



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

APPELLANT: Kristin Kotsakis
DOCKET NO.: 11-01645.001-C-2
PARCEL NO.: 09-25-152-003

The parties of record before the Property Tax Appeal Board are Kristin Kotsakis, the appellant, by attorney George N. Reveliotis of Reveliotis Law, P.C., in Chicago, and the Kane 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 **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$202,742
IMPR: \$191,783
TOTAL: \$394,525

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Kane County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2011 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject property consists of a one-story masonry commercial building containing a gross building area of 10,042 square feet

which operates as a car wash and detail business.¹ The building was constructed in 1995. Features include a single car wash tunnel, multiple bays for car detailing and 28,260 square feet of asphalt paving/parking. The property has a 56,323 square foot site and is located in St. Charles, St. Charles Township, Kane County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted limited data regarding the recent sale of the subject property along with an appraisal estimating the subject property had a market value of \$850,000 as of May 3, 2011.

As to the sale, counsel for the appellant provided copies of the Warranty Deed and the PTAX-203 Illinois Real Estate Transfer Declaration, the latter document depicting that the property was not advertised prior to its sale in July 2011 for \$850,000 and for which \$297,500 was allocated as personal property included in the transaction.

The appraisal was prepared for mortgage financing purposes in relation to a pending sale. (Report, p. 9) The appraisal assignment included at the client's request a sales comparison approach to value and also an "allocated value of the personal property business entity, furniture, fixtures and equipment (FF&E)" as part of the final market value conclusion. (Id.) The appraiser acknowledged the pending real estate contract reflecting a purchase price of \$850,000 consisting of \$562,500 for the real property and \$297,500 for personal property with a tentative closing date of May 15, 2011. (Report, p. 11)

On page 13 of the report, the appraiser reported the subject's pending sale reflects an allocated value of 33.82% for personal property and the appraiser outlined four sales of "tunnel car wash facilities" with allocated non-real estate ranging from 25% to 44.44% of the total sale price. Based upon this market data, the appraiser concluded that the allocation set forth in the sales contract was supported.

The appraiser described the subject as in overall average condition with exterior brick needing some tuck pointing, the wash tunnel needs to be scraped and repainted as do some service

¹ The appellant's appraiser reported a building area of 9,960 square feet, but provided no data to support that size determination. The appellant also included a copy of the subject's property record card as did the board of review which included a schematic drawing supporting the stated building size of 10,042 square feet.

doors. The appraisers also reported the equipment in the wash tunnel is original, antiquated and far inferior to new and modern car wash equipment. The manager estimated \$300,000 would have to be expended to replace that equipment and another car wash owner reported equipment replacement would cost \$400,000. The appraiser also observed some mechanical parts and pipes that were rusted. The appraiser also found the original roof was nearing the end of its useful life and the furnaces were old.

Using the sales comparison approach to value, the appraiser summarized details of four "confidential tunnel car wash sales from the attorney for the seller who requested the locational details remain confidential" along with data on three other sales located in Hinsdale, Bolingbrook and Orland Park. (Report, p. 38-40) The "confidential" sales are described as: far western suburb; near western suburb; near northwestern suburb; and southwest suburb, respectively. The seven comparable parcels range in size from 14,178 to 57,935 square feet of land area. The parcels have been improvement with tunnel car wash facilities, six of which also have two to four bays for detail work. The buildings range in age from 15 to 47 years old and range in size from 3,979 to 9,580 square feet of building area. The sales occurred between November 2009 and January 2011 for prices ranging from \$575,000 to \$2,200,000 or from \$60.02 to \$476.40 per square foot of building area, including land. The real estate and FF&E amounts were set forth for sales #2, #3, #4 and #7. With removal of the FF&E for these four sales, the prices range from \$58.38 to \$143.70 per square foot of building area, including land.

On page 41 of the appraisal report, the appraiser discussed qualitative adjustments for differences between the comparables and the subject. A summary of adjustments in percentage allocations ranging from +3% to -82% is presented in a chart on page 42 of the report which results in adjusted sale prices ranging from \$61.82 to \$110.13 per square foot of building area, including land. The mean of the adjusted sale prices was \$84.65 and the median of the adjusted sale prices was \$84.74 with an adjusted mid-point of \$85.98 and the pending sale price of the subject per square foot of \$85.34. (See page 42 of appraisal)

As a consequence of the data, the appraisers opined a market value of the subject real estate of \$562,500 "which parallels the sale contract." The appraisal states that it is subject to professional testing that the car wash equipment is properly functioning and will function into the near future; replacement of the tunnel wash equipment would likely cost \$450,000.

