



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

APPELLANT: Paul Scheetz
DOCKET NO.: 21-05517.001-C-1
PARCEL NO.: 21-14-21-100-014-0000

The parties of record before the Property Tax Appeal Board are Paul Scheetz, the appellant, by attorney George N. Reveliotis, of Reveliotis Law, P.C. in Park Ridge; and the Will 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 **Will** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$43,000
IMPR.: \$62,074
TOTAL: \$105,074

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision 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 2021 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 commercial building of masonry exterior construction with 3,200 square feet of gross building area. The building was constructed in 1979 and was remodeled in 2018. The building has two units with 1,200 or 2,000 square feet of gross building area, both of which are owner-occupied. The property has a 32,060 square foot site and is located in Monee, Monee Township, Will County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$185,000 as of January 1, 2021. The appraisal was prepared by Shawn Schneider, a certified general appraiser, for ad valorem tax purposes. The appraiser inspected the interior and exterior of the subject property on September 10, 2021.

The appraiser did not develop the cost approach due to the age of the improvements and inadequate land sale data.

Under the income capitalization approach, the appraiser selected four rent comparables located Monee, Richton Park, or University Park. The comparables are improved with retail or restaurant buildings with leased area ranging from 1,300 to 9,760 square feet of gross building area. The comparables have rents ranging from \$10.00 per square foot leased area on a modified gross lease basis to \$15.50 per square foot of leased area on a triple net lease basis. Based on the foregoing, the appraiser estimated \$12.00 per square foot of leased area for the smaller unit and \$10.00 per square foot of leased area for the larger unit, both on a net lease basis, and calculated potential gross income for the subject of \$34,400. The appraiser examined market vacancy rates and estimated a 10.00% vacancy rate for the subject. After deducting \$3,440 for vacancy losses, the appraiser arrived at effective gross income of \$30,960. The appraiser next examined market expenses for comparable properties in the subject's market area to conclude expenses of \$12,774, including insurance, management and administrative fees, utilities, repairs and maintenance, CAM, leasing costs, other miscellaneous expenses, and reserves. The appraiser computed net operating income of \$18,186.¹ The appraiser calculated a capitalization rate of 8.78%, rounded to 9.00%, utilizing the band of investment method, to which the appraiser added a factor for real estate taxes and vacancy based on the subject's age, condition, utility, and location, to conclude a loaded capitalization rate of 9.40%. Based on the foregoing, the appraiser arrived at a value for the subject of \$179,138, rounded to \$180,000.

Under the sales comparison approach, the appraiser selected seven comparable sales located in Crete, Beecher, Peotone, Steger, Wilmington, and Channahon and from 5.18 to 24 miles from the subject. The parcels range in size from 5,227 to 100,158 square feet of land area and are improved with retail, office, or mixed residential and commercial buildings ranging in size from 1,481 to 6,000 square feet of gross building area. The buildings were constructed from 1920 to 1989. The comparables sold from April 2018 to July 2021 for prices ranging from \$47,000 to \$335,000 or from \$13.90 to \$61.41 per square foot of gross building area, including land. The appraiser made adjustments to the comparables for market trends, market exposure time, and for differences from the subject, such as age, building size, and land to building ratio, to arrive at adjusted sale prices ranging from \$15.64 to \$58.62 per square foot of gross building area, including land. Based on these adjusted sale prices, the appraiser opined a value for the subject of \$185,000 under the sales comparison approach.

In reconciling the two approaches developed in the appraisal report, the appraiser stated equal weight was given to both approaches. The appraiser concluded a market value for the subject of \$185,000 as of January 1, 2021.

Based on this evidence, the appellant requested a reduction in the subject's assessment to reflect the appraised value conclusion.

¹ The Board notes the appraiser misstated the net operating income of \$18,186 (which excludes real estate taxes) as the net operating income after real estate taxes, resulting in an erroneous value for the subject property based on net operating income excluding real estate taxes. Net operating income before real estate taxes \$18,186 / Loaded capitalization rate 9.40% = \$193,468.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$105,074. The subject's assessment reflects a market value of \$315,159 or \$78.79 per square foot of building area, land included, when using the 2021 three year average median level of assessment for Will County of 33.34% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on four comparable sales located in Frankfort, Joliet, or Plainfield.² The parcels range in size from 3,348 to 46,200 square feet of land area and are improved with restaurant, office, retail, or mixed residential and commercial buildings ranging in size from 3,900 to 5,500 square feet of gross building area. The comparables sold from May 2019 to May 2021 for prices ranging from \$302,500 to \$500,000 or from \$55.00 to \$128.21 per square foot of gross building area, including land.

The board of review submitted a letter from the township assessor's office contending that the subject has 3,200 square feet of first floor building area plus an 800 square foot mezzanine over the main interior area, resulting in 4,000 square feet of gross building area. The township assessor asserted the appraisal states an incorrect building size, which does not include the mezzanine. The township assessor further contended that the subject was renovated in 2017 and 2018 to create two separate units, which are presently occupied by a chiropractor's office and a restaurant/bar. The township assessor stated the subject's assessment was increased to reflect the renovations, which included gutting and replacing the interiors of the units, creating an outdoor entertainment area, and enlarging and repaving the parking lot. The township assessor argued the appraisal comparable sales are not similar to the subject in use, age, and building size. Moreover, the township assessor asserted appraisal sale #1 was a sale between related individuals or corporate affiliates, as indicated in a Real Estate Transfer Declaration for this sale, which was presented with the township assessor's letter, and appraisal sale #5 transferred again in 2020 by a Quit Claim Deed. The township assessor also argued the appraiser presented a different value conclusion to the board of review than the value conclusion presented in this appeal, as shown in letters from the appraiser opining values of \$200,000 and \$185,000, which were presented with the township assessor's letter.³

Based on this evidence, the board of review requested the subject's assessment be sustained.

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). The Board finds the appellant did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

² The board of review also presented information on four equity comparables, which the Board finds are not responsive to the appellant's overvaluation argument.

³ The Board notes that the \$200,000 opinion of value letter appears to have been preliminary with a supporting appraisal to follow. The \$185,000 opinion of value is presented in the appraisal report submitted by the appellant herein. No appraisal report for a \$200,000 value conclusion was submitted by either party.

The appellant presented an appraisal and the board of review presented four comparables sales in support of their respective positions before the Board. The Board gives less weight to the value conclusion contained in the appraisal. The appraiser value conclusion under the income capitalization approach contains mathematical errors, resulting in an erroneous value conclusion. The appraiser also stated an incorrect building size for the subject, on which the adjustments to the comparable sales for building size was based. For these reasons, the Board finds the appraisal states a less reliable and/or credible opinion of value and the Board will instead consider the raw sales data presented in the appraisal and by the board of review.

The record contains a total of eleven comparable sales for the Board's consideration. The Board gives less weight to appraisal sales #2 through #7 and the board of review's comparables #1, #2, and #4, due to substantial differences from the subject in gross building area and/or lot size and/or which sold less proximate in time to the assessment date than other comparables in this record.

The Board finds the best evidence of market value to be appraisal sale #1 and the board of review's comparable #3, which are more similar to the subject in gross building size and lot size. These comparables sold for prices of \$325,000 and \$375,000 or for \$61.41 and \$82.24 per square foot of gross building area, including land. The subject's assessment reflects a market value of \$315,159 or \$78.79 per square foot of gross building area, including land, which is below the best comparable sales in terms of total market value and is bracketed by the best comparables on a price per square foot basis. Based on this evidence, and after considering appropriate adjustments to the best comparables for differences from the subject, 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: July 18, 2023



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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