



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

APPELLANT: Beverly Country Club
DOCKET NO.: 20-26981.001-C-3 through 20-26981.004-C-3
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Beverly Country Club, the appellant(s), by attorney Edward T. McElroy, of Edward T. McElroy & Associates in Chicago; the Cook County Board of Review; the Evergreen Park C.H.S.D #231, and Evergreen Park Elementary S.D. #124, intervenors, by attorney Ares G. Dalianis of Franczek P.C. in Chicago.

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 **Cook** County Board of Review is warranted. The correct **open space assessed valuation** of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
20-26981.001-C-3	24-01-212-001-0000	1,655	0	\$ 1,655
20-26981.002-C-3	24-01-212-002-0000	114,403	415,332	\$ 529,735
20-26981.003-C-3	24-01-212-003-0000	117,808	0	\$ 117,808
20-26981.004-C-3	19-36-402-001-0000	158,521	21,463	\$ 179,984

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) after receiving a decision from the Cook County Board of Review. The instant appeal challenges the assessment for tax year 2020. The Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of this appeal.

Findings of Fact

The subject consists of a privately owned country club that includes a clubhouse, an 18-hole golf course, and several improvements. The parties submitted two appraisals that describe the subject's improvements in similar, but slightly different ways.

The appellant's appraisal describes the clubhouse as a three story, masonry constructed building with 52,000 square feet of building area (the "Clubhouse"). The Clubhouse is 100 years old, with an addition that was constructed in approximately 1957, and includes two restaurants, two bars, three banquet rooms, and locker rooms. The third floor of the Clubhouse includes two offices and areas used for storage. The auxiliary buildings include a pro shop/golf cart barn

containing approximately 8,352 square feet of building area (the “Pro Shop”), two golf course maintenance buildings containing 9,310 (“Maintenance Building #1”) and 3,230 (“Maintenance Building #2”) square feet of building area, and a snack shop containing 2,000 square feet of building area (the “Snack Shop”).

The intervenor’s appraisal describes the Clubhouse as a part-one, -two, and -three-story, frame and masonry constructed building, with 52,670 square feet of building area which includes two restaurants, a bar, a dining room that can be divided into three smaller rooms, and locker rooms. The third floor of the Clubhouse includes two offices and areas used for storage. The Pro Shop is described as a one-story, masonry constructed building with 8,480 square feet of building area. Approximately 25.00% of this building is utilized as a golf pro shop, while another 25.00% is utilized for storing members’ golf clubs. The remaining half of this building is used for golf cart storage. The Snack Shop is described as a frame and masonry constructed building with 900 square feet of building area. Maintenance Building #1 is described as a one-story, masonry constructed building with 6,240 square feet of building area built in 1945. Maintenance Building #2 is described as a one-story, metal panel constructed building with 2,400 square feet of building area. The intervenor’s appraisal also describes a 400 square foot shed and a 100 square foot shelter, neither of which was included in the appellant’s appraisal.

The property’s site is 145.19 acres, or 6,324,476 square feet, and is bisected by 87th Street. There is a tunnel that goes under 87th Street that connects the two sides of the subject. Patrons of the subject can use this tunnel to go between the two sides of the country club. The northern portion of the subject is identified by the PIN beginning with 19- and it is located in Lake Township, Cook County. This PIN includes Maintenance Buildings #1 and #2 and the Pro Shop. The southern portion of the subject is identified by the three PINs beginning with 24- and it is located in Worth Township, Cook County. PIN 24-01-212-002-0000 includes the Clubhouse and the Snack Shop. The subject is classified as a class 5-35 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by Joseph Ryan, M.A.I. (the “Ryan Appraisal”). The Ryan Appraisal utilized the cost approach to value and the sale comparison approach to value in estimating the subject property had a market value of \$1,675,000 as of January 1, 2020.

The Ryan Appraisal states that “The retrospective appraisal report is intended to be used by the client only to provide a basis for an equitable real estate assessment.” It also states that “Elementary school students are served by Districts 5, 7 and 10.” Moreover, the Ryan Appraisal does not include the definition of “fair cash value” from the Property Tax Code (35 ILCS 200/1-1 *et seq.*).

