FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Melmedica Childrens Healthcare, Inc.
DOCKET NO.: 06-21028.001-C-1
PARCEL NO.: 28-34-217-034-0000

The parties of record before the Property Tax Appeal Board are Melmedica Childrens Healthcare, Inc., the appellant, by attorney Anthony M. Farace, of Amari & Locallo 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:

LAND:	$ 62,073
IMPR.:	$ 115,386
TOTAL:	$ 177,459

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 29,700 square foot site improved with a two-story, commercial building used as a medical office. The building was constructed in 1973 and contains 6,990 square feet of building area.

The appellant argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

In support of the market value argument, the appellant submitted a summary appraisal report of the subject property with an effective date of January 1, 2006 undertaken by Sam Zagorac and Gary Skish, who are Associate Real Estate Appraisers; and Gary Peterson, who holds the designations of a Certified General Real Estate Appraiser and Member of the Appraisal Institute. The appraisal indicated that the intended use of this appraisal was to estimate the market value of the real estate for ad valorem tax purposes. In addition, the appraisal stated that the appraisers personally inspected the subject property and the surrounding immediate area on October 5, 2006.

The appraisal described the subject site, in Country Club Hills, as improved with a 37-year old, two-story, masonry, single-tenant, office building with 6,990 square feet of gross building area. The appraisers indicated that the subject was in average overall condition without functional obsolescence. The appraisal stated that the office market is weak due to high vacancy rates and large rental concessions used to attract tenants.

The appraisal developed one of the three traditional approaches to value, wherein the sales comparison approach estimated a value of $400,000 for the subject. However, the appraisal indicated that the client requested that a value opinion be based solely on the sales comparison approach to value.

The appraisal indicated that the subject's economic life was 45 years with an effective age of 25 years resulting in a remaining economic life of 20 years. It also stated that the subject's highest and best use, as if vacant, was for commercial development, while the highest and best use, as if improved, was to maintain the existing improvements in its continued current use.

The appraisal indicated that the subject was purchased on February 22, 2006 for a price of $470,000 while citing the recorder of deeds document number as #0605327078. The appraisal stated that according to information in the appraisal report that it was the opinion of the appraisers that the purchaser paid more than market value for the real estate.

Under the sales comparison approach to value, the appraisers utilized four sales comparables, which were located in Homewood, Riverdale or South Holland. These comparables sold from March, 2003, through November, 2004, for prices that ranged from $165,000 to $595,000, or from $25.78 to $59.50 per square foot. The properties were improved with a one-story or two-story, masonry, commercial office building, while sales #2 and #3 were multi-tenant buildings. They ranged in age from 15 to 25 years and in size from 6,400 to 10,000 square feet of building area. After making adjustments to the suggested comparables, the appraisers estimated the subject's market value was $400,000 or $57.00 per square foot.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was $177,459. The subject's assessment reflects a market value of $466,997 or $66.81 per square foot using the Cook County Ordinance level of assessment for Class 5A, commercial property of 38%.

As to the subject, the board also submitted copies of the subject's property record cards. Moreover, the board's memorandum asserted that the subject was purchased on February 22, 2006 for $470,000 or $67.23 per square foot as well as a second sale on May 1, 2007 for $515,000 or $73.67 per square foot. In support of these sales, the board of review submitted copies of documents from the Cook County Recorder of Deeds Office

reflecting the aforementioned sale data. The document relating to the subject's 2006 sale was accorded document #0605327078.

In addition, the board of review submitted a memorandum as well as CoStar Comps printouts for five suggested comparables. The properties contained either a one-story or a two-story, masonry building. Sales #1 and #2 were accorded the description of an office/medical building, while the remaining sales were office buildings. They sold from November, 2002, to September, 2004, for prices that were in an unadjusted range from $55.82 to $542.38 per square foot. The buildings ranged in size from 7,500 to 13,828 square feet of building area. The printouts also reflected that all of the sales except for #4 were multi-tenant buildings, while sale #2 was not advertised for sale on the market. As a result of its analysis, the board requested confirmation of the subject's assessment.

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

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, 331Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (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. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the Board concludes that the evidence indicates a reduction is not warranted.

In determining the fair market value of the subject property, the Board finds the best evidence to be the subject's recent sale. The appellant's appraisers identified the subject's sale with a corresponding document number from the county Recorder of Deeds office asserting that the sale was not reflective of the market based upon information within the appraisal. However, the Board finds that the appraisal failed to proffer any written explanation or testimony in support of the appraisers' assertion. Further, the Board finds the appraisers' assertion that the office market was weak as unsupported due to the subject's sale price in February, 2006, of $470,000 contradicting the appraisers' opinion of value at $400,000. In addition, the Board accorded diminished weight to the appellant's appraisal which used office buildings and not office/medical buildings as improved sales which were all located outside of the subject's suburb.

In contrast, the board of review submitted copies of the recording documents from county Recorder of Deeds office with a corresponding document number for the subject's 2006 sale. The

appellant did not submit any documentation or testimony disputing the arm's length nature of this sale transaction.

Moreover, the Board accorded diminished weight to the board of review's limited and raw sales data.

Therefore, the Board finds that the appellant did not meet their burden of proof and that the subject property contained a market value of $470,000 for tax year 2006. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5A, commercial property of 38% will apply. In applying this level of assessment to the subject, the Board finds that the subject's market value is supported by the current total assessment and that 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: September 23, 2011

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.