



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

APPELLANT: Joanna Zegarski  
DOCKET NO.: 06-31413.001-C-1 through 06-31413.003-C-1  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Joanna Zegarski, the appellant, by attorney Howard W. Melton of Howard W. Melton and Associates, 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
06-31413.001-C-1	23-02-302-024-0000	16,957	4,168	\$21,125
06-31413.002-C-1	23-02-302-025-0000	17,684	4,830	\$22,514
06-31413.003-C-1	23-02-303-063-0000	134,423	336,000	\$470,423

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a one-story commercial structure used as a banquet hall/restaurant that contains 17,800 square feet of building area. The structure was built in 1966 and 1989 with a reported effective age of 20 years. The subject site of approximately 68,616 square feet also has 75 to 100 parking spaces and is located in Hickory Hills, Palos Township, Cook County. The subject is a class 5-17, one-story commercial building, which is assessed at 38% of market value under the Cook County Real Property Assessment Classification Ordinance.

The appellant, through legal counsel, submitted evidence that the subject's fair market value is not accurately reflected in its assessment. In support of this argument, the appellant submitted an appraisal report prepared by Certified General Real Estate Appraisers Jennifer C. Soto-Burrell and James A. Matthews of James A. Matthews, Inc. Based on the data analyzed, the appraisers estimated a fair market value for the subject property of \$1,000,000 as of January 1, 2006. The purpose of the appraisal was for *ad valorem* tax assessment of the subject

property. The appraisers reported the subject to be in average condition. The property was inspected for the report in February 2008.

As to consideration of the income approach to value, the appraisers noted that the subject is owner-occupied and thus not currently subject to a lease. Moreover, banquet halls "are almost always owner-occupied, and rental data is scarce making the income approach problematic." (Page 16 of appraisal report) The appraisers also reported "there are many restaurants and rental halls in the area and there is a lot of competition which would drive down the market value of the subject. The recession has had a generally negative effect on these types of properties as they are more influenced by slowdowns in the economy." (Id.)

Under the cost approach, the appraisers first estimated a land value by examining four land sales in Chicago. The parcels ranged in size from 9,757 to 98,010 square feet of land area. The sales occurred between September 2003 and March 2006 for prices ranging from \$47,500 to \$745,000 or from \$4.87 to \$8.06 per square foot of land area. The appraisers adjusted the sales for time and lot size. From this analysis, the appraisers estimated a value of \$8.00 per square foot for the subject or \$550,000, rounded, as a land value.

Next, as shown on page 21 of the report, the appraisers determined a replacement cost new for the subject building including the asphalt paving of \$1,118,000 using the Marshall Valuation Service. Physical depreciation of 40% was calculated using the age/life method. Functional obsolescence of 5% and external obsolescence of 10% were each deducted without further explanation. After these deductions, the depreciated value of improvements was \$503,100. Adding back the land value estimate, under the cost approach, the appraisers estimated a market value of \$1,050,000, rounded, for the subject.

Using the sales comparison approach, the appraisers utilized four sales composed of one-story retail buildings located in Palos Hills, Oak Lawn and Hickory Hills. Based on the photographs in the appraisal, sale #2 appears to be a multi-tenant strip center and sale #3 appears to be an automobile servicing station with three large bay doors. Sales #1 and #3 were built in 1980 and 1965, respectively. No ages were provided for sales # 2 and #4. The parcels range in size from 16,030 to 126,149 square feet of land area and are improved with structures ranging in size from 9,680 to 32,828 square feet of building area. These properties have land-to-building ratios ranging from 1.01:1 to 4.00:1. The subject has a land-to-building ratio of 3.85:1. The sales occurred from June 2004 to May 2005 for prices ranging from \$575,000 to \$1,525,000 or from \$36.55 to \$72.52 per square foot of building area including land. The appraisers applied percentage adjustments to the comparables for date of sale, building size and land-to-building ratio resulting in net adjustments of -4% to 13% and adjusted sales prices ranging from \$37.28 to \$76.87 per square foot of building area including land.

The appraisers noted the comparables were "considered to be similar in style, quality, and utility." Based on the analysis, the appraisers estimated the subject property had an estimated market value under the sales comparison approach of \$57.00 per square foot of building area resulting in a total estimated market value of \$1,000,000, rounded.

In reconciling the two value conclusions, the appraisers placed more reliance on the cost approach and gave secondary emphasis to the sales comparison approach.

Based on this evidence, the appellant requested a reduction in the subject parcels' total assessment to \$459,452 which would reflect an estimated market value of \$1,209,084 at the 38% level of assessment. (86 Ill.Admin.Code §1910.50(c)(3)).

