



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

APPELLANT: Quad Step Holdings, LLC
DOCKET NO.: 16-00489.001-C-2 through 16-00489.002-C-2
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Quad Step Holdings, LLC, the appellant; the Will County Board of Review; Joliet Twp H.S.D. #204, and Troy C.C.S.D #30C, intervenors, by attorney Timothy J. Rathbun of Rathbun, Cservenyak & Kozol, LLC in Joliet.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Will County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
16-00489.001-C-2	05-06-01-411-012-1001	33,849	2,445	\$36,294
16-00489.002-C-2	05-06-01-411-012-1004	129,190	23,232	\$152,422

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from decisions of the Will County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2016 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

This commercial condominium building on appeal was built in 1978 and is comprised of five separate parcels; only two parcels are appealed in this matter.¹ Parcel No. 05-06-01-411-012-1001 (hereinafter "-1001") is improved with a two-story metal frame and masonry office/gymnasium structure containing 5,273 square feet of building area. Parcel No. 05-06-01-411-012-1004 (hereinafter "-1004") is improved with a two-story metal frame and masonry gymnasium structure containing 31,141 square feet of building area. These two parcels have a total 186,509 square feet of land area. The subject property is located in Joliet, Troy Township, Will County.

¹ As a five-unit commercial condominium building, the appellant is not the owner/taxpayer of the other three units within the building.

The appellant's appeal is based on overvaluation. In support of this argument the appellant initially submitted evidence disclosing the subject property, parcels -1001 and -1004, were purchased on September 5, 2013 for \$416,000. Included with the appeal were supporting documentation and a brief which asserted the two parcels are used as a sports and fitness center. The appellant also completed Section IV – Recent Sale Data indicating the property was purchased from Olive Joliet LLC, the owner, and the parties to the transaction were not related. The property was sold using realtor NAI Hiffman, agent Adam Johnson, after being advertised on LoopNet.com. As to the listing, the appellant reported the property was listed in April 2012 with the asking price being lowered in June and September 2012 with a further price reduction in May 2013 after which the appellant purchased the property. The appellant's submission indicates this was not the sale of a foreclosed property but does report that the seller's mortgage was assumed.

Supporting documentation provided with the appeal included copies of the closing documents including a Settlement Statement, escrow documentation and the recorded Quit Claim Deed. A copy of the PTAX-203 Illinois Real Estate Transfer Declaration was provided reiterating the purchase price for the two parcels and depicting the parcels were advertised for sale prior to the transaction and this was Bank REO (real estate owned) property which transferred by Quit Claim Deed. The appellant also provided a copy of the LoopNet.com listing information and the Purchase & Sale Agreement & Joint Escrow Instructions.

The brief further asserted the purchase of the two parcels on appeal reflects an arm's-length transaction from an unrelated third party. The property was listed on Loopnet by NAI Hiffman, agent Adam Johnson, with an asking price of \$650,000 with a marketing time of more than 200 days. "The parcel was reasonably aggressively marketed and commission/incentive was paid to the listing broker based on purchase price on the completion of the sale." (Brief, p. 1)

Additionally, the brief argued there have been no significant changes to the commercial real estate market in Joliet to warrant an increase of 54% in the estimated market value of the two parcels on appeal as reflected by the 2016 assessments of the parcels.

Based on this evidence, the appellant requested assessments for these two parcels reflective of the total purchase price.

In accordance with the Property Tax Appeal Board's procedural rules, the appellant was informed through an 'Incomplete Checklist' that a sale of property in 2013 for a 2016 tax year appeal was dated. (86 Ill.Admin.Code §1910.40(k))

In response to the Board's notification, counsel for the appellant, who has since withdrawn as counsel of record, presented a second brief arguing that the two parcels on appeal have been subjected to substantial assessment increases whereas the other two parcels that are not on appeal and which also comprise the subject commercial condominium building have not been subjected to substantial assessment increases.²

² The inference in the brief was that the subject commercial condominium building consisted of only four units. The assessing officials reported the building as a five-unit structure and no in rebuttal was filed to refute that contention.

