



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

APPELLANT: Central Street, LLC
DOCKET NO.: 07-24023.001-C-1 through 07-24023.002-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Central Street, LLC, 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
07-24023.001-C-1	10-11-100-001-0000	54,097	64,240	\$118,337
07-24023.002-C-1	10-11-100-002-0000	47,893	50,901	\$98,794

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property contains 15,352 square feet of land improved with a two-year old, one-story, masonry, commercial retail building with three tenants, therein. The appellant argued that the subject's building area was incorrect and 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 John B. Murphy and Mitchell Perlow of Property Valuation Services. The appraisal report states that Murphy is licensed as a State of Illinois certified residential real estate appraiser, while Perlow holds the designations of certified residential real estate appraiser and member of the appraisal institute (MAI). The appraisers stated that the subject had an estimated market value of \$505,000 as of January 1, 2007. The appraisers indicated that the purpose of the appraisal was to provide an opinion of market value in order to establish an equitable ad valorem tax assessment and no other purpose. As to the history of the subject property, the appraisers succinctly stated that the subject was purchased on

September 16, 2005 for a value of \$2,388,000, but that this sale did not meet the criteria set forth in the definition of market value. The appraisers opined a rationale that the buyer did not have any real estate advice from professionals in the real estate field and that the property had not been listed on the open market, as support for their opinion that the subject's purchase was not relevant.

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 appraiser did not use either the cost or income capitalization approaches to value, while also stating that primary weight was accorded the sales comparison approach to value because property of this type is primarily owner-operated and is not investment oriented. In addition, the appraisal report states that the subject property was inspected on June 24, 2008 without further detail.

As to the subject's highest and best use, as vacant, the appraisers opined that commercial development was best, while the subject's highest and best use, as improved, was its present use but with repair of any deferred maintenance.

Moreover, the appraisal reflected that the subject was improved with a one-story, masonry, retail strip mall with three tenants. The improvement was built in 2005 and contained 3,050 square feet of gross building area with a land-to-building ratio of 5.03:1. The retail space was divided into a coffee shop, ATM space with two machines therein, and office space, the latter of which was vacant. Further, the coffee shop has one drive-thru lane. The improvement was identified as in average condition and functional utility.

Under the sales comparison approach, the appraisers analyzed the sales of five suggested comparables, located in Skokie, Niles or Chicago, while the subject property is sited in Evanston. They are each improved with an one-story, masonry, retail strip center. They range: in age from 26 to 48 years; in improvement size from 3,750 to 12,800 square feet of living area; and in land-to-building ratio from 1.60:1 to 4.36:1. These suggested comparables sold from February, 2004, to December, 2007, for prices that ranged from \$111.33 to \$167.00 per square foot of building area, including land. The appraisers indicated that no adjustments were made for physical characteristics or property rights, even though the appraisal stated that some of the properties were leased fee. 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 \$165.00 per square foot based upon 3,050 square feet or \$505,000, rounded, as of January 1, 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 \$217,131 was disclosed. The subject's final assessment yields a fair market value of \$571,396 or \$164.57 per square foot based upon 3,472 square feet 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 August, 2005, for a price of \$2,388,000 or \$687.79 per square foot based upon 3,472 square feet of building area. In support of this sale, the board of review submitted a copy of the subject Warranty Deed as well as a copy of documentation from the Cook County Recorder of Deeds Office affirming the aforementioned sale data.

In support of the subject's market value, the board of review presented descriptive and sales data on six properties suggested as comparable to the subject. These properties are described as one-story, retail or retail/storefront centers located in Wilmette, Skokie, Evanston, or Skokie. They range in age from 18 to 64 years and in improvement size from 4,200 to 5,418 square feet of building area. The properties sold from January, 2003, to November, 2005, for prices ranging from \$161.03 to \$258.40 per square foot of building area. All of the properties were identified as leased fee purchases, while each was identified as a retail investment purchase.

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.

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 standard appraisal practice indicates that the cost approach is most applicable in estimating a market value for a newly built property, as is the subject. However, the appellant's appraisers failed to develop this approach on the subject which has an actual age of two years. Moreover, the Board finds pursuant to industry standards that retail strip centers which are fully or partially leased are generally purchased for investment purposes, in contrast, to the appellant's appraisers' opinion regarding such properties. Therefore, the Board finds that the appraisers should have developed an income approach because a majority of the subject's building area is leased with only a vacant office area. Thereby, the Board finds that both the cost and income approaches should have been developed to lend credence to the appraisers' opinion of value for this subject property.

Furthermore, the Board finds that the appraisal stated that the subject was purchased in September, 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. As to the appraisers' sales comparison approach to value, the Board finds that the sale properties used were less than appropriate while the noted adjustments or lack thereof, unconvincing. 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 most weight.

The Board finds that both parties submitted sales data on a total of 11 sales of one-story, masonry, retail strip centers located in suburbs neighboring the subject property. They ranged in age from 18 to 64 years and in improvement size from 3,750 to 12,800 square feet of building area. They sold from January, 2003, to December, 2007, for prices that ranged from \$111.33 to \$258.40 per square foot. In comparison, the subject's total assessment reflects a market value of \$164.57 per square foot based upon 3,472 square feet of building area. 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.



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: April 19, 2013



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.