



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

APPELLANT: Matz Funeral Home, Inc.
DOCKET NO.: 07-23020.001-R-1 through 07-23020.014-R-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Matz Funeral Home, Inc., the appellant, by attorney Scott Shudnow of Shudnow & Shudnow, Ltd. in Chicago, Illinois; 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
07-23020.001-R-1	13-20-407-033-0000	5,400	606	\$6,006
07-23020.002-R-1	13-20-407-034-0000	4,500	505	\$5,005
07-23020.003-R-1	13-20-407-035-0000	4,500	505	\$5,005
07-23020.004-R-1	13-20-407-036-0000	4,500	505	\$5,005
07-23020.005-R-1	13-20-407-037-0000	4,500	505	\$5,005
07-23020.006-R-1	13-20-407-038-0000	4,500	505	\$5,005
07-23020.007-R-1	13-20-407-039-0000	4,500	505	\$5,005
07-23020.008-R-1	13-20-411-031-0000	4,824	456	\$5,280
07-23020.009-R-1	13-20-411-032-0000	5,400	456	\$5,856
07-23020.010-R-1	13-20-411-033-0000	4,500	20,366	\$24,866
07-23020.011-R-1	13-20-411-034-0000	6,749	20,366	\$27,115
07-23020.012-R-1	13-20-411-035-0000	6,749	20,366	\$27,115
07-23020.013-R-1	13-20-411-036-0000	4,500	20,366	\$24,866
07-23020.014-R-1	13-20-411-037-0000	4,500	20,366	\$24,866

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of fourteen parcels with a combined land area of 48,350 square feet. The property consists of two rectangular shaped corner parcels that are separated by Cornelia Avenue. The northerly site located at the northwest corner of North Central Avenue and Cornelia Avenue is improved with a four-bay masonry garage, paved parking for 45 cars and a four-foot

chain link fence. The southerly portion located on the southwest corner of North Central Avenue and Cornelia Avenue is improved with a part two-story and part one-story masonry constructed funeral home with 15,684 square feet of above grade building area. The building was constructed in 1939 with the last addition completed in 1964. The funeral home has a partial unfinished basement, central air conditioning, two hydraulic elevators, and an attached garage with three service bays. The first floor has a central lobby, four visitation chapels, a general business office, visitors lounge and a morgue. The second floor has a casket showroom, arrangement offices, a lunch room and storage. This level also has a small three room apartment used by the on-site watchman. This portion of the property also has asphalt paving for parking of 19 cars, a four foot chain link fence and two light poles. The property is classified as a class 2-12 property (mixed use commercial/residential building with apartment and commercial area) under the Cook County Real Property Assessment Classification Ordinance ("Ordinance") and is located in Chicago, Jefferson Township, Cook County.¹

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a narrative appraisal prepared by Arthur Murphy and Andrew Hartigan of Urban Real Estate Research, Inc. The appraisers estimated the subject property had a market value of \$1,100,000 as of January 1, 2006.

The appraisers stated within the report that the property rights appraised are the rights of fee simple ownership, free and clear of all encumbrances or indebtedness. (Appraisal page 10.) The appraisers inspected the subject property on September 7, 2006. The appraisers determined the subject's existing interim use of the property was the highest and best use as improved. The appraisers developed the three traditional approaches to value in estimating the market value of the subject property.

The initial step under the cost approach was to estimate the value of the subject's land using four land sales that ranged in size from 13,125 to 32,160 square feet of land area. The sales occurred from December 2003 to April 2004 for prices ranging from \$580,000 to \$1,330,000 or from \$41.36 to \$60.18 per square foot of land area. The appraisers were of the opinion the subject's assessment reflecting a land value of \$492,019 or \$10.18 per square foot of land area is a fair estimate of the land and

¹ The property in this appeal was the subject matter of an appeal before the Property Tax Appeal Board for the prior tax year under Docket No. 06-30382.001 through .014-R-1. In that appeal, the Property Tax Appeal Board reached a decision based upon equity and the weight of the evidence in the record as presented by the parties to the appeal finding the subject property had a market value of \$1,100,000 based on the appraisal submitted by the appellant. The Property Tax Appeal Board finds from its analysis of the record that the evidence in this appeal is substantially the same as that in the appeal for the prior tax year.

deemed it appropriate for the interim use of the subject property. (Appraisal page 69.)²

The appraisers estimated the replacement cost new of the building improvements to be \$1,842,799 using the *Marshall Valuation Computerized Cost Service*. The appraisers added 3% for indirect costs to arrive at a total of direct and indirect costs of \$1,898,083. The appraisers added 10% for entrepreneurial incentive to calculate a total replacement cost of \$2,087,891. Physical Depreciation of 72% or \$1,503,282 was estimated using an effective age of 36 years and a total economic life of 50 years and deducted to arrive at a depreciated building value of \$584,610. The appraisers then added the depreciated value of the site improvements of \$23,250 to arrive at an estimated value under the cost approach of \$1,100,000, rounded.³

