



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

APPELLANT: DePaul University
DOCKET NO.: 19-27012.001-C-1
PARCEL NO.: 14-29-427-021-0000

The parties of record before the Property Tax Appeal Board are DePaul University, the appellant(s), by attorney Jennifer Kanik, of the Law Offices of Terrence Kennedy Jr. 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: \$38,745
IMPR.: \$178,479
TOTAL: \$217,224

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 2019 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 two office/commercial units in a four-story building. Unit #1 contains 1,002 square feet of building area and leased to a dental office. Unit #1 is a basement unit containing 5,935 square feet of building area and leased to the US Postal Service. The total subject's building square footage is 6,937 square feet. The subject is located within a four-story multi-tenant building of masonry construction with 75,031 square feet of building area and situated on 21,000 square feet of land. The building was originally constructed in 1917 and is owned by DePaul University. The subject is located in Chicago, Lake View Township, Cook County. The subject is a class 5-97 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant, via counsel, appeared before the Property Tax Appeal Board arguing that the fair market value of the subject is not accurately reflected in its assessed value.

The appellant submitted a complete summary appraisal report undertaken by Paul E. Peterson and Gary T. Peterson, MAI, MBA with Chicago Commercial Appraisal Group. The appraisal has a valuation date of January 1, 2018. The appraisal indicates Mr. Gary T. Peterson is an Illinois certified general real estate appraiser with an MAI designation and Mr. Paul E. Peterson is an Illinois general real estate appraiser. The appellant presented the testimony of Paul E. Peterson. Mr. Paul E. Peterson was tendered and accepted as an expert in real theory and practice of real estate valuation, with no objection from an opposing party.

Peterson testified that he prepared, signed and reviewed the appraisal in preparation for this hearing. Kelly testified the subject consists of two units and has a total 6,937 square foot. The two subject units are located in a tax-exempt building owned by DePaul University. To estimate a total market value for the subject of \$675,000 as of January 1, 2018, Peterson employed the income and the sales comparison approaches to value. With emphasis on income approach.

Under the income approach, Peterson testified that he considered the subject's actual rents and comparable rents. He concluded the subject's rents are somewhat higher than the comparable rents due to utilities being included in the subject's rent. He testified that after applying typical expenses and a 8.5% cap rate, he generated a market value of \$865,000.

Peterson described the subject property and its environs. Unit #1 is below grade, contains 5,935 square feet of building area and generates $\frac{3}{4}$ of the total income. Unit #1 is rented at a monthly rate of \$43.09 per square foot on a gross annual basis. Unit #2 contains 1,002 square feet of office space and used as a dental office and represents 23% of the total income. Unit #2 is rented at a monthly rate of \$25.20 per square foot on a gross annual basis with \$5,000 a year paid towards property taxes.

After applying typical expenses for a net operating income of \$120,001 and a 8.5% cap rate plus a 5.83% tax load for a total capitalization rate of 13.882%, the appraiser derived a market value of \$865,000.

Under the sales comparison approach, Peterson utilized eight total comparables. Four of the comparables are relating to unit #1 and the remaining four are relating to unit #2. Based on these eight sale comparables and adjustments, Peterson concluded a price of \$180.00 per square foot regarding unit #2 and \$115.00 per square foot regarding unit #1 for a total indicated market value of \$865,000.

On cross examination, the board of review analyst questioned what portion of the building pertains to the subject's PINs and whether the subject's two units are the only two taxable units in the building. The board of review analyst also questioned why the entire building was not valued as a whole and then apply the subject's percentage of ownership to deduce a fair market value. The board of review questioned the appraiser's methodology in appraising the subject. In response, the appellant's attorney confirmed that the subject's PIN includes both units and that the remainder of the building is used for educational purposes and tax exempt. Appellant's attorney also asserted that the entire building cannot be appraised as a whole, as it is not comparable to other buildings because it used for classrooms and educational purpose, thus tax exempt. Furthermore, the attorney confirmed it is the assessor practice to only assess the non-

exempt portions of a building. The assessor only asserts a market value to the taxable portion of the property and not the tax-exempt portion. The appraiser reaffirmed and confirmed the attorney's responses as correct.

