FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Anthony Karakas
DOCKET NO.: 08-06712.001-C-2
PARCEL NO.: 22-22.0-200-015

The parties of record before the Property Tax Appeal Board are Anthony Karakas, the appellant, by attorney Robert T. Lawley, of Delano Law Office in Springfield, and the Sangamon 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 **Sangamon** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$44,900
IMPR.:	$194,860
TOTAL:	$239,760

Subject only to the State multiplier as applicable.

ANALYSIS

The subject 7.9-acre parcel is improved with a one-story commercial building of frame construction that was built in approximately 1930. The building has 172,000 square feet, of which 1,000 square feet is office area. The building is operated as a self-storage facility and is located in Springfield, Capital Township, Sangamon County.

This property was the subject matter of two previous appeals before the Property Tax Appeal Board. Under Docket Number 06-01944.001-C-1, the Board rendered a decision reducing the subject's assessment to $239,760. Next, under Docket Number 07-06547.001-C-1, the Board rendered a decision reducing the subject's assessment to $239,760.

The appellant's appeal herein for 2008 is based on overvaluation of the subject property as shown in Section 2d of the Commercial Appeal form. In support of this market value argument, the appellant submitted information on three sales comparables and recent sale information regarding the subject. In the brief,

counsel also argued that the subject property was inequitably assessed as compared to two nearby similar properties.

As to the sale of the subject, the appellant reports that the property was purchased on April 4, 2005 for $720,000. The appellant indicated the subject property was sold through a Realtor, the property was advertised on the open market for six months or more using the local paper and the Multiple Listing Service. The appellant further reports that the parties to the transaction were not related.

In counsel's brief, it was argued that the purchase contract allocated a value of $720,000 for the building and $605,000 for equipment and goodwill, i.e. value of ongoing storage business. In further support of this argument, the appellant submitted a Real Estate Transfer Declaration which shows that the appellant purchased the subject property for $1,320,000 in March 2005. The document also indicates the sale price included $600,000 of personal property, resulting in a net sale price of $720,000. Also attached was a Real Estate Sale Contract which disclosed the purchase price of $1,325,000 which on page 2 depicts an allocation of $5,000 for equipment and $600,000 for goodwill.

As to comparable sales, counsel for appellant provided three limited data sheets for sales of industrial warehouse-type buildings located in Madison, Cook and Marion Counties. The parcels range in size from 72,000 square feet to 13.5-acres and are improved with one-story or three-story industrial buildings that range in size from 88,270 to 150,000 square feet of building area. Two of the properties include rail lines and one comparable also has three monorail cranes. The properties sold between July 2005 and September 2007 for prices ranging from $375,000 to $400,000 or from $2.50 to $4.43 per square foot of building area including land.

Based on this evidence, the appellant requested a reduction in the subject's assessment to $239,760 in accordance with both the 2006 and 2007 decisions of the Property Tax Appeal Board. This reduction would reflect a market value of approximately $719,280 or $4.18 per square foot of building area including land.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final equalized assessment of $409,795 was disclosed. The subject's assessment reflects an estimated market value of $1,243,310 or $7.23 per square foot of building area including land using the 2008 three-year median level of assessments for Sangamon County of 32.96%.

After reviewing the appellant's evidence, the board of review agreed to reduce the subject's assessment by the amount of increase caused by the application of the 2008 equalization factor or to $401,406. This assessment reduction would reflect an estimated market value of approximately $1,204,218 or $7.00 per square foot of building area including land. The board of

review provided no other evidence to support its estimated market value of the subject property.

The appellant through counsel was notified of this suggested agreement and given thirty (30) days to respond if the offer was not acceptable. The appellant responded to the Property Tax Appeal Board by the established deadline rejecting the board of review's proposed assessment.

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 a reduction in the subject's assessment is warranted.

The appellant contends the assessment of the subject property is excessive and not reflective of its market value. 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). The Board finds the evidence in the record does support a reduction in the subject's assessment.

The appellant contends the subject's assessment should be reduced based on the sale of the subject and comparable sales contained in the record. The evidence disclosed that the subject real property sold in March or April 2005 for a price of $720,000 or $4.19 per square foot of building area, including land. The information provided by the appellant indicated the sale had the elements of an arm's length transaction. The board of review's responsive evidence did not contest the arm's-length nature of the sale of the subject property and did not provide any other market value evidence in support of the subject's estimated market value.

From the appellant, the record also contains three comparable sales presented by the appellant of properties purportedly similar to the subject, but which were lacking in many details to engage in a meaningful analysis. These properties sold from July 2005 to September 2007 for prices ranging from $375,000 to $400,000 or from $2.50 to $4.43 per square foot of building area including land.

Ordinarily, property is valued based on its fair cash value (also referred to as fair market value), "meaning the amount the property would bring at a voluntary sale where the owner is ready, willing, and able to sell; the buyer is ready, willing, and able to buy; and neither is under a compulsion to do so." Illini Country Club, 263 Ill. App. 3d at 418, 635 N.E.2d at 1353; see also 35 ILCS 200/9-145(a). The Illinois Supreme Court has held that a contemporaneous sale of the subject property between parties dealing at arm's length is relevant to the question of fair market value. People ex rel. Korzen v. Belt Ry. Co. of Chicago, 37 Ill. 2d 158, 161, 226 N.E.2d 265, 267 (1967). A contemporaneous sale of property between parties dealing at arm's-length is a relevant factor in determining the correctness

of an assessment and may be practically conclusive on the issue of whether an assessment is reflective of market value. Rosewell v. 2626 Lakeview Limited Partnership, 120 Ill. App. 3d 369 (1st Dist. 1983), People ex rel. Korzen v. Belt Railway Co. of Chicago, 37 Ill. 2d 158 (1967); and People ex rel. Rhodes v. Turk, 391 Ill. 424 (1945).

The Board finds the best evidence of the subject's fair market value in the record is the March/April 2005 sale price for $720,000. The Property Tax Appeal Board finds the sale was not a transfer between family or related parties; the property was advertised for sale in both the newspaper and Multiple Listing Service and involved a Realtor. Furthermore, the Board finds there is no evidence in the record that the sale price was not reflective of the subject's market value. Moreover, the Property Tax Appeal Board twice reduced the subject's 2006 and 2007 assessments based in part on this sale price.

Based on the foregoing analysis, the Property Tax Appeal Board finds the best evidence of the subject's market value was its March/April 2005 purchase price of $720,000. The subject's assessment reflects an estimated market value of $1,243,310, which is in excess of the subject's almost three-year-old purchase price. Moreover, this greater estimated market value is not otherwise supported by any market value evidence in the record. Based on this record, an assessment reduction in accordance with the appellant's request is 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: May 20, 2011

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.