



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

APPELLANT: John Harney  
DOCKET NO.: 15-22603.001-R-1  
PARCEL NO.: 14-28-315-027-0000

The parties of record before the Property Tax Appeal Board are John Harney, the appellant(s), by attorney Courtney Harvey Pastrnak, of Smith Hemmesch Burke & Kaczynski 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:** \$12,150  
**IMPR.:** \$22,850  
**TOTAL:** \$35,000

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 2015 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 2,250 square foot parcel of land improved with a 132-year old, two-story, frame, single-family dwelling containing 2,594 square feet of building area. The property is located in Lake View Township, Cook County and is a class 2 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 argued that the subject received a certification of rehabilitation and receives the Historic Residence Assessment Freeze for the lien year in question. In support of this, the appellant submitted: a copy of the Certificate of Rehabilitation issued to him by the Illinois Historic Preservation Agency for a rehabilitation period of January 2013 through December 2013; color photographs of the exterior and interior of the subject; copies of documents from the 2012 board of review level appeal; the deed for the bulk purchase of the subject and the adjacent

property; copies of February 29, 2012 appraisals for the subject and the adjacent property; the multiple listing database printout showing the offering for the subject and the adjacent property; and the bulk sales contract. The appellant argued that the subject's base year is 2013 based on the certification of rehabilitation. The appellant requests a reduction in the assessment consistent with the Historic Residence Assessment Freeze Law.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$77,136. The subject's assessment reflects a market value of \$771,360 using the Cook County Real Estate Classification Ordinance level of assessment for class 2 property of 10%.

In support of the assessment, the board of review submitted four sales comparables and a supplemental brief. The board of review argues that the subject was accorded landmark status in 2015 and that the base year should be 2015. In addition, the board argues, that if the Board finds that the base year is 2013 that the 2013 assessment year included vacancy based on the subject's rehabilitation work which should be removed prior to setting any assessment. In support of this, the board of review included a county printout for the subject.

In rebuttal, the appellant submitted a letter asserting that the subject was rehabilitated in 2013 and this should be the base year. The appellant indicates that prior to the rehabilitation, the subject was in poor condition as indicated by the photographs and the 2012 appraisal.

Procedurally this matter was consolidated with 15-23390.001-R-1 for hearing purposes only without objection from the parties.

At hearing, the appellant's witness, James Ronan, testified he is a general contractor and he purchases properties for resale and, for some, he rehabilitates them. He testified he has had a real estate brokers license since 2001 and works in the Lincoln Park area of Chicago. Mr. Ronan testified he purchased the subject property in 2012 along with the adjacent property and started rehabilitating the properties in early 2013.

He described both the subject property and the adjacent property as in poor condition. He testified that the properties were fenced off because they were a hazard to the community. He testified there was no drywall, electric, heating, plumbing, or interior and exterior stairs within each building. Mr. Ronan testified that the windows were boarded up and uninhabitable. Ronan opined that the buildings were in a "shell" condition.

Mr. Ronan testified that, before he purchased the properties, they were in receivership and demolition court as the buildings were structurally unsound. He testified that he had to petition the court to remove the properties from a demolition list. He testified that the photographs depict the condition of the building prior to the start of rehabilitation. Mr. Ronan testified that he completed the rehabilitation on the buildings in early 2014 and sold the properties.

Under cross-examination, Mr. Ronan acknowledged that the properties were purchased by his corporation. He testified that the properties were sold to the respective appellants of each appeal. He testified that the properties sold in December 2013 and in 2014. Mr. Ronan testified he did not recall appealing the assessment for vacancy. He acknowledged that he did apply for the

building permit which included the certificate of rehabilitation and that he did not make any application for a landmark assessment freeze.

In clarifying for the Board, Mr. Ronan testified that he applied for the building permit. He indicated that the historic preservation agency would then approve the building permit and issue the certificate of rehabilitation.

The board of review's representative, Dartesia Pitts, testified that the certificate of rehabilitation was for 2013, but was dated 2014. She argued that the base value should not include the vacancy that was granted in light of the rehabilitation. Ms. Pitts presented the *Board of Review's Exhibit #1*, board of review printouts of the subject property showing an improvement market value of \$728,700 and an occupancy factor of 10% for an improvement assessment of \$7,287. She argued that the landmark freeze is a benefit for owner occupied properties and that the subject was vacant. Ms. Pitts testified that removing the vacancy factor would increase the assessment higher than the 2014 and 2015 assessment years. She opined that the comparables submitted by the board of review support the current assessment.

