



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

APPELLANT: American Union Savings & Loan
DOCKET NO.: 06-29890.001-C-1
PARCEL NO.: 16-01-401-022-0000

The parties of record before the Property Tax Appeal Board are American Union Savings & Loan, the appellant, by attorney Joe Huang, of Law Offices of Terrence Kennedy Jr. in Chicago; and the Cook County Board of Review, by assistant state's attorney Bill Blyth of the Cook County State's Attorney's Office.

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: \$16,279
IMPR: \$125,721
TOTAL: \$142,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of an 84 year old, 8,108 square foot, two-story commercial bank building located on a 4,080 square foot lot. The second floor is vacant and unfinished. In 2006, the Cook County Assessor granted a 68.7% occupancy factor to the subject improvement. The appellant, via counsel, argued that the fair market value of the subject was not accurately reflected in its assessed value.

In support of the market value argument, the appellant submitted an appraisal by Kent Oxley, Gary Skish, and Gary Peterson of First Real Estate Services, Ltd. The report indicates: Oxley is a State of Illinois Associate Real Estate Appraiser; Skish is a Vice President of First Real Estate Services, Ltd; and, Peterson is an MAI. The appraisal indicates the subject has an estimated market value of \$490,000 as of January 1, 2006. The appraisal report utilized the cost and sales comparison approaches to value to estimate the market value for the subject property. The appraisal indicates that the income approach was not used as bank

branch facilities are typically owner-occupied, or if leased, are often not arm's-length. The appraisal finds the subject's highest and best use is its present use.

Under the cost approach to value, the appraisal analyzed market sales to determine the subject's land value was \$25.00 per square foot, or \$102,000 rounded. The replacement cost method was utilized to determine a cost for the improvement at \$1,298,091. The appraisal depreciated the improvement by 70% for a value of \$389,427. The land value of \$102,000 was added back to establish a value under the cost approach of \$490,000, rounded.

Under the sales comparison approach, the appraisal analyzed the sales of four one or two-story, masonry, commercial or retail/office buildings. The properties range: in effective age from 30 to 40 years and in size from 3,137 to 12,672 square feet of building area. These comparables sold from March 2003 to March 2005 for prices ranging from \$200,000 to \$750,000 or from \$59.19 to \$64.10 per square foot of building area, land included. The appraisers adjusted each of the comparables for pertinent factors. Based on the similarities and difference of the comparables when compared to the subject, the appraisers estimated a value for the subject under the sales comparison approach of \$60.00 per square foot of building area or \$485,000, rounded.

In reconciling the two approaches to value, the appraisal arrived at a final estimate of value for the subject as of January 1, 2006 of \$490,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$241,518 was disclosed. The subject's land assessment is \$16,279. The subject's improvement assessment of \$225,239 reflects a 68.7% occupancy factor. At full value, the subject's improvement assessment would be \$327,859. When the land assessment is added to the improvement, the total assessment at full value would be \$344,138. The subject's assessment at full value reflects a fair market value of \$905,626, or \$111.70 per square foot, when the Cook County Real Property Assessment Ordinance Level of 38% for class 5a property, such as the subject, is applied. In support of the subject's assessment, the board of review presented descriptions and assessment information regarding five suggested comparables located within a seven mile radius from the subject property. The properties consist of one or two-story, bank buildings. The properties range: in age from 2 to 48 years; in size from 5,089 to 9,628 square feet of building area. The properties sold from July 1996 to September 2005 for prices that ranged from \$358,880 to \$3,950,000 and in sale price per square foot from \$70.31 to \$776.18. Based on this evidence, the board of review request confirmation of the subject's assessment.

At hearing, the board of review's representative asserted that the appellant's evidence was not sufficient to meet the burden of proof as: the appellant's appraiser did not testify; the

appellant's appraisal did not contain any sales of bank buildings; the appraisal's cost approach is not reliable due to the subject's age of 84 years; and, vacancy of the subject is not relevant since the subject is an owner-occupied building. The appellant's attorney asserted that the board of review's sales, with the exception of sale #1, were stale as they occurred at least four years prior to 2006. In addition, the appellant's attorney argued that the board of review's sale #1, which occurred in September 2005, should not be considered as it is a sale and lease back with a 20-year Bank of America lease.

After hearing oral arguments 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 PTAB concludes that the evidence indicates a reduction is warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal. The appellant's appraisers utilized two of the three traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraisers: have experience in appraising; personally inspected the subject property and reviewed the property's history; and used similar properties in the sales comparison approach while providing adjustments that were necessary. The PTAB gives little weight to the board of review's evidence as it was merely raw sales data.

Therefore, the PTAB finds the subject had a market value of \$490,000 for the 2006 assessment year. Since the market value of this parcel has been established, the Cook County Real Property Assessment Classification Ordinance for class 5a property of 38% will apply. In addition, the PTAB will apply the existing occupancy of 68.7% to the subject improvement. In applying this level of assessment to the subject, the total assessed value of the subject would be \$133,015. The subject's current total assessment is above this amount. Therefore, the PTAB finds that a reduction to the appellant's request of \$142,000 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: January 31, 2013



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.