



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

APPELLANT: Brian Great
DOCKET NO.: 08-26211.001-C-1
PARCEL NO.: 12-15-305-003-0000

The parties of record before the Property Tax Appeal Board are Brian Great, 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 a reduction 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: \$68,451
IMPR.: \$19,763
TOTAL: \$88,214

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is a one and part two-story, owner-occupied mixed-use building built in 1889 with an addition constructed in 1985. It contains approximately 7,254 gross square feet with a restaurant on the first floor and a four room, one bedroom apartment on the second floor. There is also a 2,980 square foot metal storage shed on the property. These improvements are situated on a 37,625 square foot lot. The appellant, via counsel, argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

The appellant also requested that the subject's assessment ratio be reduced from 38% of fair market value using the Cook County Ordinance Level of Assessment for Class 5A properties to 9.6% using the Illinois Department of Revenue's 2008 three year median level of assessment for Class 2 properties. Based on the appraisal, the appellant contends this class change is justified and the appropriate level of assessment should be applied to the appraisal's market value.

In support of the market value argument, the appellant submitted an appraisal co-authored by William L. Shulman, a State of Illinois Associate Real Estate Appraiser, and Mitchell J. Perlow, who holds an MAI designation. Shulman personally inspected the interior and exterior of the subject property and indicated the subject has an estimated market value of \$835,000 as of January 1, 2007. The appraisal report utilized the three traditional approaches to value to estimate the market value for the subject property and finds the subject's highest and best use is its present use.

Under the cost approach to value, the appraiser analyzed five land sales to estimate the value of the land at \$15.00 per square foot or \$565,000, rounded. The replacement cost new method was utilized to determine a cost for the improvement of \$870,480. The appraiser subtracted depreciation and obsolescence to arrive at a depreciated value for the improvement of \$261,144. The land and site improvements were added back in to establish a value under the cost approach of \$840,000, rounded.

Under the income approach, the appraisers reviewed five rental comparables from the market, all of which were listing rentals. These restaurant/retail commercial properties ranged in rental rates from \$12.00 to \$15.00 per square foot on a net lease basis, while the properties ranged in leasable area from 1,600 to 7,254 square feet. Based upon this data, the appraisers estimated the subject's potential gross income at \$14.00 per square foot or \$101,556. Deducting a vacancy and collection loss of 10% resulted in an effective gross income of \$91,400. Total expenses and replacements for reserves were estimated at \$16,674 resulting in a net operating income of \$74,726. There was no discussion of the value of the apartment or the storage shed.

Using the band of investment methodology as well as market data from various sources including Korpacz Real Estate Investor Survey, Fourth Quarter, 2006, for strip center properties, the appraisers noted a range of capitalization rates from 5.80% to 9.00%. They concluded an overall capitalization rate for the subject based upon its size, condition and location of 9.00%. Applying this rate to the estimate of net operating income resulted in a final value under the income approach of \$830,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five one-story, free-standing or commercial restaurant, masonry buildings located within the subject's market. The properties contained between 3,000 and 6,522 square feet of building area. The comparables sold from July 2004 to October 2006 for prices ranging from \$405,000 to \$1,000,000, or from \$70.35 to \$125.08 per square foot of building area, including land. The appraiser adjusted each of the comparables for pertinent factors. Adjusting for the similarities and differences of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales

comparison approach of \$115.00 per square foot of building area, including land or \$835,000, rounded. This analysis did not include the value of the storage shed.

In reconciling the three approaches to value, the appraisers gave most weight to the sales comparison approach with the cost and income approaches used as support to arrive at a final estimate of value for the subject as of January 1, 2007 of \$835,000.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$174,095. This assessment reflects a market value of \$1,813,490 using the Illinois Department of Revenue's 2008 three year median level of assessment of 9.60% for Cook County Class 2 property. In support of the subject's assessment, the board of review presented a property characteristic printout and property record card for the subject property. No other information or evidence was provided by the board of review. Based on this data submitted, the board requested confirmation of the subject's 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.

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, 331 Ill.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). Having considered the evidence presented, the Board concludes that the evidence indicates a reduction is warranted.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appellant's appraisal. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The Board finds this appraisal to be persuasive for the appraisers: have experience in appraising; personally inspected the subject property and reviewed the property's history; estimated a highest and best use for the subject property; utilized appropriate market data in undertaking the approaches to value; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary. This appraisal, however, failed to take into account the value of the storage shed. The board of review's documentation, however, indicated that the storage shed with its site improvements had a market value or reproduction cost of \$83,891. Therefore, the

Board will make adjustments to the subject's market value to reflect inclusion of the shed.

The Board gives no additional weight to the board of review's evidence as no detailed analysis was provided.

Therefore, the Board finds that the subject property is a Class 2 mixed-use building with a market value of \$918,891 for the 2008 assessment year. Since the market value of the subject has been established, the Illinois Department of Revenue's 2008 three year median level of assessment of 9.60% for Cook County Class 2 property will apply. In applying this level of assessment to the subject, the total assessed value is \$88,214 while the subject's current total assessed value is above this amount. Therefore, the Board finds that a reduction 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.

Ronald 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: August 28, 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.