For the cost approach, the Ryan Appraisal estimated that the subject’s land value was \$1,265,000, rounded, or \$0.20 per square foot of land. This land value was based on the Cook County Assessor’s practice of assessing property that is considered open space at \$0.20 per square foot of land. The Ryan Appraisal also states that “Our research indicated there were no open space land sales in *Cook County*.” (Emphasis in original.) Using the Marshall and Swift Cost Manual, the Ryan Appraisal found the Clubhouse’s replacement cost new to be \$8,593,010, the Pro Shop’s replacement cost new to be \$1,111,236, and the Snack Shop’s replacement cost

new to be \$154,000. The depreciation of these three improvements was derived from several of the sale comparables found in the sales comparison approach to value, and was determined to be 98.00%. This depreciation analysis was summarized in a chart on page 49 of the appraisal, while the sale comparables utilized were described on pages 55 through 66. When adding the Clubhouse's depreciated cost new of \$171,860, the Pro Shop's depreciated cost new of \$22,225, the Snack Shop's depreciated cost new of \$3,080, the land value of \$1,265,000, and \$140,000 for minor site improvements, the Ryan Appraisal estimated that the subject's market value under the cost approach was \$1,600,000, rounded.

For the sales comparison approach, the Ryan Appraisal utilized eight comparable sales of 18-hole golf courses assessed as open space. These comparables ranged in land size from 95.36 to 166.00 acres, and in clubhouse size from 3,822 to 27,000 square feet of building area. The clubhouses all include a pro shop and a restaurant. Six of the clubhouses also have a banquet room, while one has an attached banquet tent. Four of the clubhouses also have locker rooms. These sale comparables were located in Lake, McHenry, Will, Kankakee, and DuPage Counties, with none located in Cook County. They sold from March 2015 to August 2019 for \$475,000 to \$1,600,000, or \$3,800 to \$11,742 per acre of land.

The Ryan Appraisal analyzed the following factors in making adjustments to the sale comparables: property rights; financing terms; conditions of sale; market conditions; location; and age, condition/amenities/Clubhouse size. After this analysis, the Ryan Appraisal concluded that no adjustments were warranted to any of the sale comparables for property rights or financing terms. Additionally, all eight sale comparables were adjusted downward for conditions of sale, and also for market conditions. Moreover, all eight sale comparables were adjusted upward for location, and six sale comparables were adjusted upward for age and condition/amenities. After making these adjustments, the Ryan Appraisal estimated the subject's market value under the sales comparison approach on a "per acre" basis, finding it to be \$11,500 per acre, or \$1,675,000, rounded. The Ryan Appraisal also states that "[T]hese clubhouses are typically constructed on areas with little prominence and exposure to a fronting street. As a result, an alternative use such as a banquet hall would not be financially feasible."

The Ryan Appraisal reconciled the cost and sales comparison approaches to value by giving no weight to the cost approach, and all the weight to the sales comparison approach. Thus, the Ryan Appraisal concluded that the subject's market value was \$1,675,000 as of January 1, 2020. Based on this evidence, the appellant requested a reduction in the subject's assessment to \$418,750. In particular, the appellant requested that the parcels with the PINs 24-01-212-001-0000 and 24-01-212-003-0000 remain unchanged, that the parcel with the PIN 24-01-212-002-0000 have its improvement assessment reduced to \$5,000 and that the land assessment remain unchanged, and that the parcel with the PIN 19-36-402-001-0000 have its improvement assessment reduced to \$21,463 and that the land assessment remain unchanged.

The board of review submitted its "Board of Review Notes on Appeal" disclosing that the total assessment for the subject is \$831,859. The subject's land assessment is \$392,387. The parcel with the Clubhouse (PIN ending with -002) has an improvement assessment of \$415,332. The subject's land assessment reflects a market value of \$1,569,548 (or \$0.25 per square foot of land), the parcel with the Clubhouse reflects a market value for the improvements of \$1,661,328, and the subject's total assessment reflects a market value of \$3,327,436 when applying the 2020

statutory level of assessment for class 5 property of 25.00% under the Cook County Real Property Assessment Classification Ordinance.

