



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

APPELLANT: Sottrel Hotel d/b/a Country Inn & Suites
DOCKET NO.: 07-25547.001-C-1
PARCEL NO.: 07-10-400-051-0000

The parties of record before the Property Tax Appeal Board are Sottrel Hotel d/b/a Country Inn & Suites, the appellant, by attorney Melissa K. Whitley, of Marino & Assoc., PC in Chicago; and the Cook County Board of Review, by Assistant State's Attorney, John Coyne.

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: \$ 178,745
IMPR: \$1,141,875
TOTAL: \$1,320,620

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of an 85,524 square foot parcel of land improved with a nine-year old, three-story, masonry constructed hotel. The appellant, via counsel, argued that the fair market value of the subject was not accurately reflected in its assessed value.

In support of the market value argument, the appellant submitted an appraisal by Madison Appraisal, LLC. The appraisal was signed by Joseph Thouvenell, MAI and Christopher Crowley, State of Illinois certified general appraiser. In addition, Kathleen Connors signed the appraisal; however, the appraisal does not list any of Connor's qualifications, certifications or licenses. The appraisal simply indicates Connors is a "Staff Appraiser."

In the "Property History" section of the appraisal, the appraisers indicate that the subject sold in May, 2007 for \$6,900,000 and that the sale price included personal property, franchise fees, and goodwill. The appraisers also state that it

has been reported that the sale was part of a 1031 exchange and therefore not considered an arm's-length transaction.

The appraisers indicated the subject has an estimated market value of \$3,400,000 as of January 1, 2007. The appraisal report utilized the three traditional approaches to value to estimate the market value for the subject property. The appraisal finds the subject's highest and best use is its present use. The appraisal indicates Connors inspected the subject property.

Under the cost approach to value, the appraisers utilized market sales to determine a land value for the subject of \$8.00 per square foot, or \$685,000, rounded. The replacement cost new method was utilized to determine depreciated cost of the improvements of \$2,978,250. The land value was added back in to establish a value under the cost approach of \$3,480,000, rounded.

Under the income approach to value, the appraiser estimated a stabilized operating statement based on historical and market information as reported in the 2006 edition of The Host Report. The appraisers estimated a stabilized net income of \$569,000. A loaded capitalization rate of 16.6% was utilized to estimate a value under the income approach of \$3,245,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five hotels in the subject's market. The properties range in number of rooms from 68 to 450 and had an average daily room rate range from \$71.00 to \$95.00. The properties sold from May 2004 through January 2008 for prices that ranged from \$15,000 to \$55,556 per room. Based on these sales the appraisers estimated the subject's price per room to be \$48,825 less \$2,500 per room for personal property resulting in an indicated value per room for real estate of \$46,325. This amount was multiplied by 73, the total number of rooms, for a total value indicated under the sales comparison approach of \$3,380,000.

In reconciling the three approaches to value, the appraisers gave the most weight to the sales comparison approach in arriving at a final estimate of value for the subject as of January 1, 2007 of \$3,400,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$1,320,620 was disclosed. The subject's final assessment reflects a fair market value of \$3,475,316 when applying the ordinance level of 38% for Class 5a property as designated by the Cook County Property Assessment Classification ordinance. In support of the subject's assessment, the board of review presented five suggested comparable sales of hotels located within 2.5 miles from the subject property. The properties range in size from 126 rooms to 470 rooms. They range in sale price from \$9,378,750 to \$49,050,000, or from \$71,682 to \$104,362 per room.

The board of review also submitted information regarding the sale of the subject property. The board's evidence includes a warranty

deed and a PTAX-203 form that indicate the subject sold in May, 2007 for \$6,900,000. This sale price equates to \$94,520 per room. The PTAX-203 form lists \$0 as the amount of personal property included in the purchase. The PTAX-203 form also list \$0 as the amount for other real property transferred to the seller in a simultaneous exchange.

At hearing, the appellant's attorney argued that the appraisal is the best evidence of the subject's market value. The appellant provided no witnesses. The appellant's attorney discussed the differences between the board of review's sale comparables and the subject property. The appellant's attorney stated that board of review comparable: #1 was an off market transaction; #2 is a full service hotel with 470 rooms located next to Woodfield mall; #3 has 132 rooms and was part of a portfolio purchase; #4's purchase had 100% financing; and, #5 is a 143 room full service hotel that had \$2,000,000 in seller financing.

The board of review's representative, Assistant State's Attorney John Coyne, argued that the best indicator of the subject's market value is its May 2007 purchase price of \$6,900,000 as indicated in the deed and PTAX-203 form. Mr. Coyne argued that the appraisal did not sufficiently address the subject's recent purchase price. Mr. Coyne indicated that on page six of the appraisal, the appraisers state that the subject's sale price included personal property, franchise fees, and goodwill. The appraisers also state that it has been reported that the sale was part of a 1031 exchange and therefore not considered an arm's-length transaction. Mr. Coyne indicated that the statement regarding the inclusion of personal property in the sale price is contradicted in the PTAX-203 form which indicates no personal property was included in the sale price. In addition, the appraisers' statement that the sale of the subject was part of a 1031 exchange is also contradicted in the PTAX-203 form which indicates that there was no other real property transferred to the seller as part of the sale of the subject property. In further argument, Mr. Coyne stated that as the appraisers were not present to testify regarding the subject's recent sale or any other information contained in the appraisal, it should be given no weight.

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 Board further finds no reduction in the subject's assessment is warranted.

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331Ill.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.Admin.Code 1910.65(c). "[A] contemporaneous sale between parties dealing at arm's length is not only relevant to the question of fair cash market value, but would be practically conclusive on the issue of whether an assessment was at full value." People ex rel. Korzen v. Belt Ry. Co. of Chicago., 37 Ill. 2d 158, 161 (1967). Having considered the evidence presented, the Board finds that a reduction is not warranted

In determining the fair market value of the subject property, the PTAB finds the appellant failed to meet the burden of proving the value of the property by a preponderance of the evidence. The board finds the credibility of the report is called into question as no appraiser was present to answer questions regarding the circumstances of the subject's recent sale, including the arms-length nature of the sale, whether the sale was part of a 1031 exchange, and whether the sale price included personal property, franchise fees, and goodwill. For these reasons, the PTAB gave no weight to the appellant's appraisal. For the same reasons, the PTAB is unable to issue an increase in the subject's assessment based on its recent sale price. In addition, the PTAB gives little weight to the board of review's comparables as the information provided was unadjusted raw sales data.

Therefore, the PTAB finds that the evidence and testimony has demonstrated that a reduction or increase in the subject's assessment 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.

Donald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mark Morris

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: June 21, 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.