



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

APPELLANT: Hansen Builders
DOCKET NO.: 06-02751.001-C-1
PARCEL NO.: 04-742-001-00

The parties of record before the Property Tax Appeal Board are Hansen Builders, the appellant, and the Jersey 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 **Jersey** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$28,245
IMPR.: \$35,555
TOTAL: \$63,800

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of an 11,000 square foot parcel improved with a six bay car wash with 2,800 square feet of building area. The car wash was constructed in 1987 and is approximately 19 years old as of the January 1, 2006 assessment date at issue. The car wash is of masonry construction with a concrete slab. The subject facility has five self service bays and one automatic service bay. The subject property also has a concrete paved parking lot. The property is located in Jerseyville, Jersey Township, Jersey County.

The appellant appeared before the Property Tax Appeal Board contending overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal of the subject property prepared by Robert Lowrance, an Illinois Certified General Real Estate Appraiser. Lowerance was called as a witness on behalf of the appellant. Lowerance identified Appellant Ex. #2 as the appraisal he prepared of the subject property estimating the property had a market value of \$98,000 as of January 1, 2006.

Lowrance testified his primary business area is in Madison County but he does perform work in all counties surrounding Madison

County. The witness testified he has previously appraised 10 or 12 car wash properties. The appraisal of the subject is the second car wash he had appraised that was located in Jersey County.

In his analysis the appraiser was of the opinion the highest and best use of the subject as vacant is to be developed for commercial/business use. The appraiser concluded the highest and best use as improved is not consistent with the subject's use as a car wash. The appraiser indicated the highest and best use as improved is for the subject to be converted to an alternative commercial/business use based upon a review of the accountant's compilation of income and expenses for income tax years 2005 and 2006. The appraiser indicated within his report that the subject's current use as a car wash does not produce enough income to effectively cover the value of the raw land coupled with the contribution of the existing improvements. (Appellant Ex. #2, pp. 13-14.) As a result the appellant's appraiser valued the subject based on an alternative use. The appraiser indicated within his report that, "alternative uses included but were not limited to conversion to a commercial garage, commercial retail or distribution center, storage units among other uses. (Appellant Ex. #2, p. 18.)

The witness testified he did not include in the appraisal the four criteria used to evaluate the determination of highest and best use because he prepared a summary narrative. In addition, the appraiser testified the report does not contain any estimate of land value.

In estimating the market value of the subject property the appraiser did not use the cost approach or the income capitalization approach although he indicated that car washes are purchased by investors based on their income potential.

The appraiser developed only the sales comparison approach outlined on two pages of the report using three sales. (Appellant Ex. #2, pp. 30-31.) Comparable sale #1 is composed of a six year old pole frame building on a slab that contains 2,304 square feet of building area. The comparable has a 22,651 square foot lot and is located in Jerseyville. This property sold in April 2006 for a price of \$115,000 or \$49.91 per square foot of building area, including land. Comparable sale #2 is a one-story metal sided pole building with 2,160 square feet built on a concrete slab. This building is seventeen years old. This property has a 19,602 square foot lot and is located in Godfrey. The property was used as an auto maintenance shop and sold in September 2006 for a price of \$162,500 or \$75.23 per square foot of building area, including land. Comparable sale #3 consists of a 2,500 square foot parcel improved with an older two-story concrete block building with 4,840 square feet with a partial basement. This property is located in Jerseyville and sold in May 2006 for a price of \$70,000 or \$28.93 per square foot of building area, including land.

Based on these sales the appraiser estimated the subject had an indicated value of \$50.00 per square foot subject to conversion or \$35.00 per square foot of building area when considering the estimated cost to convert the subject at \$10.00 to \$20.00 per square foot. As a result appraiser estimated the subject had a market value of \$98,000 (2,800 square feet at \$35.00 per square foot) as of January 1, 2006.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$63,800 was disclosed. The subject's assessment reflects a market value of \$191,304 or \$68.32 per square foot of building area, land included, using the 2006 three year average median level of assessments for Jersey County of 33.35%. The assessment also equates to a unit value of \$31,884 per bay.

