



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

APPELLANT: Sebastian Cualoping
DOCKET NO.: 06-25637.001-C-1 through 06-25637.003-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Sebastian Cualoping, the appellant, by attorney Adam E. Bossov, of Law Offices of Adam E. Bossov, P.C. 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
06-25637.001-C-1	14-05-306-003-0000	35,684	87,923	\$123,607
06-25637.002-C-1	14-05-306-004-0000	40,253	107,462	\$147,715
06-25637.003-C-1	14-05-306-018-0000	17,790	3,016	\$20,806

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 13,703 square feet of land improved with a 28-year old, one-story, masonry, commercial building. At hearing, the parties stipulated to the improvements size of 5,100 square feet of building area.

The appellant's attorney raised two arguments: first, that there was unequal treatment in the assessment process; and second, that the subject's market value is not accurately reflected in its assessment as the bases of this appeal.

In support of the equity argument, the appellant's attorney submitted a brief reflecting limited descriptive and assessment data as well as a copy of the assessor's database printouts for seven suggested comparables. The properties ranged: in land-to-building ratios from 1.00:1 to 2.33:1; in building size from 3,500 to 52,161 square feet of building area; and in 2006 total assessments from \$20.68 to \$37.50 per square foot. The grid indicated that property #3 was exempt without further

explanation. The subject's improvement assessment is \$59.02 per square foot of building area.

At hearing, the appellant's attorney argued that these equity comparables originate from the improved sale comparables used in the subject's 2000 appraisal, which was submitted into evidence in this appeal. He argued that in the past the assessor's office and the board of review had found the subject's appraisal with an effective date of January, 2000, persuasive. He stated that he used the sale properties and obtained the 2006 total assessment as designated by the assessor's office for each of these properties. However, he did note that he did not have a breakdown of land and improvement assessments for each property nor did he submit the final total assessment as determined by the board of review for all of these properties. Since the appraisal's effective date in 2000, he stated that sale #3 has since been removed from the property tax rolls and is considered by the assessor's office as exempt.

As to the overvaluation argument, the appellant's pleadings included actual income and expense data from years 2003 through 2005. Gross income ranged from \$136,258 to \$152,118 with expenses at 35% resulting in an actual net income that ranged from \$88,568 to \$98,877. The attorney used a three-year average net income of \$93,202 and applied a capitalization rate of 18.21% to estimate a market value under an income approach to value of \$512,000 for the subject. The attorney argued that this market value should indicate a desired total assessment of \$195,000 for the subject. In addition, at hearing, appellant's attorney stated that he had prepared the actual income analysis, and then, waived this argument without objection by the board of review.

In further support of the market value argument, the appellant submitted an appraisal report of the subject property with an effective date of January 1, 2000 undertaken by Robert Schlitz, who holds the designations of State Certified General Real Estate Appraiser and Member of the Appraisal Institute. The appraiser estimated a market value for the subject of \$420,000.

As to the subject, the appraiser noted that the subject's building contains 4,950 square feet of building area situated on a corner site with 12,781 square feet. The appraisal indicated that the subject's improvement is a commercial retail food store, which was owner occupied, while two sections were leased. The leased portions were a video rental store and a convenience bank. The appraisal stated that Schlitz had personally inspected the interior and exterior of the subject on May 5, 2001. Schlitz stated that the subject's actual age was 23 years, but estimated an effective age from 23 to 25 years with a remaining economic life from 50 to 55 years. The appraisal identified minor site improvements relating to iron fencing and a paved parking area.

The appraisal developed the three traditional approaches to value. The cost approach estimated a value of \$430,000; the income approach estimated a value of \$412,000; and the sales

comparison approach estimated a value of \$420,000. A reconciliation of these values concluded a final value estimate of \$420,000.

The appraiser indicated that the subject's highest and best use as vacant was for similar commercial development in accordance with current zoning regulations, while the highest and best use as improved was for its current use.

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 appraiser undertook an analysis of seven suggested land sales. They ranged in size from 4,560 to 35,955 square feet and in price from \$8.72 to \$16.25 per square foot. These properties sold from May, 1997, through January, 2000. Therefore, the appraiser opined that the subject's land value was in a range from \$9.06 to \$10.10 per square foot or \$127,800, rounded.

Using the Boeckh's Cost Manual, the appraiser estimated a replacement cost new of the subject at \$507,202 or \$102.47 per square foot. However, the appraiser's summary breakdown reflected a replacement cost new of \$495,000 with a 5% allocation for entrepreneurial profit resulting in a cost new of \$519,750. Less depreciation from all causes of 46.5% resulted in a depreciated value of the principal improvements of \$278,066. Adding the value of the site improvements at \$25,000 as well as the land value at \$127,800 resulted in a market value under the cost approach of \$430,000, rounded.

The next developed approach was the income approach, wherein the appraiser analyzed five rental properties as well as reviewing the subject's actual lease data. The rental properties ranged: in rental size from 2,600 to 28,015 square feet; in land-to-building ratios from 0.32:1 to 1.90:1; and in lease rates from \$2000.00 to \$7,101.00. The appraiser noted that using the subject's actual lease data, a market rent for the entire property would be \$7,000.00 per month.

