



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

APPELLANT: Family Dollar Store, Inc. (Store #5945)  
DOCKET NO.: 07-30384.001-C-1  
PARCEL NO.: 29-19-202-053-0000

The parties of record before the Property Tax Appeal Board are Family Dollar Store, Inc. (Store #5945), the appellant, by attorney Robert M. Sarnoff, of Sarnoff & Baccash 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:** \$ 14,399  
**IMPR.:** \$ 54,670  
**TOTAL:** \$ 69,069

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a one-story, 9,593 square foot, free-standing, retail building constructed in 2004. It is currently utilized as a Family Dollar Store and is located on a 71,997 square foot site. 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 undertaken by Joseph T. Thouvenell, Robert M. Kruse, and Kathleen Connors of Madison Appraisal, LLC. The report indicates Thouvenell is a State of Illinois certified general appraiser who holds an MAI (Member of the Appraisal Institute) designation, while Kruse and Connors are only identified as staff appraisers with no licensing credentials. The appraisers indicated the subject has an estimated market value of \$335,000 as of January 1, 2008. Counsel submitted this appraisal as evidence of the subject's valuation as of January 1, 2007. Mr. Kruse indicated that he personally inspected the subject property. The appraisal report utilized the three traditional

approaches to value to estimate the market value for the subject property. The property rights considered in the appraisal were those of a fee simple estate, unencumbered by any other interest. The appraisal finds the subject's highest and best use is its existing use.

Under the cost approach to value, the appraisers analyzed five land sales then estimated the value for the subject land at \$160,000, rounded. The replacement cost new method was utilized to determine a cost for the improvement of \$725,000. The appraisers depreciated the improvement by 75%, or a value of \$543,750. The appraisal noted that properties 9 to 36 years of age experience depreciation at a rate of 2.6% to 6.5% per year, and noted the subject's actual age is four years. The appraisers then concluded the estimated amount of depreciation attributable to the subject is 75%. The land value was added back in to establish a value under the cost approach of \$340,000, rounded. No evidence of actual construction costs was provided.

In the income approach to value, the appraisers analyzed the rental rates of five properties suggested as comparable to the subject. These comparable properties formed a range of rental rates from \$3.70 to \$10.75 per square foot on a net lease basis. The appraisers then estimated a rental rate of \$4.00 per square foot net for the subject, yielding a potential gross income of \$38,372. Vacancy, collection losses and management fees were deducted to arrive at a net operating income of \$34,535. The market extraction technique was utilized to establish a capitalization rate of 10.5%. This technique analyzed the sale of properties that were used in the sales comparison approach. The appraisers then arrived at an estimate of value under the income approach of \$330,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of five one or two-story, commercial buildings located in Burbank, Broadview, Brookfield, Melrose Park, or Chicago. The properties contain between 10,111 and 22,792 square feet of building area and range in age from 9 to 36 years. The comparables sold from September 2006 to November 2007 for prices ranging from \$395,000 to \$1,220,000, or from \$31.56 to \$65.02 per square foot of building area, including land. The appraisers then adjusted each of the comparables for pertinent factors. In reconciling for location, the appraisal analysis stated that the subject's site value was determined to be \$4.00 per square foot, however, the cost approach indicates the land was valued at \$2.25 per square foot. 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 of \$35.00 per square foot of building area, including land, or \$335,000, rounded.

In reconciling the three approaches to value, the appraisal noted that the cost approach works best on newer improvements representing proper utilization of the land. However, the appraisers gave most consideration to the sales comparison to

arrive at a final estimate of value for the subject as of January 1, 2008 of \$335,000.

The board of review submitted its "Board of Review-Notes on Appeal" wherein the subject's final assessment of \$69,069 was disclosed. The subject's final assessment reflects a fair market value of \$431,681 or \$45.00 per square foot of building area when the Cook County Real Property Assessment Classification Ordinance level of assessments of 16% for Class 8 properties is applied. The board also submitted raw sales information on five commercial properties suggested as comparable, all located within a five-mile radius of the subject. The properties sold from December 2002 to November 2009 for prices ranging from \$475,000 to \$1,049,097 or from \$49.00 to \$116.39 per square foot of building area, including land. In addition, the board of review submitted a map showing the location of the sales comparables in relation to the subject property, as well as the county's property record card for the subject. Based on this evidence, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Board finds it has jurisdiction over the parties and the subject matter of the 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 finds that although the subject was only four years old as of the date of the appraisal, and three years old as of the January 1, 2007 valuation date, the appraisers estimated the amount of depreciation attributable to the subject to be 75%. The Board finds this value high given that the appraisers stated "properties of 9 to 36 years of age are experiencing depreciation at a rate of 2.6% to 6.5% per year..." Even applying the high end of this spectrum, depreciation for the subject would be 26% at most. The Board also finds that the person that conducted the inspection of the subject, Robert M. Kruse, is not licensed in the State of Illinois as evidenced by the transmittal page and certification page of the appraisal, detracting from this appraisal's credibility. Moreover, there was no appraiser testimony to bolster the position indicated by the appraisal. Therefore, the Board gives no weight to the conclusion of value

estimated in the appraisal, but will review the comparables sales submitted by the parties.

The Board finds that sale #2 was given diminished weight due to its size, as it has more than twice the square footage as the subject. Sales #3, #4, and #5 were given diminished weight due to their distance from the subject. The Board further finds that sale #1 is the most similar to the subject, due to its location, size and age. This sale sold in 2007 for \$65.02 per square foot.

The board of review provided information on five sales. The Board finds sales #1, #2 and #5 were given no weight due to their dates of sale. Sales #3 and #4 were similar to the subject in location and size, as they contain 9,014 and 10,000 square feet of building area and are located in Oak Forest and Chicago Heights. Additionally, sale #4 was used as a Dollar General, a use similar to that of the subject. These comparables sold in 2004 and 2006 for prices ranging from \$49.00 to \$116.39 per square foot of building area, including land.

In summary, the Board finds the best sales in the record had unit prices ranging from \$49.00 to \$116.39 per square foot of building area, including land. The subject's assessment reflects a market value of \$45.00 per square foot of building area which is below the value indicated by these sales.

Based on this analysis, the Board finds that a change 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

*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: February 22, 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.