



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

APPELLANT: Ray Anderes
DOCKET NO.: 17-06726.001-C-1
PARCEL NO.: 18-15-327-009

The parties of record before the Property Tax Appeal Board are Ray Anderes, the appellant, and the LaSalle County Board of Review.

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 **LaSalle** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$26,901
IMPR.: \$138,429
TOTAL: \$165,330

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a favorable 2016 decision of the Property Tax Appeal Board pursuant to section 16-185 of the Property Tax Code (35 ILCS 200/16-185) in order to challenge the assessment for the 2017 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 commercial building of brick exterior construction which is operated as a restaurant with additional banquet and similar facilities. The building contains 9,000 square feet of building area with an open masonry porch of 720 square feet. Features include central air conditioning. The property has a .22-acre site and is located in LaSalle, LaSalle Township, LaSalle County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted information on three comparable sales in the Section V grid analysis. Based on reiteration of the comparables submitted by the board of review, the comparables are located in either Peru or LaSalle. The parcels range in size from .5 to .19-acre of land area improved with either a one-story or a two-story building of frame or brick exterior construction. The buildings reportedly are either 30 or 90+ years old and range in size from 2,994 to 5,056 square feet of building area. The comparables sold from February 2015 to September 2016 for prices

ranging from \$100,000 to \$225,000 or from \$19.78 to \$75.15 per square foot of building area, including land.

Based on the foregoing evidence, the appellant requested a reduced total assessment of \$107,000 which would reflect a market value of \$321,032 or \$35.67 per square foot of building area, including land, 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 \$177,189. The subject's assessment reflects a market value of \$530,506 or \$58.95 per square foot of building area, land included, when using the 2017 three year average median level of assessment for LaSalle County of 33.40% as determined by the Illinois Department of Revenue.

As part of its submission, the board of review offered to reduce the subject's total assessment to \$172,500 which would reflect a market value of \$516,467 or \$57.39 per square foot of building area, including land, at the three year median level of assessment. The appellant was informed of this proposed reduction and rejected the offer by a letter postmarked August 5, 2021.

In support of its contention of the correct assessment, the board of review submitted a 9-page memorandum prepared by Benjamin Dolder, Chairman of the LaSalle County Board of Review, and a "Market Value Adjustment Grid" analysis with information on two comparable sales, board of review comparables #4 and #5, along with reiterating the appellant's three comparables.

As to the subject, the memorandum asserts the building was extensively remodeled in 2015 and is currently occupied as a high-end restaurant with an upscale bar, dining areas, concert center and banquet center with a private bar. Additionally, the building is described as having "ultra-modern men's and women's bathrooms." Dolder wrote in part, "The building clearly stands-out in relation to any restaurant in the county and extended market area." A copy of the subject's property record card was included along with exterior photographs and interior photographs drawn from the website of the operator; the record card lacks a date of construction and/or any renovation permit and/or cost information.

In response to the three comparables presented by the appellant, the memorandum addresses each property individually. Appellant's comparable #1 is described as being in an obscure location and consisting of a 1.14-acre multi-parcel property in the flood plain near both industrial and commercial land uses along with nearby railroad tracks. The building's first floor was used as a restaurant and the upper floor was occupied by the owner as a residence. While the restaurant closed in 2013 or 2014, the building was vacant for over two years before an original listing price of \$395,000 was made; the property then sold in August 2016 for \$100,000. Dolder asserts, "The building was very 'dated' and considered to be in average condition at the time of sale." The memorandum further contends this property is "not even remotely comparable to the subject" as it is "measurably inferior in location and dramatically inferior in nature of improvements." The applicable property record card includes only exterior photographs of the structure.

As to appellant's comparable #2, Dolder reports the first floor was used as a restaurant and the upper floor had an apartment. The building was vacant for about three years after failure of the

restaurant and then was sold as an REO. "The building was likely in less than average condition at the time of sale due to the extended vacancy" according to Dolder's memorandum. Again, it is alleged this property is not comparable to the subject since it sold after a lengthy vacancy as an REO following foreclosure. Dolder wrote, "REO's typically sell for discounts ranging between 40% - 70% due to scavenger-behavior of likely purchasers. In addition, this building is significantly inferior to the subject in quality and overall condition." The applicable property record includes exterior photographs dated in 2014 and a series of photographs with notations of 2017 renovation, 2018 and 2020 dates from various angles.

Appellant's sale comparable #3 is described as two blocks from the subject in the downtown business district presenting a similar location to the subject. The building constructed in 1990 was occupied by a restaurant at the time of sale. Dolder states, "The building reflects good quality and was considered to be in good condition at the time of sale." The property record card has exterior photographs with dates of 2008, 2011, 2012, 2014 and 2015. The board of review summarily contends this property is inferior to the subject in quality of construction and overall condition. Given its smaller size, the board of review has applied a "market-extracted adjustment of -35% for economy-of-size." After all adjustments necessary, the board of review reports this comparable indicates a unit value of \$60.12 per square foot for the subject property.

Pages 5-6 of the memorandum and some supporting market value evidence of pole buildings raise concerns about the determination of the Property Tax Appeal Board on this property in Docket No. 16-06776.001-C-1 which was issued on July 21, 2020. This portion of the board of review's memorandum and market value evidence has not been further considered herein as the LaSalle County Board of Review had the opportunity to pursue review under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code (35 ILCS 200/16-195) and failed to do so.¹

In further support of the subject's assessment, board of review comparables #4 and #5 are described in their respective property record cards as .05 and .43 of an acre parcels improved with either one-story or two-story buildings containing 3,834 and 4,125 square feet of building area, respectively. These comparables sold in January 2016 and June 2015, respectively, for prices of \$257,500² and \$280,000 or for \$67.16 and \$67.88 per square foot of building area, including land, respectively.