Moreover, the final conclusion was subject to professional testing that the 16 year old flat roof and furnaces were operational and that no environmental problems exist; costs of replacements/remediation of environmental problems "will have to be deducted from our final market value conclusions."

Based upon the foregoing evidence, the appellant requested an assessment reduction to reflect the appraised value at the statutory level of assessment of 33.33%

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$394,525. The subject's assessment reflects a market value of \$1,187,255 or \$118.23 per square foot of building area, land included, when using the 2011 three year average median level of assessment for Kane County of 33.23% as determined by the Illinois Department of Revenue.

The board of review submitted a letter from member Michael E. Madziarek contending that the appellant's appraisal was "insufficient" to determine the market value of the subject property as the comparable sales range from \$60.02 to \$476.40 per square foot of building area for an average of \$221.56 per square foot. He then noted that the appraiser concluded a value of \$85.34 per square foot for the subject or 61.48% below the average of the comparable sales on a per-square-foot basis. Madziarek also asserted that the appraiser should have performed a cost approach to value the land and improvements to support "this special-use type of property."

Additionally, he argued that the appraisal presents an opinion of value after January 1, 2011, the property was not exposed on the open market prior to its sale, the comparable sales in the report do not support the value conclusion and the appraiser's value conclusion coincided with the sales contract, all of these facts result in the appraisal being "misleading and unreliable" as to the subject property.

Also submitted by the board of review was a two-page letter prepared by David Medlin, Deputy Commercial Assessor with St. Charles Township. In his letter, Medlin outlines data regarding appraisal sales #1, #2, #3 and #4 and the lack of adjustments and/or adjustments made for various factors as discussed in the letter.

In support of its contention of the correct assessment through the township assessor's office, the board of review submitted

limited information on three comparables sales. The comparable car washes were built between 1995 and 2008 and range in building size from 2,782 to 7,258 square feet of building area. The properties consist of parcels ranging in size from approximately 14,640 to 40,000 square feet of land area. These three comparables sold between October 2007 and June 2012 for prices ranging from \$775,000 to \$2,430,000 or from \$144.67 to \$648.69 per square foot of building area, including land. In the letter, Medlin acknowledged that the highest sale price did not reflect any personal property in the PTAX-203 and thus assuming 35% of the price being allocated to FF&E, the real property would reflect a price of \$421.65 per square foot of building area, including land, for comparable #2.

Based on the foregoing evidence and argument, the board of review requested confirmation of the subject's assessment.

Conclusion of Law

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). 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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

Upon examining the appellant's appraisal report, the Board finds the report is not credible. Several of the comparables differed from the subject in substantial features such as lot size, age and/or building size. More importantly, the adjustments set forth on page 42 which were necessitated due to those differences were substantial, ranging from +3% to -82% of the raw sales prices. Thus, due to the number and character of these adjustments to several of the comparables, the Board finds that the final value conclusion presented by the appraiser based on those numerous and substantial adjustments makes the appraiser's final conclusion less credible. Also of significance is that the appraiser appeared to be looking to find the contract sales price of the real estate as the market value of the subject property the way the analysis was performed and the conclusion stated. Based on the foregoing analysis, the Board finds that the appraised value is not a reliable indicator of the subject's estimated market value. As a consequence of

this finding, the most similar raw sales presented in the appraisal will be compared along with the raw sales presented by the board of review.

The Board finds the best evidence of market value to be appraisal sales #1 and #3 along with board of review comparable sale #3. These three most similar comparables range in age from 12 to 21 years old and range in size from 7,258 to 9,580 square feet of building area. These comparables sold for prices ranging from \$60.02 to \$144.67 per square foot of living area, including land. The subject's assessment reflects a market value of \$1,187,255 or \$118.23 per square foot of building area, including land, which is within the range established by the best comparable sales in the record.

Based on this evidence the Board finds a reduction in the subject's assessment is not justified.

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. Crit

Chairman

K. L. Fan

Member

Richard A. Huff

Member

Mario M. Lino

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: July 18, 2014

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.