In support of its contention of the correct assessment, the board of review submitted information on three sale comparables from the CoStar Comps service. These sale comparables sold from October 2018 to October 2019 for \$3,400,000 to \$9,304,780, or \$161.90 to \$179.89 per square foot of building area, including land.

The intervenor contends that the subject is undervalued. In support of this argument, the intervenor submitted an appraisal prepared by Michael S. MaRous, M.A.I., C.R.E. (the “MaRous Appraisal”). The MaRous Appraisal utilized the cost approach to value and the sales comparison approach to value in estimating the subject property had a market value of \$6,300,000 as of January 1, 2020. The MaRous Appraisal utilized the term “market value” as that term is defined in the Property Tax Code. This report also states that the roads adjacent to the subject property have high traffic counts, and provided average daily traffic counts as determined by the Illinois Department of Transportation. Moreover, the MaRous Appraisal states “In my opinion, the clubhouse may have limited potential to be sold separately from the golf course, most likely for a banquet facility-type use.”

For the cost approach, the MaRous Appraisal utilized six land sales of parcels that the Cook County Assessor assessed as open space. These land sales ranged in land area from 29.90 to 202.29 acres, and sold from September 2012 to December 2020 for \$1,900,000 to \$8,000,000, or \$23,750 to \$71,973 per acre. Land Sale Comparable #1 is located in Will County, and is described as a heavily wooded property with multiple wetlands and flood hazard areas. This land sale comparable was purchased for the expansion of an adjacent park. Land Sale Comparable #2 is located in Cook County, and is described as a partially wooded property with a lake, multiple wetlands, and a flood hazard area. This land sale comparable was purchased by the Forest Preserve of Cook County for the expansion of an adjacent forest preserve. Land Sale Comparable #3 is located in Will County, and is described as an 18-hole golf course with a 22,050 square foot clubhouse that has been converted to the Homer Glen Village Hall. This land sale comparable was purchased by the Village of Homer Glen after a bankruptcy proceeding. Land Sale Comparable #4 is located in DuPage County, and is described as a former golf course that was purchased by the Village of Bloomingdale after a planned residential development plan failed to materialize. Land Sale Comparable #5 is located in Cook County, and is described as an agricultural parcel that was purchased by the Forest Preserve District of Cook County to expand an adjacent forest preserve. Land Sale Comparable #6 is located in Cook County, and is described as a partially wooded area that housed a convent at the time of the sale. The purchaser of this land sale comparable was the Forest Preserve District of Cook County.

The MaRous Appraisal analyzed the following factors in making adjustments to the land sale comparables: time, location, size, flood hazard and wetland areas, and “other factors.” The adjustments were not quantified in the MaRous Appraisal, and were, instead, found in a single sentence, stating “After analyzing the comparable land sales in relation to the subject property for factors such as time, location, size, flood hazard and wetland areas, and other factors of consideration, I have estimated a unit land value for the subject property of \$25,000 per acre.” After this analysis, the MaRous Appraisal estimated that the subject’s land value was \$3,630,000, rounded, or \$25,000 per acre of land.

Using the Marshall Valuation Service, the MaRous Appraisal found the Clubhouse's replacement cost new to be \$12,851,480. The Clubhouse's replacement cost new was depreciated 70.00% for physical deterioration, 10.00% for functional obsolescence, and 15.00% for external obsolescence to arrive at a depreciated cost new for the Clubhouse of \$2,949,415. When adding the Clubhouse's depreciated cost new, the land value of \$3,630,000, and \$250,000 for minor site improvements, the MaRous Appraisal estimated that the subject's market value under the cost approach was \$6,830,000, rounded.

For the sales comparison approach, the MaRous Appraisal utilized four sale comparables of banquet facilities in estimating the Clubhouse's market value. These comparables ranged in improvement size from 11,000 to 22,545 square feet of building area, and in land-to-building ratio from 6.18:1 to 14.33:1. These sale comparables sold from August 2013 to January 2020 for \$1,400,000 to \$3,075,000, or \$12.26 to \$122.39 per square foot of building area.

