



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

APPELLANT: Adesh Patel
DOCKET NO.: 06-22976.001-C-1 through 06-22976.003-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Adesh Patel, the appellant; by attorneys Dan Pikarski and Kris Murphy with the law firm of Gordon & Pikarski in Chicago; and the Cook County Board of Review.

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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
06-22976.001-C-1	19-08-428-046-0000	118,070	73,382	\$191,452
06-22976.002-C-1	19-08-428-062-0000	65,668	247,360	\$313,028
06-22976.003-C-1	19-08-428-063-0000	82,626	127,294	\$209,920

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 90,044 square foot, corner land parcel improved with a one-story, masonry building used for commercial purposes situated on a slab. The improvement contains 25,987 square feet of building area used as a strip shopping center including eight tenants.

The appellant, via counsel, 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 complete summary appraisal of the subject property with an effective date of January 1, 2006 undertaken by Lawrence Starkman, a real estate appraiser holding the designation of Member of the Appraisal Institute (hereinafter MAI) as well as Susan Mustari, a field appraiser. 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 site.

Upon review of the sales history of the subject, the appraisers reported that the subject had sold on December 1, 2001, for a price of \$953,750. Further, the appraisal described the subject's regional and immediate neighborhood. As to the subject's site, the appraisal indicated that the shopping center was located at the corner of Archer Avenue and Central Avenue in the Garfield Ridge Community of Chicago. The subject contains 335.6 feet of frontage on Archer Avenue with a land-to-building ratio of 3.83:1. In addition, the appraisal identified 40 parking spaces for the subject's customer base.

As to the subject's building, the appraisers stated that the one-story, masonry building was situated on a slab with 25,087 square feet of building area and eight tenants. The appraisal noted that the largest of these tenants was a Blockbuster Video store that occupied 34.4% of the subject's building. The appraisers noted that the structure was composed of average grade materials observed to be in poor condition due to considerable deferred maintenance. At the time of inspection, substantial items of deferred maintenance were noted including the need for a new parking lot and a new roof.

The appraisers estimated the economic life of the subject to be 50 years with an effective age of 15 years and a remaining economic life of 35 years. The appraisal 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 appraisers developed the three traditional approaches to value. The cost approach estimated a value of \$2,125,000, the income approach estimated a value of \$1,860,000, and the sales comparison approach estimated a value of \$1,880,000. In reconciling these approaches to value, the appraisers placed maximum emphasis on the sales comparison approach to reflect a final value of \$1,880,000 for the subject.

The first method developed was the cost approach. The initial step under the cost approach was to estimate the value of the site and in doing so the appraisers undertook an analysis of four suggested land sales of local sites. These properties sold from April, 2002, to May, 2006, for prices that ranged from \$8.06 to \$12.41 per square foot. They ranged in size from 74,485 to 225,619 square feet of land. The appraisal noted that land sales within the subject's area were limited due to the fact that the area is considered 100% developed. However, the appraisers indicated that the rights conveyed were fee simple ownership and that all transactions were arms-length. Upon consideration of the data, the appraisers opined that the market value of the land would be \$6.50 per square foot or \$625,000, rounded.

Using the Marshall Valuation Service, the appraisers estimated a replacement cost new at \$84.75 per square foot or a total of \$2,126,123. Thereafter, the total amount of depreciation present at the subject by utilizing the age-life method. This method reflected depreciation at 30% without functional or external obsolescence. Total accrued depreciation of 30% resulting in a depreciated value of the improvements at \$1,488,286. Adding the land value of \$625,000 and additional on-site improvements reflected a final estimate of value under the cost approach of \$2,125,000, rounded.

The next developed approach was the income approach. The appraisers obtained and analyzed lease data on three properties. The properties ranged in size from 10,000 to 58,648 square feet of rentable area and from \$10.50 to \$25.00 per square foot monthly rent. The appraisal indicated that these rents coincided with the subject's rent roll. Therefore, gross income for the subject was estimated at \$30,344.88 per month, or \$364,136. Less a deduction for vacancy and collection losses at 30%, or \$109,241 reflected an effective gross income of \$254,895. Total expenses of \$78,933 were deducted reflecting a net operating income of \$175,962. Capitalizing the subject's net income by 9.45% produced a value estimate under the income approach of \$1,860,000, rounded.

Under the sales comparison approach to value, the appraisers utilized four sale comparables, which were one-story, masonry, commercial buildings used as shopping strip centers. These comparables sold from February, 2002, through May, 2004, for prices that ranged from \$1,100,000 to \$7,000,000, or from \$28.90 to \$127.27 per square foot. The properties range: in age from 18 to 23 years; in tenants from 6 to 14; in size from 10,000 to 69,100 square feet; and in parking spaces from 40 to 173. After making adjustments to these properties, the appraisers estimate a market value for the subject under this approach of \$75.00 per square foot of building area or \$1,880,000, rounded. Based upon this evidence, the appellant requested a reduction in the subject's assessment.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$873,555 for tax year 2006 according to the assessor. The subject's assessment reflects a market value of \$2,298,828 or \$91.65 per square foot for tax year 2006 using the Cook County Ordinance level of assessment for Class 5a, commercial property of 38%. Nevertheless, the board of review's notes reflect that subject's total assessment was actually \$762,022 reflecting a market value of \$2,005,321 for tax year 2006.

The board of review's memorandum indicated that the subject had been purchased on December 1, 2001, for \$953,750. However, the memorandum further stated that there were no records at the Recorder of Deeds office to support the subject's sale transaction.

In addition, the board of review submitted a memorandum as well as CoStar Comps printouts for five suggested comparables. Only one of these properties was located in Chicago. The properties contained one-story, strip centers with from four to ten tenants. The data reflected that two of the five properties' sales were absent a buyers and sellers real estate broker, while a third property had not been advertised for sale in the market. They sold from July, 2001, to September, 2006, for prices that were in an unadjusted range from \$89.00 to \$173.93 per square foot. The buildings ranged in size from 21,824 to 25,010 square feet of building area. 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 warranted.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appellant's appraisal. The appellant's appraisers utilized the three traditional approaches to value, while placing maximum emphasis on the sales comparison approach to value in determining the subject's market value. The Board further finds this appraisal to be persuasive for the appraisers personally inspected the subject property and utilized market data not only in the cost and income approaches to value, but also in the sales comparison approach, while providing sufficient detail regarding each sale as well as adjustments where necessary.

Moreover, the Board accorded diminished weight to the board of review's limited and raw sales data. Further, the board of review failed to provide any evidence that the subject's sale was an arm's length transaction occurring over a five year's distance from the January 1, 2006 assessment date at issue in this appeal.

Therefore, the Board finds that the subject property contained a market value of \$1,880,000 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 total assessed value is \$714,400, while the subject's current total assessed value is above this amount at

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\$762,022. Therefore, the Board finds that a reduction is 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.

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: October 22, 2010

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.