As set forth in the second brief, parcel -1001 in tax year 2014 had a 120% increase in its assessment over tax year 2013 and this same parcel in tax year 2016 had an 18% increase in its assessment over tax year 2015. Likewise, the appellant contends that parcel -1004 in tax year 2014 had a 3.5% increase in its assessment over tax year 2013; had an 8% increase in tax year 2015 over tax year 2014; and had a 48.65% increase in tax year 2016 over tax year 2015. In contrast, the two other parcels which comprise this commercial condominium building, parcels 05-06-01-411-012-1002 and 05-06-01-411-012-1003 have each "seen 0% increases in the assessed value of the units for all four years 2013, 2014, 2015, and 2016." The appellant contended this was not fair and is inequitable. In grids attached to this brief, the appellant depicted the historical land, building and total assessments of the two parcels on appeal and the two other parcels that comprise the subject commercial condominium building; the follow grid sets forth the total assessments:

Parcel	2013	2014	2015	2016
-1001	36,294	80,000	80,000	94,609
-1004	180,351	188,667	201,606	299,679
05-06-01-411-012-1002	270,000	270,000	270,000	270,000
05-06-01-411-012-1003	115,000	115,000	115,000	115,000

Based on the foregoing lack of assessment uniformity argument set forth above in the brief, the appellant concluded the assessments of the subject parcels -1001 and -1004 should be reduced to reflect the 2015 tax year assessments of the parcels as set forth above.³

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the two parcels comprising the subject which total \$394,288. The subject's combined total assessment reflects a market value of \$1,185,472 or \$32.56 per square foot of building area, land included, when using the 2016 three year average median level of assessment for Will County of 33.26% as determined by the Illinois Department of Revenue. Parcel -1001 has a land assessment of \$33,849 or \$1.40 per square foot of land area and an improvement assessment of \$60,760 or \$11.52 per square foot of building area. Parcel -1004 has a land assessment of \$227,263 or \$1.40 per square foot of land area and an improvement assessment of \$72,416 or \$2.33 per square foot of building area.

In support of its contention of the correct assessment the board of review submitted a memorandum prepared by the Troy Township Assessor along with a multi-page grid analysis and applicable property record cards for the subject and comparables. In the memorandum, the township assessor described the subject property as a fitness center with a swimming pool, racket ball courts, workout classrooms and workout equipment; the subject facility also has a daycare center for its customers.

³ In accordance with the procedural rules of the Property Tax Appeal Board, "[t]he petition must also state the assessed valuation of the land, and the assessed value of the improvements (structures), and the total assessed value that the contesting party claims to be correct. The contesting party may only amend the assessment claimed to be correct by filing an appeal petition denoted as "Amended" setting forth the assessed valuation of the land, the assessed value of the improvements, and the total assessed valuation that the contesting party considers correct" (86 Ill.Admin.Code §1910.40(j)) The Board finds that no amended petition was filed in this matter and thus the original requested assessments for these parcels as presented in the original filing stand on this record as the appellant's claims.

As to the assessment history of the subject property, the township assessor noted appraisals were done in 2004, 2008 and 2011 and the property was vacant in 2011. For tax year 2013, the assessment was appealed; the Will County Board of Review issued a decision reflecting a market value for the two parcels of \$649,935 which reflected the listing price.

As to tax year 2013, the Property Tax Appeal Board also takes judicial notice of an appeal concerning only parcel -1004 known as Docket No. 13-00363.001-C-1. (86 Ill.Admin.Code §1910.90(i)) Pursuant to a stipulation by the parties, the Property Tax Appeal Board issued a decision for only parcel -1004 concerning tax year 2013 reflecting a total assessment of \$152,422.

As to the sale of the subject, the assessor reported the property "was quit claim deed in [May] 2013 to the appellant" and the fitness center was vacant for two years prior to the appellant "taking over." The fitness center reopened in November 2013 and the assessor contends the swimming pool had to be repaired and other changes were made "to make the fitness center attractive."

For tax year 2014, the assessor asserted a slight increase in the value to \$800,000 was made "allowing time for the new owner to gain cliental and for the improvements made in the condition." The assessor further reported that "modest" increases in value were issued for 2015 and 2016. The assessor acknowledged due to prior stipulations on the subject, which was previously distressed, the property became unequal with its neighbors; inequity existed in the land value as with some of the stipulations, reductions were made to the land in order to retain a value on the building (improvement). The assessor contended that the 2016 increase returned the subject land to full value and placed the subject "back to be uniform with the others in this complex."

In support of this contention, the board of review through the township assessor submitted grid analyses with both 2015 and 2016 assessment data displayed for each parcel; the data depicts the two subject parcels and four parcels ending in -1002, -1003, -1005 and -1006, each of which is located in the same building as the subject.⁴

In support of the correct 2016 assessment of parcel -1001, the board of review provided information on four comparable properties. The comparables are described as a dance studio, an office building and two "mixed use" properties. The comparable parcels range in size from 20,724 to 82,892 square feet of land area and have been improved with either one-story or two-story commercial condominium units that range in size from 4,531 to 18,705 square feet of building area. Comparable #2 consists entirely of 4,531 square feet of office space. The comparable parcels have land assessments ranging from \$29,013 to \$116,049 or for \$1.00 or \$1.40 per square foot of land area. The comparables have improvement assessments ranging from \$82,791 to \$175,229 to \$8.23 to \$23.05 per square foot of building area.

