



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

APPELLANT: Algirdas Morkunas
DOCKET NO.: 07-21279.001-C-1
PARCEL NO.: 23-12-300-011-0000

The parties of record before the Property Tax Appeal Board are Algirdas Morkunas, the appellant, by attorney Arnold G. Siegel, of Siegel & Callahan, 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:

LAND: \$ 50,476
IMPR.: \$ 40,019
TOTAL: \$ 90,495

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property contains 20,436 square feet of land improved with a 27-year old, one-story, masonry and dryvit, commercial building. The free-standing improvement contains 1,500 square feet of building area and is used as a restaurant/deli. The appellant argued that the market value of the subject property was not accurately reflected in its assessed value as the bases of this appeal.

In support of the market value argument, the appellant, via counsel, submitted an appraisal undertaken by Robert Flood and George Stamas of Meridian Appraisal & Consulting Group. The appraisal report states that Flood and Stamas hold the designation of certified general real estate appraiser. The appraisers stated that the subject had an estimated market value of \$187,500 as of August 24, 2007. As to the history of the subject property, the appraisers succinctly stated that the subject was purchased on July 27, 2005 for a value of \$575,000, but that this sale also included a going concern, furniture, fixtures and equipment with no separate allocation for the real estate. Therefore, the appraisers discounted the purchase price in their appraisal assignment.

The appraisal report utilized only one of the traditional approaches to value, the sales comparison approach, to estimate the market value for the subject property. The appraisal stated that per prior agreement with the client, the appraisers did not use either the cost or income capitalization approaches to value. In addition, the appraisal report states that the subject property was inspected on August 24, 2007, which is also the effective date of this appraisal without further elaboration.

As to the subject's highest and best use, as vacant, the appraisers opined that development conforming to zoning was best, while the subject's highest and best use, as improved, was its present use.

Moreover, the appraisal reflected that the subject was improved with a one-story, masonry and dryvit, commercial building without a basement. The 27-year old improvement contained 1,500 square feet of building area with an average condition due to the older interior and mechanicals.

Under the sales comparison approach, the appraisers analyzed the sales of five suggested comparables, none of which are located in Palos Hills, as is the subject property. They are each improved with an one-story, masonry building used either as a restaurant or for retail purposes. They range: in age from 18 to 71 years; in improvement size from 3,785 to 5,767 square feet of living area; and in land-to-building ratio from 1.04:1 to 20.12:1. These suggested comparables sold from June, 2004, to June, 2005, for prices that ranged from \$67.71 to \$127.00 per square foot of building area, including land. The appraisers indicated that no adjustments were made for physical characteristics, property rights, building age or condition as well as property highest and best use. Based on the similarities and differences of the comparables when compared to the subject, the appraisers estimated a value for the subject under the sales comparison approach to value of \$125.00 per square foot or \$187,500, rounded, as of August 24, 2007. Based on this evidence, the appellant requested a reduction in the subject's assessment.

The Cook County Board of Review submitted its "Board of Review-Notes on Appeal" wherein the subject's final assessment of \$90,495 was disclosed. The subject's final assessment yields a fair market value of \$238,144 or \$158.76 per square foot when the Cook County Ordinance Level of Assessment for commercial properties of 38% is applied.

As to the subject, the board's analysis stated that the subject was purchased in July, 2005, for a price of \$575,000 or \$383.33 per square foot. In support of this sale, the board of review submitted a copy of the subject's Warranty Deed and Illinois Real Estate Transfer Declaration, PTAX-203, affirming the aforementioned sale data. In addition, the PTAX-203 states: in Line #7 that the property was advertised for sale or sold using a real estate agent; in Line #11 that the full actual consideration was \$575,000; in Line #12a that the amount of personal property

was \$0.00; and in Line #12b that the net consideration for real property was \$575,000. Further, page #2 of this document reflects the buyer's name and signature as that of the appellant, Algirdas Morkunas.

In support of the subject's market value, the board of review presented descriptive and sales data on five properties suggested as comparable to the subject. These properties are described as one-story, retail/restaurant locations located in Palos Hills, Palos Heights, Oak Lawn, or Worth. They range in age from 3 to 90 years and in improvement size from 1,200 to 4,000 square feet of building area. The properties sold from October, 2002, to January, 2009, for unadjusted prices ranging from \$145.83 to \$310.98 per square foot of building area.

The board's cover memorandum also stated that this analysis was not intended to be an appraisal or estimate of value and that the data reflected therein was collected from multiple sources which were not verified, but assumed to be reliable. Based on this evidence, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of this appeal. After submission of the parties' evidence, the appellant waived the right to hearing.

When overvaluation is claimed, the appellant has the burden of proving the value of the property by a preponderance of the evidence. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339 Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86 Ill. Admin. Code § 1910.63(e). 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. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code § 1910.65(c). Having considered the evidence presented, the Board finds that the evidence indicates reduction is not warranted.

In determining the fair market value of the subject property, the Board finds unpersuasive the appellant's appraisal for several reasons. The Board finds that the appraisers failed to develop the cost and income approaches to value as well as first inspecting the subject property on the same day which the appraisers rendered the subject's appraisal, August 24, 2007.

Furthermore, the Board finds that the appraisal stated that the subject was purchased in July, 2005, which was less than two years from the assessment date at issue. However, the Board finds that the appraisers failed to detail sufficient reasoning

for not according the subject's sale any weight at all. Most especially considering the documentation submitted by the board of review which contradict the appraisers' opinion. These documents affirm the subject's sales data. Specifically, the PTAX-203 states: in Line #7 that the property was advertised for sale or sold using a real estate agent; in Line #11 that the full actual consideration was \$575,000; in Line #12a that the amount of personal property was \$0.00; and in Line #12b that the net consideration for real property was \$575,000. Further, page #2 of this document reflects the buyer's name and signature as that of the appellant, Algirdas Morkunas.

As to the appraisers' sales comparison approach to value, the Board finds that the adjustments or lack thereof to the sale properties were less than appropriate or convincing. Thereby, the Board accorded this appraisal minimal weight.

However, the courts have stated that where there is credible evidence of comparables 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 (2nd Dist. 1979). The Court further held that significant relevance should not be placed on the cost approach or the income approach especially when there is market data available. Id. Moreover, in Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5th Dist. 1989), the Court held that of the three primary methods of evaluating property for purposes of real estate taxes, the preferred method is the sales comparison approach. Therefore, the Board will also accord the sales data provided by the parties in this appeal as well as the subject's purchase most weight.

The Board finds that both parties submitted sales data on a total of 10 sales of a one-story, masonry, restaurant or retail building located in suburbs neighboring the subject property. They ranged in age from 3 to 90 years and in improvement size from 1,200 to 5,767 square feet of building area. They sold from October, 2002, to January, 2009, for prices that ranged from \$67.71 to \$310.98 per square foot. In comparison, the subject's total assessment reflects a market value of \$158.76 per square foot of building area, which is within the established range. Moreover, the Board finds that this value is supported by the subject's 2005 purchase. After making adjustments to these suggested comparables, the Board finds that the subject's market value is supported 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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

Member

J. R.

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: July 19, 2013

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.