The MaRous Appraisal analyzed the following factors in making adjustments to the sale comparables: interest conveyed, date of sale, location, improvement size, condition, and "other factors." The adjustments were not quantified in the MaRous Appraisal, but the report does state that "I also have taken into consideration that the subject clubhouse most likely would require some reconfiguration for use as a banquet facility-type use and, therefore, that the improvements may be considered more akin to a building shell." After this analysis, the MaRous Appraisal estimated that the Clubhouse's market value under the sales comparison approach was \$2,400,000, rounded. After adding in the land value as derived from the cost approach of \$3,630,000, the MaRous Appraisal estimated that the subject's market value under the sales comparison approach was \$6,030,000.

The MaRous Appraisal reconciled the cost and sales comparison approaches to value, and concluded that the subject's market value was \$6,300,000 as of January 1, 2020. Based on this evidence, the appellant requested an increase in the subject's assessment to \$1,575,000.

Both the Ryan Appraisal and the MaRous Appraisal cite section 10-155 of the Property Tax Code (35 ILCS 200/10-155) as a jurisdictional exception. Section 10-155 states that land used for open space purposes shall be valued at its fair cash value as if the potential purchaser was going to continue using the property for open space purposes.

The Ryan Appraisal states that "The subject has been granted open space status by the Cook Assessor's Office," and that "The subject site has been granted open space status by the Cook County Assessor's Office in previous assessment triennials." In particular, the Ryan Appraisal states that Maintenance Buildings #1 and #2 "are necessary to maintaining the open space." The MaRous Appraisal states that, "Due to the open space classification, I have not estimated the contributory value of those building and site improvements that essentially are part of the subject property's golf course/open space use, nor have I taken the same into consideration in the estimated value of the subject property. However, I have estimated the contributory value of the clubhouse and of the surrounding site improvements." Therefore, both appraisals agree that the subject's land, including all of the improvements (except the Clubhouse), are "open space land" as that term is defined in section 10-155.

In determining the subject's highest and best use, the Ryan Appraisal states, "The granting of 'Open Space' precludes the underlying land from being developed for any use other than what would qualify for open space. Hence there would not be a traditional highest and best use analysis as the use has already been determined for ad valorem purposes." The MaRous appraisal, however, does include a traditional highest and best use analysis, and concludes that the subject's highest and best use as vacant is as open space until it became feasible to develop single-family residences. The MaRous appraisal further states that the subject's highest and best use as improved is its continued use as a country club, or alternatively, to adapt the Clubhouse to a banquet facility.

At hearing, the appellant called Mr. Ryan to testify. After *voir dire*, the Board accepted Mr. Ryan as an expert in real estate valuation for properties such as the subject without objection from the board of review or the intervenor. Mr. Ryan testified that he completed the appraisal previously submitted by the appellant, that he inspected the subject property, and that he utilized the cost approach and the sales comparison approach in concluding that the subject's market value as of January 1, 2020 was \$1,675,000. The expert witness testified that he could not value the subject at its highest and best use because section 10-155 of the Property Tax Code precluded the subject from being developed for an alternative use other than open space. Mr. Ryan further testified that he was unable to find sales of golf courses in Cook County, and that he expanded his search to the surrounding counties to find sale comparables.

During cross examination from the intervenor's attorney, Mr. Ryan testified that his appraisal had several errors, including that its intended use was not an assessment equity analysis, that the subject does not serve school districts 5, 7, or 10, and that the market extracted depreciation chart on page 49 was significantly mislabeled. Mr. Ryan also testified that the appraisal does not include the definition of "fair cash value" from the Property Tax Code, and that he did not consider traffic counts in his sales comparison approach analysis because he did not find them relevant, as golf courses are destination locations. The witness further testified that sale comparables #2 and #5 were R.E.O. sales.

During cross examination from the assistant state's attorney, Mr. Ryan acknowledged that he was investigated by the Illinois Department of Financial and Professional Responsibility in 2014 or 2015 for failing to meet the minimum standards of the Uniform Standards of Professional Appraisal Practice, and that he was ultimately fined and reprimanded.