In support of the assessment the board of review submitted a copy of the subject's property record card as well as information on four comparable sales. The comparables were improved with car wash facilities located in Jerseyville, Grafton, Valmeyer and Smithton. Sale #1, located in Jerseyville, was the oldest date of sale occurring in October 1999. This property consisted of a 2,366 square foot car wash with five bays composed of three self serve and two automatic bays. The car wash was constructed in 1999. This comparable had approximately 22,500 square feet of land and sold for a price of \$368,500 or for \$155.75 per square foot of building area or \$73,700 per bay, including land. Comparable sale number two was composed of a 1,040 square foot, two bay masonry car wash located on a 13,500 square foot site in Grafton. The building was constructed in 1999. This property sold in March 2006 and again in May 2008 for \$145,000 or \$139.42 per square foot of building area or \$72,500 per bay, including land. Sale #3, located in Valmeyer, was composed of a 1.55 acre site improved with a 1,664 square foot, three bay, masonry constructed car wash that was approximately five years old. This property sold in December 2007 for a price of \$200,000 or \$120.19 per square foot of building area or \$66,667 per bay, including land. Comparable sale #4, located in Smithton, consisted of a 13,625 square foot site improved with a 1,701 square foot masonry car wash with three enclosed bays and one exterior bay. The car wash was constructed in 1979. The property sold in February 2005 for a price of \$102,000 or for \$59.96 per square foot of building area or \$34,000 per bay, including land. The Jersey County Chief County Assessment Officer testified that he viewed each of the sales.

In summary, the comparable sales sold for prices ranging from \$59.96 to \$155.75 per square foot of building area or for \$34,000 to \$73,700 per bay, including land. Based on these sales the Jersey County Chief County Assessment Officer was of the opinion the subject had a value of \$73.00 per square foot of building area or a total value of \$204,400, which equates to \$34,067 per bay, including land. The board of review requested the subject's assessment be revised to \$68,133.

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 the appeal. The Board further finds the evidence in the record supports the assessment of the subject property.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. Except in counties with more than 200,000 inhabitants that classify property, property is to be valued at 33 1/3% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). The Supreme Court of Illinois has construed "fair cash value" to mean what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing, and able to buy but not forced to do so. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970). Proof of market value may consist of an appraisal or comparable sales. (86 Ill.Admin.Code §1910.50(c)(1) & (4).) 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 (3rd Dist. 2002). The Board finds the comparable sales submitted by the board of review demonstrate a change in the subject's assessment is not warranted.

The Board finds the most probative evidence establishing the market value of the subject property were the four comparable sales provided by the board of review. In Chrysler Corp. v. Property Tax Appeal Board, 69 Ill.App.3d 207, 214, 387 N.E.2d 351, 25 Ill.Dec. 695 (2nd Dist. 1979) the court held that where there is sufficient credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. The comparable sales presented by the board of review were improved with car wash facilities that offered varying degrees of similarity to the subject property. Although one sale occurred in 1999, the three remaining sales occurred from February 2005 to May 2008, with sale #2 selling twice. The board of review comparable sales sold for prices ranging from \$102,000 to \$368,500 which equate to \$59.96 to \$155.75 per square foot of building area or from \$34,000 to \$73,700 per bay, including land. The subject's assessment totaling \$63,800 reflects a market value of \$191,304 or \$68.32 per square foot of building area or \$31,884 per bay, land included, using the 2006 three year average median level of assessments for Jersey County of 33.35%. The Board finds the subject's assessment reflects a market value within the unadjusted range of these similar comparables on a per square foot basis and below the range on a per bay basis. Based on these sales the Board finds the subject's assessment is reflective of the property's market value and no change is justified.

The Board gives no weight to the appellant's appraisal finding that the appraisal was not particularly credible. The appellant's appraiser valued the subject property based on an alternative highest and best use. The Board finds this determination that the subject had a different highest and best use as improved was not supported in this record and was speculative. First, the appraisal did not contain an analysis of the highest and best use using the four criteria typically found in appraisals. Once highest and best use is determined the use must meet the following four criteria:

- (1) Physically possible
- (2) Legally permissible
- (3) Financially feasible
- (4) Maximally productive

In addition to these criteria other considerations include demand for the use; the highest and best use must be a complementary use rather than a competitive use; and the highest and best use must be the most profitable for the entire property. This type of analysis was not contained in the appellant's appraisal which undermines the conclusion.

Second, typically appraisal theory provides that as long as the value of the property as improved is greater than the value of the land as though vacant, the highest and best use is the current use of the property as improved. Construction of a new improvement should not be assumed unless the return from the alternative new use more than covers the demolition and construction costs. In this appeal the appellant's appraiser did not estimate the value of subject site as vacant or as currently improved to demonstrate the improvements did not contribute to the overall value of the subject property. Under the highest and best use analysis the appellant's appraiser presented no analysis of the cost to demolish the existing improvements, there was no analysis with respect to the cost to redevelop the subject land to the alternative use and no analysis with respect to the present worth of the future income stream based on the new use to demonstrate the financial feasibility of the alternative highest and best use. Furthermore, the improved sales used by the appraiser were not similar to the subject in any respect. For these reasons the Board gave no weight to the estimate of value articulated by the appellant's appraiser.

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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

Member

Shawn R. Lerbis

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 18, 2011

Allen Castrovillari

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.