



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

APPELLANT: George Petroni
DOCKET NO.: 14-35990.001-C-1
PARCEL NO.: 14-18-119-019-0000

The parties of record before the Property Tax Appeal Board are George Petroni, the appellant, by attorney Arnold G. Siegel, of Siegel & Callahan, P.C. in Chicago, and the Cook County Board of Review.

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: \$34,256
IMPR.: \$25,744
TOTAL: \$60,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a final administrative decision of the Property Tax Appeal Board pursuant to section 16-185 of the Property Tax Code (35 ILCS 200/16-185) in order to challenge the assessment for the 2014 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 is improved with a three-story masonry multi-family dwelling. The 12-unit building is approximately 88 years old and contains approximately 13,491 square feet of living area. Features include a full basement with a partially finished living area utilized by the maintenance man. The site is approximately 9,102 square feet in size and is located in Chicago, Lakeview Township, Cook County. The subject is classified as a class 3-15 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. In support of this overvaluation argument the appellant submitted an Appraisal Report estimating the subject property had a market value of \$600,000 or \$50,000 per unit or approximately \$44.47 per square foot of living area, including land, as of January 1, 2012. The appraiser developed two of the three traditional approaches to value in estimating the

market value of the subject property. The income approach resulted in an estimated value of the subject of \$580,000. Analyzing comparable sales, the appraiser estimated the subject's value at \$600,000. In reconciliation, the appraiser gave more weight to the sales comparison approach.

The appellant also submitted a copy of the 2013 Property Tax Appeal Board Final Administrative Decision (Docket #13-36318.001-C-1) in which the Board reduced the subject's assessment to \$63,000 based upon the evidence submitted by both parties. The record also contains a copy of the 2012 Property Tax Appeal Board Final Administrative Decision (Docket No. 12-35794.001-C-1) in which the parties stipulated to a total assessment for the subject of \$63,000. These assessments reflect a market value of \$630,000 or \$46.70 per square foot of living area, including land, at the 10% level of assessment for class 2 properties.

In a brief, counsel for the appellant prepared an income analysis utilizing 2010 and 2011 income tax data along with a rent roll for the subject. It was further argued that due to high vacancy levels in 2009, counsel opined a fair market value for the subject under the income approach of \$475,685. Additionally in the brief, counsel for the appellant performed an additional analysis of the subject's gross potential income with a 10% vacancy and collection loss factor, a 40% expense ratio and a 5% replacements for reserved factor, counsel opined a net operating income for the subject of \$69,206. Then applying a 9.25% capitalization rate and a tax load of 1.62%, counsel set forth a fair market value of \$583,617.

Based on the foregoing evidence and argument, the appellant's attorney requested the subject's 2014 assessment be set at \$47,568 based on counsel's income analysis.

The appellant reported the total assessment for the subject for tax year 2014 of \$73,161. The subject's assessment reflects a market value of \$731,610 or \$60,968 per unit or approximately \$54.23 per square foot of living area, including land. The board of review did not submit its "Board of Review Notes on Appeal" nor any evidence in support of its assessed valuation of the subject property.

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

"Each appeal shall be limited to the grounds listed in the petition filed with the Board. (Section 16-180 of the [Property Tax] Code)" 86 Ill.Admin.Code §1910.50(a). However, the appellant also seemed to be developing an income approach to value using the subject's actual income and expenses that were largely impacted by the owner-occupied commercial unit. The Board finds this argument that the subject's assessment is excessive when applying an income approach based on the subject's actual income and expenses unconvincing and not supported by evidence in the record. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is 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. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate through any type of expert opinion or documentation that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant's counsel seems to have attempted, 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. Further, the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant's legal counsel did not provide such evidence; therefore, the Property Tax Appeal Board gives this purported argument no weight.

The Board further finds problematic the fact that appellant's counsel seems to have developed the "income approach" rather than an expert in the field of real estate valuation. The Board finds that an attorney cannot act as both an advocate for a client and also provide unbiased, objective opinion testimony of value for that client's property.

The Board finds the only substantive evidence of market value submitted to be the appraisal submitted by the appellant estimating the subject property had a market value of \$600,000 as of January 1, 2012. The subject's assessment reflects a market value above the appraised value submitted by the appellant. The board of review did not timely submit its evidence in support of its assessment of the subject property as required by section 1910.40(a) of the rules of the Property Tax Appeal Board and is found to be in default pursuant to section 1910.69(a) of the rules of the Property Tax Appeal Board. 86 Ill.Admin.Code §1910.40(a) & §1910.69(a). The Board has examined the evidence submitted by the appellant and finds that it supports a reduction in the assessed valuation of the subject property.

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: September 21, 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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