During redirect testimony, Mr. Ryan testified that the errors in his appraisal were not done for the purpose of misleading the reader.

During the board of review's case-in-chief, the assistant state's attorney reaffirmed the evidence previously submitted.

Next, the intervenor proceeded to present its case-in-chief, and called Michael S. MaRous, M.A.I., C.R.E. to testify. After *voir dire*, the Board accepted Mr. MaRous as an expert in real estate valuation for properties such as the subject without objection from the appellant or the board of review. Mr. MaRous testified that he completed the appraisal previously submitted by the intervenor, that he inspected the subject property, and that he utilized the cost approach and the sales comparison approach in concluding that the subject's market value as of January 1,

2020 was \$6,300,000. Mr. MaRous testified that the traffic counts of the roads adjacent to the subject and the comparables were important to his analysis because they show activity in the area and accessibility, both of which benefit a golf course. Mr. MaRous testified that the subject's highest and best use would be continued use as a golf course due to section 10-155 of the Property Tax Code. The expert witness added that the Clubhouse could be developed separately from the open space portions of the subject.

Mr. MaRous also testified that he considered the sales of golf courses, including several golf courses in the Ryan Appraisal's sales comparison approach; however, he did not find them comparable to the subject.

During cross examination, Mr. MaRous testified that he was not aware of any plans to convert the Clubhouse to a banquet facility, and that the appellant's members might consider such a conversion. However, the expert witness then testified that, in his experience, the members would probably not convert the Clubhouse to a banquet facility because they would lose control over it. Mr. MaRous next testified that sale comparables #2, #3, and #4 in the sales comparison approach of his appraisal did not use real estate brokers, but he considered them at market value because the market knew they were available for sale.

Conclusion of Law

The appellant and the intervenor both contend that 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 proven 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 did meet this burden of proof, and a reduction in the subject's assessment is warranted. The Board also finds that the intervenor did not meet this burden of proof, and an increase in the subject's assessment is not warranted.

The Illinois Constitution states as follows:

SECTION 4. REAL PROPERTY TAXATION

- (a) Except as otherwise provided in this Section, taxes upon real property shall be levied uniformly by valuation ascertained as the General Assembly shall provide by law.

Ill. Const. art. IX, § 4(a).

In accordance with the authority granted to it in this section of the Illinois Constitution, the General Assembly has provided procedures for ascertaining the value of property in Illinois for *ad valorem* real estate tax purposes. Generally, property is valued at its fair cash value, which is defined 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 and 9-155. There are several exceptions to this general rule, such as solar energy systems (35 ILCS 200/10-10), residential developments that are platted (35 ILCS 200/10-30(b)), rehabilitated

historic residences (35 ILCS 200/10-45 and 10-50), certain airports (35 ILCS 200/10-90), and farmland (35 ILCS 200/10-115). See Commonwealth Edison Co. v. Property Tax Appeal Bd., 378 Ill.App.3d 901, 915-16 (2d Dist. 2008) (providing a similar list of valuation procedures for certain properties and concluding that “the legislature mandated certain specific valuation methods for ‘special’ properties falling within the enumerated categories set forth above.”). All of these types of properties, among others, are required by statute to be valued at a value other than their fair cash value.

One of those exceptions is at issue in this appeal: open space valuation. The statute describing open space valuation states as follows:

Open space land; valuation. In all counties, in addition to valuation as otherwise permitted by law, land which is used for open space purposes and has been so used for the 3 years immediately preceding the year in which the assessment is made, upon application under Section 10-160, shall be valued on the basis of its fair cash value, estimated at the price it would bring at a fair, voluntary sale for use by the buyer for open space purposes.

Land is considered used for open space purposes if it is more than 10 acres in area and:

- (a) is actually and exclusively used for maintaining or enhancing natural or scenic resources,
- (b) protects air or streams or water supplies,
- (c) promotes conservation of soil, wetlands, beaches, or marshes, including ground cover or planted perennial grasses, trees and shrubs and other natural perennial growth, and including any body of water, whether man-made or natural,
- (d) conserves landscaped areas, such as public or private golf courses,
- (e) enhances the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations, sanctuaries, or other open spaces, or
- (f) preserves historic sites.