⁴ For purposes of analysis of assessment equity, as the Property Tax Appeal Board has jurisdiction only for the tax year appealed of 2016, this decision by the Board will not reflect the 2015 assessment data that was submitted.

In support of the correct 2016 assessment of parcel -1004, the board of review provided information on four comparable properties. The comparables are described as a dance studio, an office building and two "mixed use" properties. The comparable parcels range in size from 20,724 to 82,892 square feet of land area and have been improved with either one-story or two-story commercial condominium units that range in size from 4,531 to 18,705 square feet of building area. Comparable #2 consists entirely of 4,531 square feet of office space. The comparable parcels have land assessments ranging from \$29,013 to \$116,049 or for \$1.00 or \$1.40 per square foot of land area. The comparables have improvement assessments ranging from \$82,791 to \$175,229 to \$8.23 to \$23.05 per square foot of building area.

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

The intervening taxing districts through counsel filed a brief in support of the subject parcels' 2016 assessments. As to the appellant's reliance upon the 2013 purchase price of the subject property for this 2016 tax year appeal, the intervenors argue that the appellant provided no evidence that the sale price was reflective of market value as of the assessment date at issue of January 1, 2016. As cited in the appellant's brief, the intervenors note the First District Court has indicated that a sale of property during the tax year in question is a "relevant factor" in considering the validity of an assessment. [citations omitted]. Rosewell v. 2626 Lakeview Limited Partnership, 120 Ill.App.3d 369, 375 (1st Dist. 1983) [emphasis added]. The intervenors further note the case law that a contemporaneous sale between two parties dealing at arm's length is not only relevant to the question of fair cash value but practically conclusive on the issue on whether the assessment is reflective of market value (see Korzen v. Belt Railway Co. of Chicago, 37 Ill.2d 158 (1967)) but contend that the 2013 sale was not contemporaneous for purposes of this 2016 appeal. To the extent that the appellant's brief argued Joliet commercial area market trends did not justify the subject's assessment increases, the intervenors noted that no substantive market data for Joliet was provided by the appellant to support the assertion. Based on the foregoing, the intervenors requested confirmation of the subject's assessments.

Conclusion of Law

The appellant contends in part that the market value of the subject property is not accurately reflected in its assessed valuation. When market value is a 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 met this burden of proof and a reduction in the subject's assessment is warranted on grounds of overvaluation.

The appellant provided the only market value evidence in this record based upon the 2013 purchase price of the subject parcels totaling \$416,000 or \$11.42 per square foot of building area, including land. Neither the board of review nor the intervenors provided any market value evidence in the form of comparable sales data to support the subject's estimated market value as reflected by its assessment of \$1,185,472 or \$32.56 per square foot of building area, land included, or alternatively, to substantively establish that the purchase price was not reflective of market value. The board of review and intervenors as to the appellant's market value contention

solely relied upon the argument that the subject property transferred by Quit Claim Deed and was therefore not an "arm's length transaction"; neither the board of review nor the intervenors provided any substantive evidence to demonstrate that the sale of the subject was not representative of fair cash value as of the assessment date.

On this record and in the absence of any other market value evidence, the Board finds the only evidence of the subject's 2016 estimated market value is the 2013 purchase price of parcels -1001 and -1004 for \$416,000. The Board further finds, based on the subject's listing, the appellant and the board of review agreed to reduce the assessment of parcel -1004 to \$152,422 for the 2013 tax year. The record further disclosed that the assessments on the remaining parcel numbers in the condominium remained unchanged from 2013 through 2016. Therefore, after giving due consideration to the sale of the subject property and the assessment history of the parcels in the subject's condominium building, the Board finds 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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.



Chairman



Member



Member



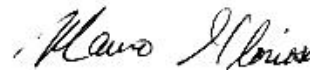
Member

DISSENTING: _____

CERTIFICATION

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 21, 2020



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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

AGENCY

State of Illinois
Property Tax Appeal Board
William G. Stratton Building, Room 402
401 South Spring Street
Springfield, IL 62706-4001

APPELLANT

Quad Step Holdings, LLC
c/o Sundeep Oberoi
4320 Pine Lake Drive
Naperville, IL 60564

COUNTY

Will County Board of Review
Will County Office Building
302 N. Chicago Street
Joliet, IL 60432

INTERVENOR

Joliet Twp H.S.D. #204, by attorney:
Timothy J. Rathbun
Rathbun, Cservenyak & Kozol, LLC
3260 Executive Drive
Joliet, IL 60431

Troy C.C.S.D 30C, by attorney:
Timothy J. Rathbun
Rathbun, Cservenyak & Kozol, LLC
3260 Executive Drive
Joliet, IL 60431