Board of review comparable #4 is further discussed in Dolder's memorandum noting the property is located in Utica, a tourist destination due to Starved Rock State Park. It is asserted that both floors of this building had "been nicely updated/remodeled; the 1st floor is occupied as a restaurant and the 2nd floor is improved to provide two apartment units." The memorandum argues that this property is similar to the subject in location, but inferior in site size/relative

¹ Of note, the LaSalle County Board of Review claimed no consideration was given to the nature of the subject's improvements, evidenced by the interior photographs, "which are available on their web site and are now attached." Procedurally, the Property Tax Appeal Board does not engage in external investigation and only can weigh the evidence and documents presented to the Board. Furthermore, and contrary to the board of review's contention, no interior photographs of the subject property were supplied with Docket No. 16-06776.001-C-1.

² The grid and memorandum indicate that \$15,000 of the sale price was allocated for personal property and business enterprise value. The calculated sale price per square foot reported by the board of review fails to account for the \$15,000.

value, quality of construction, overall condition and the fact that one-half of the building is occupied as an apartment. The memorandum concludes that a market-extracted adjustment of negative 30% has been applied "due to disparity in building size."

Board of review comparable #5 is further discussed on page 8 of the memorandum noting the property is located in Peru and about ten blocks from the subject. The building is described as a one-story pre-engineered steel office building with a brick veneer front built in 1980 with average quality construction. Dolder states the building was "considered to have been in average+ condition at the time of sale in June 2015. Due to its smaller size, the board of review applied a -30% adjustment for economy-of-size.

In summary and in light of the "Market Value Adjustment Grid" the board of review contends that no weight should be afforded to appellant's comparable sales #1 and #2 as they are each dissimilar when compared to the subject property. However, appellant's comparable #3 and board of review comparables #4 and #5 "after market-extracted adjustments for measurable differences" arguably indicate the subject's estimated market value to be \$60.12, \$56.41 and \$54.30 per square foot, respectively, resulting in a mean sales price of \$56.94 per square foot. Alternatively, the average of adjusted sales prices #3 and #4 (restaurant buildings) is \$58.27 per square foot.

In rebuttal, the appellant argued that the 2016 tax year decision of the Property Tax Appeal Board was correct and noted that only after twenty years of occupancy when the building needed it, interior renovations were performed resulting in a doubling of the property taxes. The appellant also raised recent economic conditions which did not exist as of January 1, 2017 and will not be further considered herein. In conclusion, the appellant requested that the subject's assessment remain unchanged from the Board's prior tax year decision.

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). Except in counties with more than 200,000 inhabitants that classify property, property is to be valued at 33 1/3% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). The Illinois Supreme Court has construed "fair cash value" to mean what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing, and able to buy but not forced so to do. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970). The Board finds the record evidence establishes that a reduction in the subject's assessment is warranted.

To be clear, on market value grounds, given the uniqueness of the subject property in the local market area, both parties had difficulty in presenting comparables of similar age, size, story height and/or use as the subject property. In this circumstance, both parties would have been

well-served to engage the services of a professional appraiser who would have the skill, knowledge and expertise to support an estimated value conclusion for the subject property as of the valuation date at issue.

Also as an initial matter, the Board has given little weight to the "market-extracted" adjustments set forth on the board of review's "Market Value Adjustment Grid." The Board finds there is no indication who prepared the analysis, the data used to develop the analysis and/or the qualifications of the preparer of the adjustment analysis, among other issues. In this regard, the Board further takes notice that the respective property record cards lack significant characteristic details of the comparables such as date of construction, story height (which is found on the applicable schematic drawing), exterior construction, foundation type and/or air conditioning amenity. Likewise, these characteristics that are necessary for an adequate analysis of comparability to the subject are also lacking in the grid analysis submitted by the board of review such as would be found on page two of the "Board of Review – Notes on Appeal" document.

The parties submitted a total of five comparable sales to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to board of review comparable #5 which has been described as an office which is much newer than the subject building. Furthermore, the Board will analyze board of review comparable sale #4 based upon its adjusted sale price of \$242,500 or \$63.25 per square foot of building area, including land, which removes the personal property and business enterprise amount reported of \$15,000 from the sale.

On this limited record, the Board finds the best evidence of market value to be the appellant's comparable sales and board of review comparable sale #4. The Board further recognizes that three of these four best comparable sales in the record include upstairs apartment unit(s) which distinguishes these properties from the subject which is solely a one-story building used as a restaurant and lacks the additional income potential of an apartment available for rental income. The Board further recognizes the criticisms of appellant's comparables #1 and #2 in terms of location and/or conditions of sale, however, these buildings are each closer in total building size to the subject than board of review comparable #4. As to the REO sale of appellant's comparable #2, the Board takes judicial notice of Section 16-183 of the Property Tax Code (35 ILCS 200/16-183) providing that "[t]he Property Tax Appeal Board shall consider compulsory sales of comparable properties for the purpose of revising and correcting assessments, including those compulsory sales of comparable properties submitted by the taxpayer."

These four most similar comparables in this record sold from February 2015 to September 2016 for prices ranging from \$100,000 to \$242,500 or from \$19.78 to \$75.15 per square foot of building area, including land. As part of its submission as noted above, the LaSalle County Board of Review proposed to reduce the subject's estimated market value based upon its assessment to \$57.39 per square foot of building area, including land. The subject's assessment reflects a market value of \$530,506 or \$58.95 per square foot of building area, including land, which is above the range established by the best comparable sales in terms of overall value in this record and above the reduction proposed by the board of review on a per square foot basis. Giving due consideration to the entire record and after thorough analysis, the Board finds a reduction in the subject's assessment is 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. 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



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: March 15, 2022



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

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