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final total assessment of the three parcels of \$514,062 was disclosed. The subject's total assessment reflects an estimated market value of \$1,352,795 or \$76.00 per square foot of building area including land using the Ordinance level of assessment for Class 5A property of 38%.

In support of the subject's estimated market value as reflected by its assessment, the board of review presented six comparable sales located within a 5-mile radius of the subject in the communities of Indian Head Park, Chicago Ridge, Justice, Burbank, Summit and Countryside. The comparables are improved retail "restaurant" or "general freestanding" buildings that range in size from 10,000 to 25,000 square feet of building area. Sales #1 was described as a "strip center" and sale #4 indicated it was a banquet facility. The parcels range in size from 24,999 to 98,881 square feet of land area. The buildings were constructed between 1955 and 1974. The sales occurred between March 2003 and December 2007 for prices ranging from \$520,000 to \$2,225,000 or from \$41.60 to \$172.55 per square foot of building area including land.

Based on this evidence, the board of review requested confirmation of the subject property'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. The Property Tax Appeal Board further finds a reduction in the subject property's assessment is not warranted.

The appellant argued the subject property is overvalued. When market value is the basis of the appeal, the value 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). The Board finds the appellant has not overcome this burden.

In this appeal, the appellant submitted an appraisal report estimating a fair market value for the subject property of \$1,000,000 or \$56.18 per square foot of building area, including land, as of January 1, 2006. The appraisers asserted that they relied primarily upon the cost approach in arriving at the subject's estimated market value. The Board finds that the cost approach presented by the appraisers included unexplained depreciation of 5% for functional obsolescence and 10% for external obsolescence. Furthermore, the Board finds that absent these unsupported deductions, the subject building would have only physical depreciation of \$447,200, which would raise the depreciated value of the improvements to \$670,800. Next, under the cost approach, adding the land value of \$550,000 would result in an estimated market value of \$1,220,800 or \$68.58 per square foot of building area including land which the Board finds is better supported in the appraisal report submitted by the appellants.

The board of review submitted six suggested comparable sales to support its assessed valuation of the subject property. Considering proximity in time to the assessment date of January 1, 2006, the Board finds sales #2, #3 and #4 from the board of review were most proximate in time, despite their differences in building size and/or lot size from the subject property. These three sales occurred between December 2004 and December 2007 and had prices ranging from \$1,000,000 to \$2,000,000 or from \$71.02 to \$172.55 per square foot of building area, including land.

While not primarily relied upon, the appellant's appraisers also presented four sales in their sales comparison approach to value. While all sales were relatively close to the assessment date, only appellant's sale #3 was somewhat similar to the subject in building size and land-to-building ratio. Sale #3 occurred in May 2005 for \$980,000 or \$72.52 per square foot of building area, including land.

The courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (2<sup>nd</sup> Dist. 1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5<sup>th</sup> Dist. 1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach. The Board finds there are credible market sales contained in this record. Thus, the Board placed most weight on this evidence.

The Property Tax Appeal Board has given no weight to the appraisal's conclusion of value which relied primarily upon the cost approach. Moreover, the sales comparison approach prepared by the appraisers analyzed four properties, only one of which was somewhat similar to the subject in building size, lot size and

land-to-building ratio. Based on the case law and the data analyzed by the appraisers, the Board finds the appraisal's value conclusion for the subject lacks any credible factual support in the report. Only the much smaller sale comparables analyzed by the appraisers had prices ranging from \$36.55 to \$59.40 per square foot of building area including land which would support the appraisers' value conclusion for the subject of \$56.18 per square foot of building area including land.

Having discounted the appraisal's conclusion of value, the Board finds that both parties submitted a total of four sales sufficiently similar to the subject for consideration. As outlined above, the Board has given most weight to appellant's sale #3 and board of review's sales #2, #3 and #4 which ranged in size from 10,000 to 17,600 square feet of building area. These most similar comparables sold between December 2004 and December 2007 for prices ranging from \$980,000 to \$2,000,000 or from \$71.02 to \$172.55 per square foot of building area, land included. The subject property's estimated market value as reflected by its assessment of \$1,352,795 or \$76.00 per square foot of building area, land included, is within the range on a per-square-foot basis of these most similar sales comparables on this record and very well supported by appellant's sale #3 and board of review sale #3 which sold for \$72.52 and \$71.02 per square foot of building area, land included, respectively. Therefore, the Board finds that the appellant has failed to establish overvaluation by a preponderance of the evidence and the subject's estimated market value does not appear to be excessive in light of these recent comparable sales. Thus, the Board finds that no reduction in the subject's assessment 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.



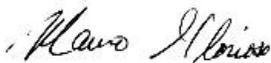
Chairman



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.