Land is not considered used for open space purposes if it is used primarily for residential purposes.

If the land is improved with a water-retention dam that is operated primarily for commercial purposes, the water-retention dam is not considered to be used for open space purposes despite the fact that any resulting man-made lake may be considered to be used for open space purposes under this Section.

35 ILCS 200/10-155.

In Knox County Bd. of Review v. Illinois Property Tax Appeal Bd., 185 Ill.App.3d 530 (3d Dist. 1989), the court found that “the improvements to open space land that enhance or conserve the natural scenic beauty of that land, such as greens, tees and fairways, are not separately assessable under the Act.” Id. at 534. In Consumers IL Water Co. v. Vermillion County Bd. of Review, 363 Ill.App.3d 646 (4th Dist. 2006), the appellant constructed a dam, which created a lake. Id. at 648. In that case, the Board found that the land, including the lake, was subject to open space

valuation under section 10-155, but that the dam, as an improvement, was not subject to open space valuation. Id. at 649. The Fourth District Appellate Court reversed the Board's decision as to the dam, finding that the term "land," as defined in section 1-130 of the Property Tax Code, refers to both the land itself and any improvements upon the land. Id. at 651. Thus, the dam, an improvement, was also subject to the open space valuation so long as it met the other statutory criteria delineated in section 10-155. Id. at 652 (accord Lake County Board of Review v. Illinois Property Tax Appeal Board, 2013 IL App (2d) 120429, ¶ 9 ("Onwentsia II") ("[W]e hold that land, even if it contains an improvement, may be granted open-space status if it conserves landscaped areas.") (quoting Onwentsia Club v. Illinois Property Tax Appeal Board, 2011 IL App (2d) 100388, ¶ 16 ("Onwentsia I")). The court found that to be the case, as "those improvements are contributing to the open space nature of the land." Consumers IL Water Co., 363 Ill.App.3d at 652. The court also reiterated the Third District Appellate Court's holding in Knox, that "section 10-155 of the [Property Tax] Code [citation] provides a single assessment value, and thus improvements do not have their own assessment value." Id.

Under these appellate court opinions' interpretation of section 10-155, the improvements which actually conserve the open space nature of the open space land do not have their own assessment value. Both appraisals agreed that the subject's land, including the improvements (except the Clubhouse), are "open space land" under section 10-155. As such, the parties agree that the auxiliary buildings should not have their own assessment value. Maintenance Buildings #1 and #2 and the Pro Shop are located on the parcel with the PIN 19-36-402-001-0000. Therefore, the Board finds that the parties agree that this PIN's improvement assessment should be reduced, and that a reduction in this PIN's improvement assessment, to that requested by the appellant, is warranted. The remaining auxiliary building is the Snack Shop, which is situated on the same PIN as the Clubhouse, and is discussed *infra*.

The parties disagree on the market value of the open space land, and on the market value of the Clubhouse. The Board will address each in turn.

Initially, the Board finds that the board of review's sale comparables are merely raw sales data, and that no witness was called to testify as to their veracity. As such, the Board accords no weight to the board of review's sale comparables.

In Lake County Bd. of Review v. Property Tax Appeal Bd., 192 Ill.App.3d 605 (2d Dist. 1989), the court stated that the open space statute "afford[s] a uniform valuation to all land actually used for one or more of the open-space purposes enumerated therein regardless of whatever other actual use or improvements the land supports." Id. at 618. The Second Appellate Court narrowed this holding 16 years later in Golf Trust America, L.P. v. Soat, 355 Ill.App.3d 333 (2d Dist. 2005), stating that, while the "actual use" of the open space land could not be considered in its valuation, "other aspects of such properties (*i.e.*, size and location within the county) could affect the value of open space properties." Id. at 340. The court further clarified that "there are no least or most valuable' open-space lands, and the [Board] did not err in determining the value of golf courses based on evidence of the value of wetlands and marshes that also qualified as open-space lands." Id. at 340 (citing Lake County Bd. of Review, 192 Ill.App.3d at 619).

The appellant did not request a change in the land assessment for any of the subject PINs, and, therefore, the Board finds that no reduction is warranted to the subject's land assessment.

