

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Dan Hurt  
DOCKET NO.: 06-24680.001-C-1  
PARCEL NO.: 15-13-300-028-0000

The parties of record before the Property Tax Appeal Board are Dan Hurt, the appellant, by attorney Arnold G. Siegel in Chicago, and the Cook County Board of Review.

The subject property consists of a 19-year-old, 17,000 square foot former office building recently converted for use as an auto repair facility situated on a 103,500 square foot site. The appellant, via counsel, submitted evidence before the Property Tax Appeal Board arguing that the market value of the subject property is not accurately reflected in the subject's assessed valuation as the basis of the appeal.

In support of this argument, the appellant submitted a complete appraisal summary report prepared by a State of Illinois certified real estate appraiser. The appraiser utilized the three traditional approaches to value to estimate a market value of \$1,100,000 for the subject as of October 1, 2005. The appraiser determined the highest and best use to be its current use.

In the appraiser's cost approach, the appraiser estimated the land value to be \$520,000. The appraiser estimated the replacement cost of the depreciated improvements including site improvements to be \$617,000. Therefore, the appraiser arrived at a total value under the cost approach of \$1,135,000, rounded.

The next approach developed by the appellant's appraiser was the income approach to value. The appraiser's rental analysis resulted in an annual potential income of \$127,500 less 10% for vacancy and collection losses. The effective gross annual income results in \$114,750 less forecasted expenses, replacement reserves as well as legal, audit and administrative expenses of

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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: \$ 216,315  
IMPR.: \$ 235,627  
TOTAL: \$ 451,942

Subject only to the State multiplier as applicable.

\$18,307, resulting in a potential net operating income of \$96,443. The appraiser then utilized the direct capitalization method and developed an overall rate of 9% resulting in a market value of \$1,070,00 rounded, based on the income approach to value.

Under the sales comparison approach to value, the appraiser utilized four sales located within the same market area as the subject. The comparables consist of one-story, masonry constructed, commercial type buildings that range: in age from 26 to 53 years; in size from 13,700 to 28,050 square feet of building area; and in land to building ratio from 1.62:1 to 2.92:1. The properties sold from December 2002 to May 2003 for prices ranging from \$490,000 to \$880,000 or from \$21.46 to \$43.76 per square foot of building area, including land. After adjustments, the appraiser arrived at a market value of \$65.00 per square foot or a rounded value of \$1,105,000 via the sales comparison approach.

In reconciling the three approaches to value, the appellant's appraiser accorded the sales comparison approach supported by the income capitalization approach maximum emphasis and estimated that the subject had a market value of \$1,100,000 as of October 1, 2005. Based on the evidence submitted, the appellant requested an assessment reflective of a fair market value for the subject of \$1,100,000.

The appellant's attorney submitted a two-page brief indicating that the subject's 2005 purchase price in no way represents the actual market value of the subject property. The brief indicates that the appellant purchased the subject in 2005 to relocate his existing business because more working space was critical but also needed to remain in the same area due to his business dealings and commitments.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the subject's total assessment of \$551,941, which reflects a market value of \$1,452,476 or \$81.31 per square foot of building area, utilizing the Cook County Real Property Assessment Classification Ordinance level of assessment of 38% for Class 5a property, such as the subject. The board of review also submitted a memorandum from the county assessor's office as well as ancillary documents.

The memorandum disclosed that the Recorder of Deeds Office recorded a Warranty Deed, executed on April 21, 2005 for \$3,000,000 or \$167.94 per square foot for the subject property. The memorandum also disclosed that CoStar reported that the purchase of the office building involved cash and two other properties; "This property was traded for \$1,000,000 plus two properties, 1018 and 1022 Madison Street in Oak Park, Ill according to the buyer's attorney." Based on the evidence presented, 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 that it has jurisdiction over the parties and the subject matter of this appeal.

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 (3<sup>rd</sup> Dist, 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> Dist. 2000). Proof of market value may consist of an appraisal, a recent arms-length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. (86 Ill.Adm.Code §1910.65(c)) Having reviewed the record and considering the evidence, the Board finds the appellant has satisfied this burden and a reduction is warranted.

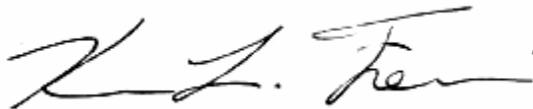
In determining the fair market value of the subject property, the Property Tax Appeal Board finds the best evidence to be the appellant's complete appraisal summary report. The appellant's appraiser utilized the three traditional approaches to value to estimate the fair market value of the subject. The Board finds this appraisal to be persuasive for the appraiser; personally inspected the subject property and reviewed the subject's history; estimated a highest and best use for the subject property; utilized appropriate market data in undertaking the sales comparison approach to value; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary.

Based on the evidence submitted by the appellant the appellant requested a desired assessed value of \$451,942. Since fair market value has been established, the Cook County Real Property Assessment Classification Ordinance level of assessment for Class 5a property of 38% shall apply. In applying this level of assessment to the subject, the Board finds the total assessed value is \$451,942 while the subject's current total assessed value is above this amount at \$551,941. Therefore, the Board finds that a reduction is warranted. In the appellant's appraisal, the appraiser indicates the subject's sale in April 2005 was not an arm's length transaction; therefore, the board of review's evidence is accorded less weight.

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

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: January 23, 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.