



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

APPELLANT: Mark Gies
DOCKET NO.: 18-00898.001-R-1
PARCEL NO.: 02-03-11-400-010

The parties of record before the Property Tax Appeal Board are Mark Gies, the appellant, and the Kankakee County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **No Change** in the assessment of the property as established by the **Kankakee** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$9,401
IMPR.: \$20,599
TOTAL: \$30,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Kankakee County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2018 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 part two-story and part one-story single-family dwelling of frame exterior construction with 1,904 square feet of living area.¹ The dwelling was constructed in approximately 1905 with an effective age of 55 years. Features of the home include a partial basement and a 588 square foot garage. Other structures on the property include a 640 square foot tool shed, 720 square foot hog house, a 200 square foot pump house and a 330 square foot milk house. The evidence of record depicts that a 1,920 square foot barn built in the 1900s has

¹ The appellant's appraiser reported a dwelling size of 1,436 square feet of living area but failed to provide support for the calculation and stated the size was calculated from county measurements "confirmed upon site tour." Note also that as part of the Executive Summary in the report, the appraiser described the subject dwelling as a "freestanding liquor store" (Appraisal, p. 1, 50). The board of review submitted a copy of the subject's property record card with a schematic drawing to support its contention of a dwelling size of 1,904 square feet of living area. The Board finds the board of review submitted the best evidence of the subject's dwelling size.

been destroyed (photographs Appraisal, p. 57). The property has an approximately 2.35-acre site and is located in Grant Park, Sumner Township, Kankakee County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal and a letter/brief. The appraisal was prepared by Ibi Cole, a Certified General Real Estate Appraiser with the MAI designation, appraising the fee simple rights of the property and estimating the subject property had a market value of \$55,000 as of January 1, 2018.

At page 14 of the report, the appraiser indicates that according to the owner, there have been no capital improvements to the property in the past five years. Furthermore, Cole wrote:

The main issue with the subject is that it was purpose built as a small farm with several ancillary buildings for livestock. Most of the surrounding developments are for agricultural land use and there were few to no sales of similar developments within the immediate area in the last five years. Most similar developments were single family homes. However, homes that were similar in condition to the subject building were commonly foreclosures. The existing improvements have nearly reached the end of their economic lives and a former barn is in disrepair due to a natural disaster (cyclone). The cost to haul away the debris from the barn has served too great of a financial burden and so the remains have been left on site. In addition, the barn was a major selling point in the previous purchase price (close to \$115,000) in late 2012/early 2013. In addition, the current user had locational, functional and enterprise interest in the cow barn for storage of materials. However, without this structure, the former value of the subject is further lost.

Continuing in the discussion of the subject, Cole stated, "the current home, shed and barns are so beyond feasible repair that any new user would likely demolish the existing improvements and redevelop the site. Until the current improvements reach the end of their economic lives, the highest and best use of the site is to maintain the current use until demolition is feasible." (Appraisal, p. 14).

Furthermore, the appraiser upon inspection outlined functional and external obsolescence items with the subject including a four-bedroom home with only one bathroom located within the main bedroom; only one side entrance as "the front door has been permanently shut off"; the upper level lacks adequate moisture protection or heat retention and is often closed off during cold weather months; laundry hook up takes up area in the eat-in kitchen rather than in the basement; and correcting the functional issue to establish a common bathroom would be at substantial cost. Deferred maintenance of chipping paint, holes in wood, sagging floor joists, severe settlement,² severe moisture intrusion[s], a broken air conditioner and old windows were also noted. (Appraisal, p. 15 and 54). Appraisal pages 42 to 48 are photographs of the various structures including interior photographs of the dwelling which depict a home that is inhabited and appears to be in average condition in the first floor living areas; there is a living room, kitchen, bathroom

² Contrary to the reported observation of severe settlement, on page 36 as to "soil conditions," the appraiser reported that "the current structure has existed on the site for a number of years with no visible signs of settlement."

and "bedroom retrofit from former living room." Exterior walls of wooden paneling are highly deteriorated (Appraisal, p. 42, 43, 52 and 55).

Cole next, at some length, distinguished between homestead property and farmstead property/farmstead exemption noting that the subject's soil is not primed for agriculture and its predominate use is currently as a dwelling. The appraiser then noted that the subject's structures have deteriorated beyond feasible repair such that a new user would demolish them and costs to repair and/or correct functional obsolescence items "far surpass the previous purchase price and would surpass any point of feasibility except demolition and reconstruction." The destroyed barn has an estimated cost of \$100,000 to rebuild; as the property exists, Cole concluded that the "cost of pending repairs is greater than the current as-is value." (Appraisal, p. 16).

The appraiser utilized the cost approach in arriving at the conclusion and specified that the sales comparison approach was considered "but deemed unreliable due to the nature of the subject improvements and a lack of similar sales within the immediate area." (Appraisal, p. 2, 4). However, at page 37 in discussing the subject's conformity to the area, Cole noted the property was "similar to many other parcels in the locality and so are its site improvements." Cole set forth the analysis that was performed for the sales comparison approach which determined there were insufficient sales that "fully represent the subject." (Appraisal, p. 87-90).