Under cross-examination, Ms. Pitts testified that the subject property did not have a board of review level appeal for 2013. She could not indicate what section of the property tax code allowed for a vacancy factor. Ms. Pitts clarified that the board of review's evidence from a computer printout lists a "L" on the right side that indicated the landmark status. She further testified that the "P" indicates the subject received a building permit during that year.

Ms. Pitts clarified the board of review's arguments that the base year should be 2014 because the landmark status was granted in 2014. She argued in the alternative, that if the base year is determined to be 2013, the vacancy factor should be removed for determining the market value.

In closing, the appellant's attorney argued that the base year as determined by the statute is that the base year is the year the rehabilitation commenced which is 2013. He further argued that the county assessor established a market value for the subject and that there was no testimony from the assessor that the 2013 assessment was based upon a vacancy. He argued that there is no application of a vacancy factor allowed under the property tax code and that no party appealed the 2013 assessment.

In conclusion, Ms. Pitts argued that the appellant is asking for a double benefit of both the landmark status and the occupancy factor applied to the subject improvement which goes beyond the incentive of the landmark statute.

### **Conclusion of Law**

The appellant contends the subject is a landmark property and should receive a reduction in the assessment consistent with the law. The Board finds that the subject property received a Certificate of Rehabilitation under the Historic Residence Assessment Freeze Act. This Act states:

"[P]roperty certified pursuant to this Historic Residence Assessment Freeze Law shall be eligible for an assessment freeze, as provide in this Section, eliminating from consideration, for assessment purposes, the value added by the rehabilitation and limiting the total valuation to the base year valuation . . . the valuation for purposes of assessment shall not exceed the base year valuation for the entire 8-year valuation period." 35 ILCS 200/10-45.

The Board finds the subject received the Certificate of Rehabilitation with the rehabilitation period being from January 2013 through December 2013.

Section 10-40 of the Property Tax Code (35 ILCS 200/10-40) provides in part:

(h) "Fair cash value" means the fair cash value of the historic building, determined on the basis of the assessment officer's property record card, representing the value of the property prior to the commencement of rehabilitation without consideration of any reduction reflecting value during the rehabilitation work.

(i) "Base year valuation" means the fair cash value of the historic building for the year in which the rehabilitation period begins but prior to the commencement of the rehabilitation and does not include any reduction in value during the rehabilitation work.

Therefore, the Board finds the base year for the subject property under the Historic Residence Assessment Freeze law is 2013, but that the value is determined prior to the commencement of the rehabilitation.

In determining the market value, the appellant argues that the 2013 assessment as determined by the assessor at \$19,437 should apply while the board of review argues that the 10% vacancy factor granted to the subject's improvement in light of the rehabilitation should be removed to arrive at a 2013 base year assessment of \$85,020.

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).

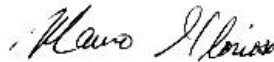
In determining the fair market value of the subject property, the Board examined the parties' evidence and arguments. The Board finds there is an issue as to the subject's valuation for the base year. The Board of Review's Exhibit #1 discloses a market value for the subject without consideration for the rehabilitation of \$850,200. However, the appellant's appraisal and sale evidence contradict this value. Therefore, the Board finds there must be a determination of the subject's value for 2013.

The Board finds the best evidence of market value of the subject prior to the commencement of rehabilitation is the appraisal of the subject submitted into evidence by the appellant along with the documentation on the sale of the subject and the adjacent property. The appraisal estimated a

value for the subject of \$350,000 as of February 29, 2012. The appraisal takes into consideration of the condition of the subject in applying the sales comparison approach to value. The evidence shows a combined sale price for the subject and adjacent property of \$850,000 which is reflective of the appraisals.

Based on this record the Board finds the subject property had a market value of \$350,000 for the base year 2013 prior to rehabilitation. The Board further finds that this 2013 value is applicable to the 2015 assessment due to its residential landmark freeze status. Since market value has been determined the Cook County Real Property Assessment Classification Ordinance for class 2 property of 10% shall apply and a reduction is 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: January 15, 2019



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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