. The appraiser estimated total depreciation to be 60% or \$160,703 using the age-life method and the market extraction method resulting in a depreciated value of the improvements of \$107,136. Adding the depreciated value of site

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

LAND:	\$	64,230
IMPR.:	\$	127,140
TOTAL:	\$	191,370

Subject only to the State multiplier as applicable.

improvements of \$7,500 and the estimated land value of \$320,000 resulted in an estimated value under the cost approach of \$435,000, rounded.

The next approach developed by the appraiser was the sales comparison approach. The appraiser used five sales of service garages that ranged in size from 3,000 to 6,065 square feet. The comparables were constructed from 1923 to 1991. The sales occurred from January 2004 to October 2005 for prices ranging from \$400,000 to \$750,000 or from \$110.59 to \$133.33 per square foot of building area, land included. In the analysis, the appraiser opined that the subject was superior in location when compared to a majority of the comparables. Adjustments were also made for size, land-to-building ratio, age and ceiling heights. Based on this analysis, the appraiser arrived at an indicated value under the sales comparison approach of \$495,000 (rounded) or \$130.00 per square foot of building area, land included.

The final approach developed by the appraiser was the income approach to value. The appraiser estimated market rent using four comparable rentals that ranged in size from 1,600 to 4,000 square feet. These properties had rents ranging from \$7.25 to an asking price of \$13.00 per square foot on a net lease basis. The appraiser estimated the subject had a market rent of \$12.00 per square foot, triple net basis, for a potential gross income of \$45,600. The appraiser estimated the subject would suffer from a 10% vacancy rate or \$4,560 resulting in an effective gross income of \$41,040. Total expenses consisting of management fees and reserves for replacements were estimated to be \$2,371 resulting in a net operating income of \$38,669. The appraiser estimated the subject would have an overall capitalization rate of 8.0% using the band of investment technique and published sources. Capitalizing the net income resulted in an estimated value under the income approach of \$485,000, rounded.

In reconciling the three approaches, the appraiser gave equal weight to the sales comparison approach and the income approach to arrive at an estimate of value of \$490,000. Based on this evidence the appellant requested the subject's improvement assessment be reduced to \$99,103 for a total assessment of \$163,333 to reflect the appraised value.

The appraiser was not present to provide direct testimony or subject to cross examination. During cross examination the board of review questioned counsel regarding inspection of the subject, size, age and incurable obsolescence for such items as the windows and power supply. In addition, counsel was questioned on his knowledge of depreciation, market data and various adjustments as used in the appraisal. Counsel was unable to provide competent testimony regarding these issues.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$191,370 was disclosed. The subject has an estimated market value of \$576,242 or \$147.75 per square foot of building area including land (using

3,900 square feet of building area), as reflected by its assessment and DuPage County's 2006 three-year median level of assessments of 33.21%.

In support of the subject's estimated market value, the board of review submitted a letter from the local assessor, property characteristic sheets and a spreadsheet analysis of six comparable sales. The six sales comparables consist of one-story service garages that were built between 1969 and 1995 and range in size from 2,500 to 3,965 square feet of building area. The comparables sold between February 2004 and October 2005 for prices ranging from \$500,000 to \$1,110,000 or from \$200.00 to \$280.00 per square foot of building area including land.

During cross-examination, the board of review acknowledged that its comparable #1 was assessed at 18.37% of its \$1,110,000 sale price; comparable #2 was assessed at 22.7% of its purchase price; #5 was assessed at 16.5% of its sale price; and that in fact, all of the assessments for the board of review's comparables were assessed below the 33 1/3 % statutory level of each comparable's actual sale price. It was further acknowledged that the lease terms of each comparable was not investigated. The board of review responded that the assessor is not allowed to chase sales, however, they are revaluating the assessments. In addition, the board of review testified that comparables #4 and #5 were in a superior location when compared with the subject.

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 Board further finds a reduction in the subject property's assessment is not warranted. 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). The Board finds the appellant has not overcome this burden.

The Board finds the best evidence of the subject's size contained in this record is the subject's unrefuted property card which depicts the subject containing 3,900 square feet of building area. The Property Tax Appeal Board further finds the appellant submitted an appraisal of the subject property in which the subject's market value was estimated to be \$490,000 as of January 1, 2006. The appraiser was not present at the hearing to provide direct testimony or subject to cross examination regarding his methodology or final value conclusions, therefore, the Board will only consider the raw sales data contained within the appraisal report. The board of review submitted six comparable sales that sold for prices ranging from \$200.00 to \$280.00 per square foot of building area, including land.

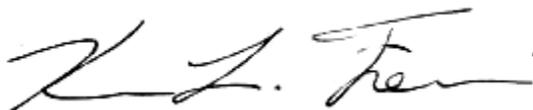
The appellant's raw sales data depicts five comparable sales that sold for prices ranging from \$110.59 to \$133.33 per square foot of building area including land. The Board gave less weight to the appellant's sales comparables #3 and #5 and the board of

review's sales comparables #4 and #5 because the size of these properties are significantly different than the subject; the market location is significantly different than the subject's immediate locale; and/or the age of the comparable is dissimilar to the subject. The Board finds the remaining comparables to be the best evidence of the subject's estimated market value. These most similar comparables sold for prices ranging from \$110.59 to \$280.00 per square foot of building area, including land. The subject has an estimated market value of approximately \$576,242 or \$147.75 per square foot of building area including land, as reflected by its assessment. The subject's estimated market value on a per square foot basis is at the lower end of the range established by the most similar sales comparables contained in this record.

In conclusion, the Board finds the appellant has not demonstrated the subject property was overvalued by a preponderance of the evidence. Therefore, the Board finds the subject property's assessment as established by the board of review is correct and a reduction is not 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.

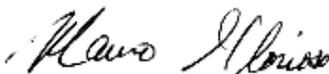
Chairman



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: June 19, 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.