Based upon this data, the appraiser estimated a net rental rate for the subject of \$84,000. Deducting an allowance for vacancy and collection losses of 5% reflected an effective net rent of \$79,800. Deducting for management fees and reserves for replacement resulted in a net operating income of \$40,345. The appraisal indicated that a band of investment method was used to estimate an overall capitalization rate of 10.31%. Applying this rate to the net income resulted in a value estimate under the income approach for the subject property of \$412,000, rounded.

Under the sales comparison approach to value, the appraiser utilized eight sale comparables located in Chicago, as is the subject. These comparables sold from May, 1996, through September, 2000, for prices that ranged from \$250,000 to \$2,200,000, or from \$28.09 to \$101.43 per square foot. The properties were improved with a commercial building. They

ranged: in age from 23 to 74 years; in improvement size from 3,500 to 51,889 square feet of building area; and in land size from 6,441 to 72,309 square feet. After making adjustments to the suggested comparables, the appraiser estimated the subject's market value at \$84.85 per square foot, based upon 4,950 square feet, or \$420,000, rounded.

In reconciling the three approaches to value, the appraiser placed maximum consideration on the sale comparison approach to value. Therefore, the appraiser estimated that the subject's market value as of the January 1, 2000 assessment date was \$420,000.

At hearing, the appellant's attorney stated that for valuation purposes that this appraisal has no relevance to the assessment date at issue which is January 1, 2006. He asserted the appraisal was submitted solely for the data relating to the improved sale comparables which he used as his equity comparables.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$292,128. This assessment reflected a total market value of \$768,758 or \$150.74 per square foot based upon the application of the Cook County Ordinance level of assessment of 38% for class 5A commercial property, as is the subject.

In support of the subject's market value, raw sales data was submitted for seven properties located in Chicago. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold from October, 2001, to April, 2005, in an unadjusted range from \$390,000 to \$1,300,000, or from \$114.29 to \$238.27 per square foot of building area. The buildings ranged in age from 11 to 42 years and in size from 3,000 to 6,960 square feet of building area. The printouts reflect that there were no real estate brokers involved in sales #2, #5 and #7; while both parties in sale #4 had the same real estate broker. Moreover, the printouts reflect that sales #2 and #5 were not advertised for sale on the open market. They also stated that sales #2, #3, and #6 included multi-tenant locations, while sale #1 was vacant at the time of sale.

Moreover, the board of review's memorandum stated that it was not intended to be an appraisal or an estimate of value and should not be construed as such. It indicated that the information provided in the memorandum was collected from various sources and assumed to be factual, accurate or reliable. However, the memorandum disclosed that the writer had not verified the information or sources referenced; and therefore, did not warrant its accuracy. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the board's representative argued that the appellant's appraisal and the data therein is six years old and does not accurately reflect the market for the 2006 tax year. He also asserted that the appellant's appraiser was not submitted for examination of the methodology used within this appraisal. Thereafter, he stated that the board of review rested on the written evidence submissions.

In rebuttal, the appellant's attorney argued that since the appraisal's sale properties had been used as suggested comparables in the past that with the inclusion of the 2006 assessment data these properties should be relevant in this appeal. He also objected to the board of review's evidence, while requesting that the Board take notice of the Board's decision in the unrelated matter of 06-26922-D-1 et al., wherein similarly submitted evidence was accorded little weight by the Board in that matter. He submitted a courtesy copy of this decision which was identified for the record as Appellant's Hearing Exhibit #1 without objection by the board of review's representative.

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

The appellant contends unequal treatment in the subject's improvement assessment as the basis of the appeal. Taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). After an analysis of the data, the Board finds that the appellant has not met this burden.

The Board finds that comparables submitted by the appellant lacked essential data that inhibited the comparability analysis. Moreover, the Board finds the appellant's argument to be unpersuasive. Appellant's attorney argued that since the improved sale properties were relevant in past market valuations for the 2000 tax appeal year, that they should be relevant in future valuation determinations such as the 2006 tax year. On this point, the Board finds that aged, sale comparables presented within a 2000 appraisal were not reflective of the 2006 market. In addition, the appellant's attorney admitted that he had only obtained total assessment data as designated by the assessor's office for each property. He failed to provide a breakdown of each assessment data into land and improvement assessments, while also failing to proffer final total assessment data as designated by the board of review's office for all of these properties.

Therefore, the Board finds no reduction is warranted as to this issue raised by the appellant.

As to the appellant's second issue, 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); 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.Adm.Code 1910.65(c)). Having considered the evidence presented, the Board finds that the appellant has not met this burden and that a reduction is not warranted.

The Board accorded little weight to the appellant's appraisal due to the disparity in effective date of the appraisal which was January 1, 2000 in comparison to the assessment date at issue which was January 1, 2006. This disparity in time lessens the credibility accorded the land sales, rental properties and improved sales data as well as the adjustments made to this data. Therefore, the Board finds this evidence unpersuasive as being reflective of the 2006 market.

Further, the Board accorded little weight to the unadjusted, raw sale data submitted by the board of review. In addition, the Board finds that the board's memorandum plainly stated that the documentation submitted by the board of review was not intended to be an appraisal or an estimate of value and should not be construed as such.

Therefore, the Board finds that the appellant has not met its burden by a preponderance of the evidence and that the subject does not warrant a reduction based upon the market data submitted into evidence.

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.



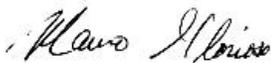
Chairman



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: May 18, 2012



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.