



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

APPELLANT: Gold's Gym of Springfield, Inc.
DOCKET NO.: 09-05335.001-C-3
PARCEL NO.: 14-26.0-361-014

The parties of record before the Property Tax Appeal Board are Gold's Gym of Springfield, Inc., the appellant, by attorney Jackson E. Donley of Springfield, Illinois, 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: \$20,694
IMPR: \$779,811
TOTAL: \$800,505

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a two-story, steel-framed and tilt-up concrete wall constructed building with 51,762 square feet of building area. The building was constructed in 2004 and is used has a health club. The property also has a parking capacity for 80 vehicles. The subject property has a 1.38 acre site resulting in a land to building ratio of 1.16:1. The property is located in Springfield, Capital Township, Sangamon County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a report from Property Tax Services, Inc. containing information on 8 "like kind" comparable sales, which was marked as Taxpayer's Exhibit #1.

At the hearing the appellant called as its witness Michael Lipowsky. Lipowsky had been the deputy supervisor of assessments for Vermilion County from 1985 to 1987. He was also the deputy assessor for Danville Township from 1987 to 1988. From 1987 to 2005 Lipowsky was a private hire real estate appraiser and consultant based out of Decatur. Lipowsky is currently an Illinois licensed appraiser, however, at the time of preparing

the document associated with the instant appeal he was not a licensed appraiser. Lipowsky testified he had let his real estate appraisal license lapse for approximately three years, explaining his license expired in 2006 and was renewed in 2009. The witness further testified that prior to 2010 the Real Estate Appraiser License Act of 2002 (225 ILCS 458) did not require one to be a licensed appraiser to prepare an appraisal except for a federal related transaction. Lipowsky currently has the State of Illinois Certified General Real Estate Appraiser license and also has renewed his senior designation with the National Association of Independent Fee Appraisers.

The board of review objected to Lipowsky giving opinion testimony. The Board overrules the objection finding Lipowsky has demonstrated he has sufficient training, education and experience in the assessment and valuation of real property to give opinion testimony.

Lipowsky testified he inspected the interior and exterior of the subject property on October 2, 2009. The witness described the subject building as being an open building without many interior walls. He further testified the second floor is basically open and included within the report an interior photograph disclosing the second floor as being a basketball court. The report at pages 11 and 12 also contained schematic diagrams of the subject building with dimensions and the calculated size for each floor.

In arriving at an estimate of value for the property the witness identified eight comparable sales located in Chatham and Springfield. Lipowsky testified these comparables had a commercial type use. The comparables were improved with buildings that ranged in size from 10,776 to 147,896 square feet of building area and ranged in age from 7 to 22 years old. The witness described the buildings as being of class C construction with ceiling heights ranging from 12 to 26 feet. The comparables have land to building ratios ranging from 2.01:1 to 5.41:1. The sales occurred from December 2004 to July 2009 for prices ranging from \$500,000 to \$6,000,000 or from \$17.03 to \$46.40 per square foot of building area, including land. The witness explained he made a qualitative analysis of the comparables and made adjustments to the comparables for differences from the subject for such items as building size, location, land to building ratio, age, wall height and quality of construction. Based on these sales Lipowsky estimated the subject property had a market value of \$42.50 per square foot of building area, including land, or \$2,200,000.

Based on this evidence the appellant requested the subject's assessment be reduced to \$733,333 to reflect Lipowsky's estimate of value.

Under cross-examination Lipowsky testified he considered the method contained within the report a sales comparison approach to value. He testified he did not prepare either a cost approach to value of an income approach to value.

Lipowsky further stated the report, Taxpayer's Exhibit #1, was not prepared in accordance with the Uniform Standards of Professional Appraisal Practice. He agreed the report contained no definition of fair cash value; no definition of property rights appraised; no highest and best use analysis; and no neighborhood description. The witness further identified his comparable #4 as being the only two-story building and this building was attached to White Oaks Mall. The remaining comparables were one-story buildings and comparable #7 which had basement. Lipowsky further testified his sale #2 was the only comparable used as a gym.

The witness also explained that he identified himself in the report as an investigative reporter, meaning he investigated sales and performed an analysis as far as what those sales would represent as a sale price for the subject property. The witness further testified the subject building was constructed in 2004 and indicated the cost of construction was \$2.8 million, but he was not exactly sure about the cost. Lipowsky also explained he was hired by Property Tax Services to prepare his analysis and his fee was not contingent on the outcome of the proceeding.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$1,218,564 was disclosed. The subject's assessment reflects a market value of \$3,656,058 or \$70.63 per square foot of building area, including land, using the 2009 three year average median level of assessments for Sangamon County of 33.33%. The subject property has an improvement assessment of \$1,193,852 or \$23.06 per square foot of building area.

In support of the assessment the board of review presented information on two equity comparables. The comparables were health clubs that had above grade finished areas of 63,240 and 30,218 square foot of building area, respectively. Comparable #1 was constructed in 2000 and comparable #2 was built in 1975 and 1987. The board of review further indicated the comparables had land areas of 241,322 and 70,514 square feet, respectively. The board of review's analysis had converted the assessments to indications of fair market value. It indicated the subject's land assessment reflected a fair market value of \$63,366 or \$1.05 per square foot of land area and the improvement assessment reflected a fair market value of \$3,592,326 or approximately \$65 per square foot of building area.¹ The comparables were calculated to have land assessments reflecting fair cash values of \$3.87 and \$1.76 per square foot of land area, respectively. The board of review further indicated the comparable buildings had assessments reflecting fair market values of approximately \$70 and \$47 per square foot of building area, respectively. Based on this evidence, the board of review requested confirmation of the subject's assessment.

¹ The board of review used 55,384 square feet of building area for the subject improvement.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal. The Board further finds the evidence in the record supports a reduction in the subject's assessment.

The appellant contends overvaluation as the basis of the appeal. 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). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The first issue the Board will address is the size of the subject building. The report submitted by the appellant indicated the subject building had 51,762 square feet of building area. The board of review analysis indicated the subject had 55,384 square feet of building area. The Board finds the best evidence of size was presented by the appellant. The appellant's valuation report included schematic diagrams of the subject building with dimensions and the calculated size for each floor. The board of review provided no evidence or testimony in support of its estimate of size of the subject building. Based on this record the Board finds the subject property has 51,762 square feet of building area.

The Board finds the only evidence of market value in this record was presented by the appellant. The appellant presented information on eight comparables sales identified by Lipowsky. The comparables were improved with commercial buildings that offered nominal degrees of similarity to the subject property. The sales occurred from December 2004 to July 2009 for prices ranging from \$500,000 to \$6,000,000 or from \$17.03 to \$46.40 per square foot of building area, including land. Only one comparable was used as a gym and it sold for a unit price of \$46.40 per square foot of building area, including land. The subject's assessment reflects a market value of \$3,656,058 or \$70.63 per square foot of building area, including land, using the 2009 three year average median level of assessments for Sangamon County of 33.33%. The subject's assessment reflects a market value significantly above the range on a square foot basis as established by the only market data in the record.

The Board further finds the board of review submitted no market data to refute the appellant's overvaluation argument. The board of review only submitted an analysis of two-equity comparables to demonstrate the subject was being equitably assessed. The Board finds the board of review provided no market data or any evidence to demonstrate the subject's total assessment was reflective of the property's market value as of January 1, 2009.

Docket No: 09-05335.001-C-3

Based on this record the Board finds a reduction in the subject's assessment 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.



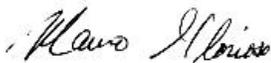
Chairman



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: April 20, 2012



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.