PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Bobbi Noonan's Pre-School/Noonan Family LP
DOCKET NO.: 02-28762.001-C-1
PARCEL NO.: 27-26-207-015-0000

The parties of record before the Property Tax Appeal Board are Bobbi Noonan's Pre-School/Noonan Family LP, the appellant, by attorneys Donald T. Rubin and John Norris of Rubin & Norris, LLC, Chicago, and the Cook County Board of Review.

The subject property consists of a 51,723 square foot parcel improved with a 19-year-old, one-story style commercial building of masonry construction containing 4,991 square feet of building area. The subject is located in Orland Township, Cook County.

The appellant, through counsel, appeared before the Property Tax Appeal Board claiming the subject is overvalued and its market value in not reflected in the assessment. In support of this argument, the appellant offered a self-contained appraisal report prepared by John Stephan O'Dwyer, assisted by Edmund Novy, both of JSO Valuation Group, Ltd, Glencoe, Illinois. The report disclosed O'Dwyer is a State of Illinois certified appraiser with a Member Appraisal Institute (MAI) designation. The appraiser did not testify at the hearing.

After an examination of the subject site, building, neighborhood and area, the report indicated the appraiser determined the subject's highest and best use as improved; its current use.

The appraisal described the utilization of the three classic approaches to value to estimate a value for the subject of $200,000 as of January 1, 2002.

In the cost approach, the appraiser first estimated a value for the subject site using the sales of four parcels located in the subject's general area. The comparables ranged in size from

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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:	$	39,140
IMPR.:	$	36,860
TOTAL:	$	76,000

Subject only to the State multiplier as applicable.

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35,955 to 46,413 square feet of land area and were sold from August 1999 to June 2001 for prices ranging from $2.71 to $3.34 per square foot of land area. After adjustments to the sales for property rights conveyed, financing terms, conditions of sale, market conditions, location, size and unique characteristics, the appraiser estimated a land value for the subject for the first 25,862 square feet of $3.00 per square foot of land area. The remaining 25,862 square feet of land was considered excess land and valued at $1.00 per square foot. The total land value was estimated at $103,000. Replacement cost of $54.37 per square foot of building area was estimated based on *Marshall Valuation Service* data. Site improvements based on the same source were estimated to be $72,152 thus the total building costs, including site improvements, was estimated to be $68.83 per square foot of building area, or $343,520. Depreciation from all causes was estimated to be 71%, or $244,681. The estimated depreciated cost of the improvements and estimated land value were then added to estimate a depreciated value for the subject via the cost approach of $200,000, rounded.

The next approach to value in the appraisal was the income approach to value. The appraiser surveyed four rental properties located in the subject's general area. The surveyed properties had net rents ranging from $6.00 to $12.00 per square foot of leasable area. After an analysis of the comparables' location, size, age, and other relevant factors, the appraiser an estimated gross rent of $7.00 per square foot of building area as a reasonable rent for the subject, or $34,494. A deduction for vacancy and collection loss of 10% or $3,494 was taken to conclude an effective gross income (EGI) of $31,443. Other expenses totaling $8,988 were deducted from the EGI to conclude an estimated net operating income (NOI) of $22,456.

A capitalization rate of 11.0% for the subject was estimated utilizing the mortgage/equity method. This was applied to the subject's estimated NOI to indicate a value of $200,000, rounded, through the income capitalization approach to value.

The appraiser selected the sales of five commercial buildings located in areas similar to the subject's general area. These properties range in size from 3,883 to 11,000 square feet of building area. The comparable properties sold from July 2000 to April 2002 for prices ranging from $37.21 to $42.49 per square foot of building area including land, unadjusted. The appraiser analyzed the sales of the comparables and adjusted them for property rights conveyed, financing terms, conditions of sale, market conditions, location and other unique characteristics. From this information, the appraiser determined an estimated value of $40.00 per square foot of building area including land. Thus, the appraiser estimated a market value of $200,000, rounded, for the subject through the sales comparison approach to value.

In the reconciliation, the appraiser placed the most weight on the sales comparison approach, with supporting emphasis on the income approach, and minimum importance on the cost approach to value. The appraiser' final opinion of the subject's a fair market value was $200,000 as of January 1, 2002.

