



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

APPELLANT: LA Commercial, LLC  
DOCKET NO.: 09-22691.001-C-1  
PARCEL NO.: 14-28-101-033-0000

The parties of record before the Property Tax Appeal Board are LA Commercial, LLC, the appellant, by attorney Leonard Schiller, of Schiller Klein PC in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the Cook County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$ 35,328  
**IMPR.:** \$ 162,432  
**TOTAL:** \$ 197,760

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the Cook County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2009 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 is situated on a 5,888 square foot parcel of land that is improved with a 96 year old, two-story, masonry, mixed-use building containing four apartments above four commercial

units. The subject's improvement size is 10,724 square feet of building area and it is located in Lakeview Township, Cook County. The appellant, via counsel, argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

In support of the market value argument, the appellant submitted a summary appraisal report for the subject property with an effective date of January 1, 2009. The appraiser estimated a fair market value for the subject of \$850,000 based on the income and sales comparison approaches to value. The appraiser also conducted an inspection of the subject. Based on this evidence, the appellant requested a reduction in the subject's assessment.

Under the income approach to value the appraiser failed to provide any rental comparables and estimated net operating income at \$122,500 based on the subject's historical income and expenses. It should be noted that a capitalization rate of 12.50% was considered appropriate although the average rates ranged from 7.49% to 9.73%. Based on the appraiser's calculations, an estimate of value under the income approach of \$850,000, rounded, was established.

Under the sales comparison approach, the appraiser analyzed the sales of nine mixed-use buildings, seven of which contained six or less units, and one of which was a gallery with lofts, while the remaining one comparable contained eight units. Therefore, the majority of the comparables are a different Cook County classification than the subject property. Additionally, the appraiser failed to provide the property index numbers for the suggested comparables which would help to indicate the comparables' locations. A map was provided, however. The appraiser then arrived at a market value under the sales approach of \$831,000, or \$100.00 per square foot, including land.

In reconciling the two approaches to value, the appraiser noted that he placed the most consideration on the income approach since it "is able to measure directly the effects of the current financing terms upon value." He then arrived at a final estimate of value for the subject as of January 1, 2009 of \$850,000.

The Cook County Board of Review submitted its "Board of Review-Notes on Appeal," wherein the subject's final assessment of \$197,760 was disclosed. The subject's assessment reflects a market value of \$1,236,000, or \$115.26 per square foot of

building area, including land, when applying the 2009 statutory level of assessment under the Cook County Real Property Assessment Classification Ordinance of 16%.

In support of the subject's assessment, the board of review submitted a property record card for the subject, and raw sales data for four mixed-use buildings located within five miles of the subject. The comparables have from 9,459 to 10,400 square feet of building area, and sold between April 2004 and November 2008 for \$1,250,000 to \$4,025,000, or from \$120.19 to \$425.52 per square foot, including land. Based on this evidence, 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 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 has not met this burden of proof and a reduction in the subject's assessment is not warranted.

The appellant submitted an appraisal whose value estimate was based on the income approach. It analyzed the income, expenses and vacancy level of the subject property, however, no market data was included in the appraisal. The Board gives the appellant's argument little weight. In Springfield Marine Bank v. Prop. Tax Appeal Bd., 44 Ill.2d 428 (1970), the Illinois Supreme Court stated:

[I]t is clearly the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value". Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes.

Id. at 431.

As the Court stated, actual income and expenses can be useful when shown that they are reflective of the market. Although the appellant made this argument, the appellant did not demonstrate effectively that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using income and expenses one must establish, through the use of market data, the market rent,

vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. As the appraisal contained no market data whatsoever, the appellant did not provide such evidence and, therefore, the Board gives this argument no weight.

Additionally, the Board finds the sales comparison approach flawed as well for the appraiser used mixed-use buildings with differing classifications for seven of the nine suggested comparables. Therefore, in determining the fair market value of the subject property, the Board gives little weight to the appellant's appraisal. The Board finds that because of the flawed income analysis and dissimilar sales comparables, the estimate of value for the subject property is unreliable.

The Board will, however, examine the unadjusted sales comparables submitted by the parties. The Board notes that the best comparables contained in the record are the appellant's comparable #5 and the board of review's comparables #1 and #3. These properties are similar in building size, use, and location to the subject property. These unadjusted sale comparables range in value from \$104.55 to \$425.52 per square foot, including land. The subject's current assessment reflects a market value of \$115.26 per square foot, including land, which is within the range of the best comparables contained in the record.

Accordingly, in determining the fair market value of the subject property, the Board finds that the appellant failed to submit sufficient evidence to show the subject was overvalued. As such, the Board finds that the appellant has not met its burden by a preponderance of the evidence and that the subject does not warrant a reduction based upon the market data submitted into evidence.

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.

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Chairman

*K. L. Ferr*

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Member

*JR*

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Member

*Mark Albino*

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Member

*Jerry White*

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Acting Member

DISSENTING: \_\_\_\_\_

C E R T I F I C A T I O N

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: June 26, 2015

*A. Portol*

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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 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 the subsequent year 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.

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.