Under the income approach the appraisers first estimated market rent using five comparable rentals that had rental space ranging in size from 750 to 6,500 square feet with rents ranging from \$4.43 to \$13.00 per square foot of building area on either a modified gross or net basis. The appraisers estimated the subject's economic rent to be \$9.25 per square foot net or \$145,077. Vacancy and collection loss of 10% or \$14,508 was deducted to arrive at an effective gross income of \$130,569. The appraisers next deducted expenses paid by the property owner estimated to be \$15,019 resulting in a net operating income of \$115,550. Using the band of investment method the appraisers estimated a capitalization rate of 10.5%. The appraisers indicated that they had reviewed published sources which had capitalization rates averaging 9.3%, 7.51% and 8.88%, respectively. The appraisers selected a capitalization rate of 10.5% and estimated the subject had a market value of \$1,100,000 under the income approach.

In estimating a market value using the sales comparison approach the appraisers selected four sales improved with a 1-story building, two 2-story buildings and a 3-story building that ranged in size from 6,800 to 30,000 square feet of building area. The buildings were constructed from 1910 to 1965 and were located in Chicago. The sales occurred from February 2003 to May 2004 for prices ranging from \$450,000 to \$2,000,000 or from \$49.38 to \$88.37 per square foot of building area, including land. Using these sales the appraisers estimated the subject had an indicated value of \$70.00 per square foot of building area, including land, or \$1,100,000, rounded.

In reconciling the three approaches to value the appraisers indicated the cost approach was given minimal weight. The

² The petition filed on behalf of the taxpayer and the "Board of Review Notes on Appeal" indicated the 14 parcels had a total land assessment of \$69,622, which reflects a land value of \$435,138 when applying the 16% level of assessment for class 2 property. The appraisers provided in the report no calculations with respect to the assessor's land value.

³ The appraisers seemed to have omitted the detached four-bay garage located on the northerly site in estimating the replacement cost new.

indicated value by the income approach was given secondary consideration. The sales comparison approach was given primary consideration in estimating the subject property had a market value of \$1,100,000 as of January 1, 2006.

The appellant submitted a copy of the board of review notice of final decision disclosing the subject property had a total assessment of \$201,930. Counsel requested the subject's assessment be reduced to \$111,320 when applying a level of assessments of 10.12% to the estimated market value of \$1,100,000, which was the 2006 three year average median level of assessments for class 2 property as determined by the Illinois Department of Revenue.

The board of review submitted individual "Board of Review Notes on Appeal" for parcel numbers (PINs) under appeal identified as PINs 13-20-411-033/034/035/036 & 037-0000 and a consolidated "Board of Review Notes on Appeal" for PINs 13-20-407-033/034/035/036/038/039-0000 and PINs 13-2-411-031 & 032-0000. For PINs 13-20-411-033/034/035/036 & 037-0000 the board of review provided an equity analysis with one of the comparables also being a sale. The comparable sale was improved with a two-story masonry building with 6,910 square feet of building area. The comparable was of masonry construction and was 83 years old. The property sold in July 2004 for a price of \$670,000 or \$96.96 per square foot of building area.

In rebuttal the appellant contends the board of review provided four equity comparables and one unadjusted sale. The appellant also amended its assessment request by asking the Property Tax Appeal Board to apply a 2007 three year average median level of assessments for class 2 property of 10.04% as determined by the Illinois Department of Revenue to the estimated value of \$1,100,000 so as to reduce the total assessment to \$110,440.

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 the appeal. The Board further finds the evidence in the record supports a reduction in the subject's assessment.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the most credible evidence of market value in this record was the appraisal of the subject property submitted by the appellant. The appraisers developed the three traditional

approaches to value using recognized appraisal techniques to estimate the subject property had a market value of \$1,100,000 as of January 1, 2006. The Board further finds the equity analysis provided by the board of review did not address the appellant's market value argument. The Board also finds the one sale contained in the board of review submission was not as credible in establishing the market value for the subject property as was the narrative appraisal submitted by the appellant.

The Board also takes notice that the subject property was the subject matter of an appeal the prior tax year under Docket No. 06-30382.001 through .014-R-1 in which the Board found the subject property had a market value of \$1,100,000 based on the same appraisal as in this appeal. The Board also takes notice that tax years 2006 and 2007 are within the same general assessment period for Jefferson Township. (86 Ill.Admin.Code 1910.90(i)). Based on this record the Board finds the subject property had a market value of \$1,100,000 as of January 1, 2007 and a reduction in the assessment is justified equivalent to that as established in the prior tax year's appeal.⁴

⁴ Due to the fact the subject property is primarily a commercial building with minimal residential area; the Board finds the use of the Ordinance level of assessment is appropriate under the facts of this appeal.

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.



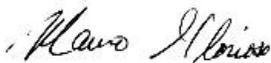
Chairman



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: November 30, 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.