Under cross-examination, the board of review tendered a copy of *CoStar* listing sheet which included the Jameson broker's sheet regarding the condition of the appraisal's sale #2. The *CoStar* sheet was marked as "Board of Review Exhibit #1". Appellant's attorney objected based on credibility due to the fact *CoStar* is not infallible, includes raw data, and that no one is present to testify as to its accuracy. The objection was overruled and Exhibit #1 will be given its appropriate weight. Mr. Peterson acknowledged that the vanilla box condition of the sale comparable is comparable to unit #1. He testified that downward adjustments were made due to age regarding this comparable. Peterson testified that effective age of the subject was not calculated because the appraisal did not include the cost approach. Next, the board of review tendered "Board of Review Exhibit #2. The appellant's attorney objected based on additional evidence. Appellant's objection was overruled in that it goes towards credibility of appraisal and directly pertains to appraisal. Sale comparable #3 was listed per *CoStar* as raw open space, whereas the appraisal lists it as average condition and renovated in 2008. Peterson acknowledged the difference in condition. The board of review then tendered "Board of Review Exhibit #3" relating to the REO sale of the sale comparable #4. Peterson acknowledged and confirmed the REO sale and that no adjustments were made for the REO sale in the appraisal. Lastly, the board of review tendered a *CoStar* listing showing a difference in the size of comparable #8. The *CoStar* sheet was marked as "Board of Review Exhibit #4." Appellant's attorney objected based on credibility and that *CoStar* should not be taken at face value. The objection was overruled and Exhibit #3 will be given its appropriate weight. The *CosStar* listing listed comparable #8 as containing both 12,000 square feet or \$125.00 per square feet of building area and 13,000 square feet or \$115.00 per square foot of building area. Appellant's attorney objected based on credibility and *CoStar* listing sheet should not be taken at face value. The objection was overruled and Exhibit #4 shall be given its appropriate weight. Peterson testified that he computed the size of comparable #8 not only by relying on the *CoStar* listing but also individually added up the units that make up that comparable to arrive at 13,000 square feet of building area.

Peterson testified that he did not include a breakdown of specific percentage regarding adjustments in this appraisal and that it is typical practice not to make specific adjustments. He testified that an appraiser looks to the body of the evidence as a whole and draws conclusions regarding the direction of adjustments. Lastly, the appraiser confirmed that he only analyzed commercial sale comoparables.

On redirect, Peterson testified that he verified sizes, sale dates, and sale prices on *CoStar* and the recorder of deeds website. He confirmed that he does his due diligence to verify information. He confirmed that per the sale analysis of the dental office/ unit #1, the sale comparables range from \$131 to \$186.00 per square foot and he concluded a final sale price of \$180.00. Regarding the sales analysis of the post office/unit #2, the sale comparables range from \$84.00 to \$115.00 peer square foot building area and he concluded a price of \$115.00 per square foot of building area.

On recross, Peterson testified that his final market value would not have changed regarding sale comparable #8's size discrepancy because he looked at the totality of the evidence. Peterson clarified that the appraisal's purpose statement that references valuing 100% ownership interest in the subject property is regarding the two units under appeal and not the entire building.

On direct questioning by the judge, Peterson clarified that the size and conditions were verified via CoStar and sale conditions were verified via the recorder of deed's website. Peterson also testified that it is typical appraisal practice to independently appraise the nontax exempt portion of a building separately from the tax-exempt property. The appellant's attorney also confirmed that this also the assessor's practice and tax practice.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$307,254 was disclosed. This assessment reflects a fair market value of \$1,229,016 when the Cook County Real Property Assessment Classification Ordinance level of assessments of 25% for Class 5 properties is applied. The board of review did not submit any additional evidence.

At the hearing, the board of review did not call any witnesses and rested its case upon its written evidence submissions. As a result of its analysis, the board 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 met this burden of proof and a reduction in the subject's assessment is warranted.

In determining the fair market value of the subject property, the Board examined the appellant's appraisal report and testimony to determine the best evidence of the subject's market value.

The courts have stated that where there is credible evidence of comparable sales, these sales are to be given significant weight as evidence of market value. Chrysler Corp. v. Illinois Property Tax Appeal Board, 69 Ill.App.3d 207 (2nd Dist. 1979); Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5th Dist. 1989). In addition, both appraisers gave the greatest consideration to the sales comparison approach when concluding a final value for the subject. Therefore, the Property Tax Appeal Board will give this approach the most weight.

The Board finds the appraiser omitted pertinent information on his sale comparable #4. Sale #4 was an REO sale. Therefore, the Property Tax Appeal Board gives this comparable diminished weight.

The remaining sales, sales #1, #2, #3, #5, #6, #7, and #8, were given significant weight by the Board. Regarding unit #2, the sale comparables #5, #6, #7 and #8 have unadjusted sale prices ranging from \$84.39 to \$115.38 per square foot of building area. Regarding subject unit #1, sale

comparables #1, #2, and #3 and have unadjusted sales prices ranging from \$147.16 to \$186.36 per square foot of building area, including land. Regarding unit #2, sale comparables #5, #6, #7 and #8 have unadjusted sale prices ranging from \$84.39 to \$115.38 per square foot of building area. Regarding unit #1, the Board finds that it has market value a market value of \$186,372 or \$186.00 per square foot of building area. The Board finds that the subject's market value regarding unit #2 is \$682,525 or \$115.00 per square foot building area. The Board finds that the subject had a total market value of \$868,897. The subject property's assessed value equates to a market value of \$1,229,000 which is above the market value per unit unadjusted range of the comparables. After considering all the evidence including the expert testimony and submitted documentation as well as the adjustments necessary to the unadjusted sales values, the Property Tax Appeal Board finds that the subject property had a market value of \$868,897, rounded. Since market value has been determined, the Cook County Real Property Assessment Classification Ordinance level of assessments of 25% for Class 5 property shall apply and a reduction is warranted.

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: _____

October 15, 2024



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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