Instead, the Ryan Appraisal states that the subject's land assessment has already been set by the Cook County Assessor at \$0.20 per square foot of land, without any analysis.¹

Contrarily, the intervenor argued that the subject, as a whole, is undervalued, including the open space land, and has submitted the MaRous Appraisal in support of this argument. The MaRous Appraisal utilized six land sale comparables in estimating that the market value for the subject's open space land is \$3,630,000, or \$0.57 per square foot of land. The Board finds that this value is unsupported.

The MaRous Appraisal included sufficient descriptive information for the land sale comparables. However, the adjustments made to these land sale comparables are contained entirely in one sentence: "After analyzing the comparable land sales in relation to the subject property for factors such as time, location, size, flood hazard and wetland areas, and other factors of consideration, I have estimated a unit land value for the subject property of \$25,000 per acre." The Board finds this analysis to be wholly insufficient. While a quantitative analysis is not always necessary, *some* analysis is required. The Golf Trust America court stated that the comparables' "actual use" could not be considered (presuming the comparables and the subject are all open space land), but the MaRous Appraisal apparently made adjustments to the land sale comparables for "flood hazard and wetland areas." Moreover, the MaRous Appraisal made adjustments for "other factors of consideration." Such a cryptic statement provides no assistance to the Board in determining whether the adjustments made to the land sale comparables comport with the directives in Golf Trust America. The remaining adjustments for time, location, and size all appear to comply with Golf Trust America; however, there is no information in the MaRous Appraisal stating how these factors were weighed by Mr. MaRous. As such, the Board finds that the MaRous Appraisal's conclusion of value for the subject's open space land is unsupported. The Board further finds that the intervenor has not proven, by a preponderance of the evidence, that the subject's land is undervalued, and that an increase in the subject's land assessment is not warranted.

The parties also disagree on the market value of the Clubhouse. The appellant argued that the Clubhouse is overvalued, and has submitted the Ryan Appraisal in support of this argument. The Ryan Appraisal utilized eight sale comparables of golf courses in the sales comparison approach to value, and all of these sale comparables were considered "open space land" as that term is defined in section 10-155 of the Property Tax Code. The Ryan Appraisal does not individually identify the market value of the Clubhouse, the open space land, or any other improvements upon the comparables or the subject. Instead, it concludes that the subject's market value is \$11,500 *per acre*.

The Board finds that the Ryan Appraisal's valuation of the Clubhouse is flawed. Mr. Ryan's analysis and adjustments to the sale comparables were done on a "per acre" basis utilizing comparables that were also considered "open space land." This analysis presupposes that the Clubhouse should be valued as "open space land" as that term is defined in section 10-155 of the Property Tax Code. For an improvement to be valued as open space land, the improvement must *conserve* the landscaped areas of the golf course. 35 ILCS 200/10-155(d); Onwentsia II, 2013 IL

¹ As stated *supra*, the subject's current land assessment actually reflects a market value of \$0.25 per square foot of land.

App (2d) 120429, ¶ 9 (“[W]e hold that land, even if it contains an improvement, may be granted open-space status if it conserves landscaped areas.”) (quoting Onwentsia I, 2011 IL App (2d) 100388, ¶ 16). While the Ryan Appraisal does show an adjustment category for “age, condition/amenities/Clubhouse size,” this single category does not rise to the level of valuing the Clubhouse separate and apart from the underlying open space land. Such an analysis would include *separate* adjustments to the *improvements* of the sale comparables for factors such as size, condition, exterior construction, location, and other amenities. The Ryan Appraisal does not include any such analysis or adjustments. Instead, it adjusts the sale comparables as open space land on a “per acre” basis, and includes the comparables’ clubhouses as a single factor in doing so.

The Onwentsia II court recognized that “Improvements with mixed uses present a special challenge. Given the many varied improvements that could exist, ultimately each will have to be assessed in light of the unique facts and circumstances relevant to the particular improvement in question.” Onwentsia II, 2013 IL App (2d) 120429, ¶ 13. The court went on to identify some general principles it found relevant.