Based on the appraisal evidence, the appellant requested a reduction in the subject's improvement assessment.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of $132,756 was disclosed. The subject's final assessment reflects a fair market value of $349,358, when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5a properties such as the subject is applied. In support, the board of review offered a memorandum indicating the sales of three properties suggests an unadjusted range of from $82.14 to $188.33 per square foot of building area and support the current assessment. *CoStar Comps* sales sheets for the three comparables were offered in support. The comparable properties range from 10 to 101 years old; in building size from 2,700 to 7,000 square feet; and in land size from 16,380 to 91,560 square feet. These properties were sold from February 2000 to May 2002. Based on the foregoing, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant's attorney argued in 2004 the board of review agreed the subject was overvalued and agreed to a substantial reduction of the subject's assessment.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of this appeal. The issue before the Property Tax Appeal Board is the subject's fair market value. Next, 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, 728 N.E.2d 1256 (2nd Dist. 2000). Having heard the testimony and considered the evidence, the Board concludes that the appellant has satisfied this burden.

The Property Tax Appeal Board finds that the best evidence in the record of the subject's fair market value as of January 1, 2002 is the appraisal report submitted by the appellant. The appellant presented an appraisal utilizing the three classic approaches to value. Each approach to value contained credible data and a concluded estimate of value based on a well reasoned analysis of that data.

Under the cost approach, the appellant's appraiser utilized the sales of four parcels located in the subject's general area to estimate a land value of $103,000. The Board finds that the appellant's comparables are similar to the subject. The Board finds that the adjustments to the comparables made by the appraiser were appropriate to the properties when compared to the subject. On the other hand, the Board finds that the board of review did not present any testimony or data to support the subject's land current land assessment. Further, the board of review did not present any testimony or evidence to contradict the appellant's estimate of a fair market value for the subject's land. Therefore, the Property Tax Appeal Board finds that the subject had a land value of $103,000 as of the date at issue.

When compiling data to estimate a fair market value of the subject's improvements through the cost approach, the Board finds that the appellant's appraiser relied upon a nationally recognized source as the basis for the estimate of a replacement cost. Further, the Board finds that the appellant's appraiser suitably adjusted for local costs and applied pertinent depreciation factors. To the contrary, the board of review neither prepared a cost approach nor challenged the appellant's estimate of fair market value through the cost approach. Therefore, the Board finds that the subject has a fair market value through the cost approach of $200,000, as of January 1, 2002.

In the income approach to value, the Board finds that the appellant's appraiser thoroughly explained the methodology utilized to determine an estimated value for the subject via the income approach. Appropriate rental properties located in the subject's general area were used and from this information a reasonable rent was determined for the subject. The Board finds that the capitalization rate was estimated utilizing conventional methodology. Again, the Board finds that board of review did not prepare an income approach or contest the appellant's estimate of value through the income approach. For these reasons, the Board finds that the subject had a fair market value of $200,000 through the income capitalization approach to value.

The last approach to value discussed in the appellant's appraisal was the sales comparison approach. Here the appellant's appraiser selected the sales of five commercial buildings located in areas similar to the subject's general area. The appraiser analyzed the sales information and described the adjustments made in detail. The Board finds that the appraiser's analysis and adjustments were clear and logical. In contrast, the board of review presented only raw sales data without adjustments or analysis of the comparables and their comparability to the subject. Thus, the Board finds that the subject had a fair market value of $200,000, as of January 1, 2002, through the sales comparison approach to value.

As a final point, the Board finds that the appraiser' final conclusion to value to be well reasoned and aligned with the conclusions reached in each approach to value.

Therefore, the Property Tax Appeal Board places significant weight on the appellant's appraisal and diminished weight on the board of review's sale comparables. As a result of this analysis, the Property Tax Appeal Board finds the appellant has adequately demonstrated that the subject is overvalued by a preponderance of the evidence.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of $200,000, as of January 1, 2002. Since the fair market value of the subject has been established, the Board finds that the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5a properties such as the subject shall apply and a reduction is accordingly 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: January 25, 2008

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.