



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

APPELLANT: Paul Tsakiris
DOCKET NO.: 15-37650.001-R-1
PARCEL NO.: 13-28-123-038-0000

The parties of record before the Property Tax Appeal Board are Paul Tsakiris, the appellant, by attorney Frederick F. Richards III, of Thompson Coburn LLP 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: \$11,470
IMPR.: \$53,275
TOTAL: \$64,745

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 is improved with a three-story, 85-year old, mixed use commercial/residential building with 14,331 square feet of building area. The building has 15 residential units and 1 commercial unit. The property has a 7,283 square foot site and is in Chicago, Jefferson Township, Cook County. The property is classified as a class 3-18 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation and assessment inequity as the bases of the appeal. In support of the overvaluation argument the appellant submitted an income approach to value prepared by counsel. In developing the income approach, the appellant's counsel made use of the subject's operating income and expense statements. Counsel arrived at a net operating income of \$58,750, which he capitalized using a loaded capitalization rate of 10.83% to arrive at an estimated market value of \$542,347. Using the 10% level of assessments for class 3-18

property under the Cook County Real Property Assessment Classification Ordinance counsel arrived at an assessment request of \$54,235. The appellant reported the subject had a total assessment of \$71,445, which reflects a market value of \$714,450 when using the Cook County Real Property Assessment Classification Ordinance level of assessments for class 3-18 property of 10%. The subject's total assessment reflects a value per unit of \$44,653.

With respect to assessment equity, the appellant provided three comparables improved with buildings ranging in size from 13,845 to 23,202 square feet of building area. The buildings range in age from 87 to 89 years old and have from 16 to 22 units. Each property has the same classification code and neighborhood code as the subject property. The comparables have improvement assessments ranging from \$51,468 to \$83,315 or from \$3.59 to \$3.87 per square foot of building area. The appellant disclosed the subject property has an improvement assessment of \$59,975 or \$4.18 per square foot of building area. The comparables have total assessments ranging from \$61,611 to \$98,671, reflecting a value per unit ranging from \$36,242 to \$44,850. Using the median assessment per square foot, the appellant arrived at an improvement assessment of \$53,275 and a total assessment of \$64,745 after adding the land assessment of \$11,470. Using the median unit value of approximately \$40,709, the appellant arrived at a value for the subject property of \$651,350, which he debased using the 10% level of assessment for class 3-18 property to arrive at a total assessment of \$65,135.

The board of review did not submit its "Board of Review Notes on Appeal" and evidence in support of its assessment of the subject property.

Conclusion of Law

The appellant contends in part 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 on this basis.

The appellant's counsel developed an income approach to value using the subject's actual operating income and expense statements. The Board finds the appellant's argument that the subject's assessment is excessive when applying an income approach based on the subject's actual income and expenses is to be given little weight. 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.

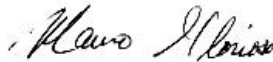
Actual expenses and income can be useful when shown they are reflective of the market. The appellant did not demonstrate through an expert in the field of real estate appraisal that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant's counsel attempted, one must establish using objective market data such elements as 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 using objective market data the capitalization rate to convert the net income into an estimate of market value. The appellant's counsel did not provide such market data evidence; therefore, the Property Tax Appeal Board gives this argument little weight.

The Board further finds problematic the fact that appellant's counsel developed the "income approach" rather than an expert in the field of real estate valuation. The Board finds that it is not particularly credible when an attorney acts as both an advocate for a client and also develops an estimate of value for that client's property.

The taxpayer also contends assessment inequity as a basis of the appeal. When unequal treatment in the assessment process is the basis of the appeal, the inequity of the assessments must be proved by clear and convincing evidence. 86 Ill.Admin.Code §1910.63(e). Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of not less than three comparable properties showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property. 86 Ill.Admin.Code §1910.65(b). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted on this basis.

The Board finds the only evidence of assessment equity to be appellant's comparables. The appellant's comparables were relatively similar to the subject and had improvement assessments that ranged from \$3.59 to \$3.87 per square foot of building area. The subject's improvement assessment of \$4.18 per square foot of building area falls above the range established by the appellant's comparables. The board of review did not submit its "Board of Review Notes on Appeal" and evidence in support of its assessment of the subject property or to refute the appellant's argument 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 information submitted by the appellant and finds that it supports a reduction in the assessed valuation of the subject property based on assessment equity.

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: December 18, 2018



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

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