First, the court suggested that “different parts of an improvement may be easily discernable and severable for the purpose of ascertaining whether a portion conserves open space while another does not.” Id. at ¶ 14. There is no evidence in the record showing a breakout of the different portions of the Clubhouse. Thus, it is not “easily discernable and severable” to identify the portions of the Clubhouse that conserve the landscaped areas of the golf course, if any.

Next, the court suggested that “In some cases, considering the primary use of the improvement may provide insight into whether it ‘conserves’ a landscaped area.” Id. at ¶ 15. Again, there is no evidence in the record to show the Clubhouse’s *primary* use. The Clubhouse’s primary use may be to conserve the landscaped areas of the golf course, but it also includes varied facilities such as restaurants, bars, banquet rooms, and storage space.² Without more evidence describing how the Clubhouse is primarily used, the Board is unable to determine if it is primarily used to conserve the landscaped areas of the golf course.

As such, the Board finds the Ryan Appraisal’s estimate of market value for the Clubhouse is flawed, and accords it no weight in this analysis. The Board finds that the appellant has not proven, by a preponderance of the evidence, that the Clubhouse is overvalued, and that a reduction in the Clubhouse’s improvement assessment is not warranted.

The intervenor argued that the subject, as a whole, is undervalued, including the Clubhouse, and has submitted the MaRous Appraisal in support of this argument. The MaRous Appraisal utilized four sale comparables of banquet facilities in the sales comparison approach to value, and estimated that the Clubhouse’s market value was \$2,400,000.

² The Board makes no findings regarding whether these facilities conserve or do not conserve the landscaped areas of the golf course. The Board merely presents these as examples of portions of the Clubhouse that do not appear, on their face, to conserve the landscaped areas of the golf course. It would require a more fact intensive inquiry (utilizing facts that are not found in the record) to make such a determination.

The Board finds that the MaRous Appraisal's analysis in valuing the Clubhouse is flawed and unsupported. The MaRous Appraisal utilized strictly banquet facilities in the sales comparison approach to value. The Clubhouse, as currently constructed, is only partially a banquet facility. Thus, as the MaRous Appraisal recognized, there would be conversion costs required to renovate the Clubhouse into a banquet facility in its entirety. The MaRous Appraisal further states that "In my opinion, the clubhouse may have *limited* potential to be sold separately from the golf course, most likely for a banquet facility-type use," (emphasis added). At hearing, Mr. MaRous testified that he was not aware of any plans to convert the Clubhouse to a banquet facility, and that the appellant's members might consider such a conversion, but that, in his experience, they probably would not do so because they would lose control over the Clubhouse. For its part, the Ryan Appraisal states that, "[T]hese clubhouses [in the sales comparison approach] are typically constructed on areas with little prominence and exposure to a fronting street. As a result, an alternative use such as a banquet hall would not be financially feasible." Thus, based on Mr. MaRous's statements in the MaRous Appraisal and testimony at hearing, it appears that converting the Clubhouse to a banquet facility would be costly, opposed by the appellant's members (i.e., owners), and have a limited market. In essence, such a conversion does not seem feasible. Moreover, a portion of the Clubhouse already includes banquet rooms. If the appellant desired to hold itself out as a public banquet hall facility, it could do so now, without any conversion costs; however, it has not done so. Therefore, the Board finds that the MaRous Appraisal's analysis in comparing the Clubhouse to banquet facilities is flawed and unsupported, and accords it no weight in this analysis. The Board finds that the intervenor has not proven, by a preponderance of the evidence, that the Clubhouse is undervalued, and that an increase in the Clubhouse's improvement assessment is not warranted.

Finally, while the parties agree that the Snack Shop should be considered "open space land" as that term is defined in section 10-155 of the Property Tax Code (see discussion *supra*), the Board is unable to separate the Snack Shop's improvement assessment from the total improvement assessment on PIN 24-01-212-002-0000. This PIN includes two improvements: the Snack Shop and the Clubhouse. There is no evidence in the record to show the individual market value or individual improvement assessment for these two improvements. As such, the Board finds that the improvement assessment for this PIN will remain unchanged.

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: _____

May 20, 2025



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.

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