



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

APPELLANT: Theodore Nazarowski
DOCKET NO.: 07-25969.001-R-1
PARCEL NO.: 13-20-203-007-0000

The parties of record before the Property Tax Appeal Board are Theodore Nazarowski, the appellant(s), by attorney Michael Elliott, of Elliott & Associates, P.C. in Des Plaines; 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: \$ 5,780
IMPR.: \$21,824
TOTAL: \$27,604

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 3,075 square feet of land that is improved with an 80 year old, one-story, masonry, mixed-use building with 1,408 square feet of building area. The subject contains four baths, and a partial unfinished basement. The commercial part of the building is being used as a taxidermy shop, and there is one residential apartment unit within the subject. The appellant, via counsel, argued that the subject's market value was not accurately reflected in its assessment.

In support of the market value argument, the appellant submitted an appraisal undertaken by Ronda Sandic, Gary M. Skish, and Gary T. Peterson of First Real Estate Services, Ltd. in Chicago, Illinois. The report states that Ms. Sandic, Mr. Skish and Mr. Peterson are all licensed State of Illinois Certified General Real Estate Appraisers. The appraisers stated that the subject had an estimated market value of \$130,000 as of January 1, 2006. The appraisal report utilized the income approach to value to estimate the market value for the subject property. The appraisal states that John O'Donnell, an inspector employed by First Real Estate Services, Ltd., personally inspected the subject, and that the subject's highest and best use as improved is its current use.

Under the income approach to value, the appraiser analyzed the rents of four suggested comparable nearby commercial buildings and four nearby suggested comparable apartment buildings to estimate a potential gross income of \$21,000, or \$14.91 per square foot of building area. Miscellaneous income was estimated to be \$125 annually. Expenses were estimated to be \$5,552, and building reserves, furniture, fixtures, and equipment were estimated to be \$863. Vacancy and collection losses were estimated to be 8% for the residential space and 10% for the commercial space, for a net operating income of \$12,730. A loaded capitalization rate of 9.61% was utilized to estimate a value under the income approach of \$130,000, rounded.

The cost approach to value and the sales comparison approach to value were not developed for the appraisal. The appraisal report does not indicate why these two approaches were not developed. Thus, the appraiser concluded that the subject's appraised value was \$140,000 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 \$27,604 was disclosed. This assessment yields a market value of \$274,940 when the 2007 Illinois Department of Revenue three-year median level of assessment for class 2 property of 10.04% is applied. In support of the subject's assessment, the board of review submitted descriptive and assessment information on four suggested comparables described as one-story, masonry, mixed-use buildings ranging in age from 48 to 81 years old, and in size from 1,058 to 1,798 square feet of living area. The comparables contain from one to four baths. All of the properties have a partial unfinished basement, two have air conditioning, and one has a one-car garage. The suggested comparables have improvement assessments ranging from \$15.48 to \$23.85 per square foot of living area. The board of review also submitted a list of sales of properties located within the subject's neighborhood. This list included the PIN, deed number, the date of the sale, and the sale price for twenty properties. No further information was provided regarding these properties. Based on this evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant re-affirmed the evidence previously submitted, and argued that the board of review did not address the appellant's market value argument.

After reviewing the record, hearing the testimony, 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 a reduction is not warranted.

The Board gives little weight to the appellant's appraisal. This appraisal did not include any market sales or justify why sales were not included within the analysis. The court has held that "[w]here the correctness of the assessment turns on market value and there is evidence of a market for the subject property, a taxpayer's submission that excludes the sales comparison approach in assessing market value is insufficient as a matter of law." Cook Cnty. Bd. of Review v. Ill. Prop. Tax Appeal Bd., 384 Ill. App. 3d 472 at 484 (1st Dist. 2008). The Illinois Appellate Court recently revisited this issue in Bd. of Educ. of Ridgeland Sch. Dist. No. 122, Cook Cnty. v. Prop. Tax Appeal Bd., 2012 IL App. (1st) 110,461 (the "Sears" case). In Sears, the court stated that, while the use of only one valuation method in an appraisal is not inadequate as a matter of law, the evidence must support such a practice and the appraiser must explain why the excluded valuation methods were not used in the appraisal for the Board to use such an appraisal. Id. at ¶ 29. In this case, the appraisers provided no plausible reasons for excluding these valuation methods, and the evidence does not show that their exclusion is standard practice when appraising property that is similar to the subject. Therefore, the Board finds that reliance on the appellant's appraisal would be deficient as a matter of law, and, thus, no reduction is warranted based on the appellant's market value argument.

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

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: October 19, 2012

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.