Pages 66 through 76 of the appellant's appraisal report develop a land value as if vacant and ready for development for the subject property through the analysis of five sales of "raw" vacant land in Grant Park and located from .291 to 1.765-miles from the subject.³ The parcels range in size from 1 to 10.95- acres. The land comparables sold from December 2016 to April 2018 for prices ranging from \$9,000 to \$76,250 or from \$.06 to \$.58 per square foot of land area or from \$2,466 to \$25,381 per acre of land. While recognizing that customarily larger lots will reflect a lower sale price per square foot, Cole presented properties within a three-mile radius of the subject that occurred within the prior three years. The selected comparables were described as "beyond several acres" that were most similar to the subject in zoning and capacity (Appraisal, p. 73). Adjustments to the comparables for differences when compared to the subject were considered by Cole as detailed in pages 74 and 75; the appraiser determined a regression analysis was necessary to "understand the relationship between price and size" and determined the subject, which is near 100,000 square feet, falls near \$.30 per square foot on the graph (Appraisal, p. 74-75). Cole reported placing most weight on the regression analysis and comparable land sales #1 through #3 as either the most recent sales (#1) and/or the most similar in size (#2 and #3). Thus, the appraiser concluded an estimated land value for the subject of \$.30 per square foot or \$30,000, rounded (Appraisal, p. 76).

Next in the appraisal beginning at page 77 through page 83, Cole did an analysis of the reproduction cost new of the existing improvements on the subject parcel to "show the effects of functional obsolescence on the subject" using the Marshall Valuation Service Manual. In this analysis, Cole continued applying a purported dwelling size of 1,436 square feet of living area which is not supported on this record. Under the cost approach in summary, the appraiser estimated the reproduction cost new of all the improvements and site improvements to be

³ On page 75, Cole indicated the land comparables consist of five sales and one active listing although the report fails to reveal any listing that was considered.

\$468,280. Cole estimated depreciation to be \$441,765 or 94% resulting in a depreciated improvement value of \$26,515. Then, adding the land value of \$30,000, Cole estimated the subject property had a market value of \$55,000, rounded, under the cost approach (Appraisal, p. 78-80).⁴ Based on the foregoing appraisal evidence and the appellant's brief reiterating condition issues with the subject property including the barn that was destroyed in 2014, the appellant requested an assessment reflective of the appraised value conclusion of \$55,000.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$30,000. The subject's assessment reflects a market value of \$90,063 or \$47.30 per square foot of living area, land included, when using the 2018 three year average median level of assessment for Kankakee County of 33.31% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review submitted a memorandum and evidence gathered by the Yellowhead/Sumner Multi-Township Assessor, Kim Scanlan. Among the evidentiary items submitted was documentation related to the 2013 purchase of the subject property for \$115,000 with a mortgage for \$109,250. As to the appraiser's remarks that the destruction of the barn has reduced the property's marketability, the assessor argues the barn is old and has a nominal assessed value given the property's residential rather than farm use.

The assessor noted the appraisal relied upon the cost approach and condition issues, despite that some of the maintenance and/or functional obsolescence relates to choices made by the owner since the time of purchase. The assessor acknowledged "some obsolescence" due to the only bathroom being located within a bedroom and agreed to an adjustment for this at the board of review level.

In support of its contention of the correct assessment, the board of review through the township assessor submitted information on four comparable sales located from 4.2 to 8.4-miles from the subject property. The comparable parcels range in size from .11 to 3.50-acres of land area. The comparables are improved with part 1-story and part 2-story or part 1.5-story and part 2-story dwellings of frame exterior construction that were built between 1885 and 1912. The homes range in size from 1,442 to 1,978 square feet of living area. Three of the comparables have basements and each comparable has a garage ranging in size from 160 to 448 square feet of building area. Comparables #2 and #3 each have "outbuildings" and comparable #4 has a "shed/barn." The properties sold from January 2016 to April 2018 for prices ranging from \$76,800 to \$235,000 or from \$53.26 to \$118.80 per square foot of living area, including land. Based on this 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

⁴ The Board notes that on page 64 of the appraisal, Cole opined that the cost approach was not applicable and the appraisal would employ the sales and income approaches to value (Appraisal, p. 64).

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 a reduction in the subject's assessment is not warranted on this record.

The appellant submitted an appraisal of the subject property and the board of review submitted four suggested comparable sales along with evidence that the subject property sold in January 2013 for \$115,000 as support for their respective positions before the Property Tax Appeal Board. The Board has given little consideration to the subject's five-year-old purchase price in terms of its estimated market value as of January 1, 2018.

The Property Tax Appeal Board has thoroughly examined the appellant's appraisal and finds it extremely troubling that the appraiser provided incorrect and unsupported dwelling size data and relied heavily upon the 2014 destruction of a barn on the property as a basis to conclude the property lacks value and/or marketability. The Board finds the only value evidence in Cole's appraisal report is in the cost approach analysis that included "reproduction" analysis rather than the typical replacement analysis. The Board further finds the appraiser's explanation for the application of a reproduction cost new analysis to be unsatisfactory on this record. Lastly, the presentation by the board of review of comparable sales data suggests that the appraiser did not adequately consider the available data for a sales comparison approach to value. In summary, having examined the appraisal report in light of the record as outlined herein, the Board finds the appraiser's final value conclusion is not a credible or a reliable indicator of the subject's estimated market value as of January 1, 2018.

The Board has given reduced weight to board of review comparable sale #2 due to its lack of a basement foundation when compared to the subject. The Board finds that while none of the remaining comparables are particularly similar to the subject property, on this record the best evidence of market value consists of board of review comparable sales #1, #3 and #4. The comparables have varying degrees of similarity to the subject property in land area, age, size and/or features. The comparable sales sold between January 2016 and April 2018 for prices ranging from \$76,800 to \$109,900 or from \$53.26 to \$67.50 per square foot of living area, including land. The subject's assessment reflects a market value of \$90,063 or \$47.30 per square foot of living area, including land, which is within the range established by the best comparable sales in the record in terms of overall value and below the range on a per square foot basis. After considering adjustments to the best comparables in the record for differences when compared to the subject in land area, size and/or other structures, 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. 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:

February 16, 2021



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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