



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

APPELLANT: Three Step Holdings, LLC  
DOCKET NO.: 12-30398.001-C-2  
PARCEL NO.: 06-07-302-078-0000

The parties of record before the Property Tax Appeal Board are Three Step Holdings, LLC, the appellant(s), by attorney Michelle Broughton-Fountain, of the Law Office of Michelle Broughton-Fountain in Flossmoor; the Cook County Board of Review; the Elgin S.D. U-46 intervenor, by attorney Ares G. Dalianis of Franczek Radelet 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 assessed valuation of the property is:

**LAND:** \$105,451  
**IMPR.:** \$63,924  
**TOTAL:** \$169,375

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 2012 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, medical office building with 40,647 square feet of building area. The building was constructed in 1977 and located in Elgin, Hanover Township, Cook County. The property is a class 5-17 per the Cook County Real Property Classification Ordinance.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted evidence showing that the subject sold on November 9, 2011 for \$677,500. This evidence included copies of the closing statement, CCRD printout, and MLS sheet. Based on this evidence, the appellant requested a reduction in the subject's assessment.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$293,586. The subject's assessment reflects a market value of \$1,174,344 when applying a 25% level of assessment as determined by the Cook County Classification Ordinance. In support of the assessment, the board of review submitted a grid listing six CoStar sale comparables.

The intervenor, Elgin School District No. U-46, confirmed that the sale of the subject was a "High Vacancy Property, REO sale." In support, the appellant submitted a listing sheet confirming REO and vacancy. Lastly, the intervenor submitted nine CoStar sale comparables.

In rebuttal, the appellant argued that the comparables submitted by the board of review and intervenor should be given diminished weight because they were dissimilar to the subject in various key property characteristics such as sale date, age, size, and location. The appellant also submitted an additional 11 sale comparables.

At hearing, the appellant's witness Mr. Sundep Oberoi testified that he is the managing partner of Three Step Holding, LLC, the appellant. Mr. Oberoi testified that the initial offer of \$700,000 was terminated during the due diligence/inspection period of the contract. After additional negotiations, the contract was reinstated and the subject was purchased on November 9, 2012 for \$677,500. He also testified that no members of the LLC were related to the sellers of the subject property, a \$27,100 real estate commission was paid, the subject was advertised for sale on Loopnet, and the 2012 real estate taxes were paid in full. Mr. Oberoi further testified that no members of the LLC were forced to purchase the subject and that he had authority to close the transaction. Lastly, he testified that surrounding properties are taken into consideration and affect the overall income and expenses of a property. The purchase price of \$677,500 was at full market value.

During cross examination of the witness by Mr. Ares Dalianis, Mr. Oberoi testified that the subject property is a medical office building and he was not sure of date of any renovations prior to purchase. He testified that he was not concerned with the subject's renovations but was more focused on the "subjective qualitative information." He testified that the subject contained a pharmacy, dental, orthodontist, and pediatric dentist offices. The subject was 40% occupied and the subject's vacant units needed a "substantial expenditure" for occupancy. Mr. Oberoi further testified that the subject's neighbors included a Jewel, auto parts store, gas station, bank, and Sears outlet store. He testified that he owns other medical office buildings in Justice and Flossmoor, Illinois and the most relevant factors he looks at prior to purchase is cash flow and expense and rent roll income. He estimated the subject had approximated 100 to 160 parking spaces, which is adequate parking. Regarding the subject's visibility, he testified there is a lack of visibility due to an auto store located in front of the subject. Lastly, Mr. Oberoi testified that the subject was owned by a bank and the attorney confirmed it was a compulsory sale.

In closing, Mr. Dalianis stated that assessment officers and tribunals are "not to chase a sale but can look at a sale, but the sale has to be consistent with market indicators of value." In support, Mr. Dalianis states that the board of review's evidence and the intervenor's sale comparables do not support the sale price and therefore, the sale is not a market value. The appellant's attorney distinguished the board of review's comparables based on location and characteristics and stated that the subject's sale was purchased at an arm's length transaction.

### **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 met this burden of proof and a reduction in the subject's assessment is warranted.

In addressing the appellant's market value argument, the Board finds that the sale of the subject in November 2011 for \$677,500 is a "compulsory sale." The appellant's evidence disclosed that the subject was sold short to the appellant by Northbrook Bank & Trust Company, and the appellant testified at hearing that the transaction was a short sale. A "compulsory sale" is defined as:

- (i) the sale of real estate for less than the amount owed to the mortgage lender or mortgagor, if the lender or mortgagor has agreed to the sale, commonly referred to as a "short sale" and (ii) the first sale of real estate owned by a financial institution as a result of a judgment of foreclosure, transfer pursuant to a deed in lieu of foreclosure, or consent judgment, occurring after the foreclosure proceeding is complete.
- (ii)

35 ILCS 200/1-23. Real property in Illinois must be assessed at its fair cash value, which can only be estimated absent any compulsion on either party.

Illinois law requires that all real property be valued at its fair cash value, estimated at the price it would bring at a fair voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is likewise ready, willing, and able to buy, but is not forced to do so.

Bd. of Educ. of Meridian Cmty. Unit Sch. Dist. No. 223 v. Ill. Prop. Tax Appeal Bd., 961 N.E. 2d 794, 802 (2d Dist. 2011) (citing Chrysler Corp. v. Ill. Prop. Tax Appeal Bd., 69 Ill. App. 3d 207, 211 (2d Dist. 1979)).

However, when there was a recent sale of the subject, and that sale was compulsory, the Board may consider evidence which would show whether the sale price was representative of the subject's fair cash value. The Illinois General Assembly recently provided clear guidance for the Board regarding compulsory sales. Section 16-183 of the Illinois Property Tax Code states as follows:

The 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.

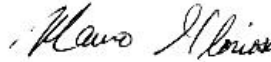
35 ILCS 200/16-183.

The appellant offered new evidence in rebuttal. "Rebuttal evidence shall not consist of new evidence such as an appraisal or newly discovered comparable properties. A party to the appeal shall be precluded from submitting its own case in chief in the guise of rebuttal evidence." 86

Ill.Admin.Code §1910.66(c). The Board does not consider that rebuttal evidence here since it contained new data that did not rebut the evidence submitted by the board of review. However, in determining the fair market value of the subject property, the Board may look to other admissible evidence presented by the parties. Although the appellant's recent sale appears to have been a compulsory sale, it does reflect the fair market value based upon an analysis of all evidence in the record. The subject was offered for sale for two years on the Multiple Listing Service and the parties to the transaction were not related. Sundep Oberoi, managing partner for the appellant and an experienced real estate investor, testified that the appellant devoted many weeks of due diligence before bidding on the subject property. That due diligence process involved considering accounting, financing, and vacancy issues in comparison to other commercial properties in the neighborhood, including other medical office buildings. The appellant was mindful of the fair market value of the subject when deciding on a purchase offer. The board of review's and the intervenor's sale comparables lacked sufficient information of vacancy rates and other key property characteristics to make a meaningful comparison to the subject.

Therefore, based on the entire record and after considering all relevant factors, the Board finds the best evidence of market value to be the purchase price of the subject property in March 2012 for \$677,500. The appellant provided evidence demonstrating the sale had the elements of an arm's-length transaction for fair cash value. Since market value has been determined, the 2012 level of assessment of 25.00% for Class 5 property under the Cook County Real Property Assessment Classification Ordinance shall apply.

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(b) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(b)) 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



Acting 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:

October 20, 2017



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

AGENCY

State of Illinois  
Property Tax Appeal Board  
William G. Stratton Building, Room 402  
401 South Spring Street  
Springfield, IL 62706-4001

APPELLANT

Three Step Holdings, LLC, by attorney:  
Michelle Broughton-Fountain  
Law Office of Michelle Broughton-Fountain  
19150 S. Kedzie Avenue  
Suite 103B  
Flossmoor, IL 60422

COUNTY

Cook County Board of Review  
County Building, Room 601  
118 North Clark Street  
Chicago, IL 60602

INTERVENOR

Elgin S.D. U-46, by attorney:  
Ares G. Dalianis  
Franczek Radelet P.C.  
300 South Wacker Drive  
Suite 3400  
Chicago, IL 60606