



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

APPELLANT: MLC Associates, Inc.
DOCKET NO.: 19-28784.001-R-1
PARCEL NO.: 14-29-202-003-0000

The parties of record before the Property Tax Appeal Board are MLC Associates, Inc., the appellant, by attorney Steven J. Field, of Field and Goldberg, LLC 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: \$23,916
IMPR.: \$96,084
TOTAL: \$120,000

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 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 is improved with a four-story, mixed-use building of frame and masonry construction with 10,500 square feet of building area. The building contains a medical office and four apartments. Two of the apartments have two bedrooms, one has four bedrooms, and the other has five bedrooms. The building was constructed in 1913, with an addition in 2004. The property has a 7,310 square foot site and is located in Chicago, Lake View Township, Cook County. The subject is classified as a class 2-12 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant asserts overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal estimating that the subject property had a market value of \$1,200,000 as of January 1, 2018. The appraisal used the sales comparison and income approaches. For the sales approach, the appraiser relied on five suggested sales comparables that

sold between March 26, 2015, and February 25, 2018, for amounts ranging from \$440,000 to \$2,650,000, or between \$100.36 and \$122.63 per square foot of living area, land included in the sale prices. The appraiser adjusted the sales prices to account for differences between the comparables and the subject. After applying the adjustments, the appraiser determined that the subject's value was \$115 per square foot of building area, for a total of \$1,207,500, which was rounded to \$1,210,000.

For the income approach, the appraiser relied upon the subject's rent roll and rental income from five suggested commercial comparables and nine suggested apartment comparables. Four of the suggested apartment comparables had two bedrooms, and the other five had four bedrooms. The rental income for the commercial comparables ranged from \$15.00 to \$21.00 per square foot annually. The rental income for the apartment comparables ranged from \$1,450 to \$2,900 per month.

The appraiser concluded from the data that the subject's market rent was \$19.00 per square foot for a total of \$57,000 of annual potential gross income. The appraiser further concluded that the market rent was \$1,495 per month for each of the subject's two-bedroom apartments, \$2,850 per month for the four-bedroom apartment, and \$3,500 per month for the five-bedroom apartment. This meant the total annual potential gross income for the subject was \$169,080. The appraiser subtracted seven percent of this amount, or \$11,836, for vacancy and collection loss, leaving an effective potential gross income of \$157,244. The appraiser then calculated the subject's annual expenses as \$29,945, leaving a potential net operating income of \$127,299.

Using the band of investment method, the appraiser determined an initial capitalization rate of 8.45%. To account for the subject's property taxes, the appraiser multiplied the rate required for real estate taxes of 7.515% by the equalization factor of 2.9627 and by the assessment level of 10% to come up with 2.23%. He added this to the initial capitalization rate of 8.45% to come up with a final capitalization rate of 10.68%. The appraiser then calculated the subject's value under the income approach by dividing the net potential operating income of \$127,299 by the capitalization rate of 10.68% for a total of \$1,191,938, rounded to \$1,190,000. Reconciling the sales comparison and income capitalization approach results, the appraiser determined that the subject's value was \$1,200,000.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$151,237. The subject's assessment reflects a market value of \$1,512,370, or \$114.29 per square foot of living area, land included, when 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 information about sales of two suggested comparable properties. The suggested comparables sold in January 2016 for \$2,000,000 apiece, or between \$405.02 and \$455.06 per square foot of building area, land included in the sales prices. The board of review also submitted three suggested equity comparables.

In a rebuttal submission, appellant asserted that the equity comparables submitted by the board of review should not be considered because appellant had not made a uniformity argument. Appellant also asserted that the sales comparables submitted by the board of review were

dissimilar to the subject, and the board of review had not adjusted them to account for the differences.

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 taxpayer must prove the value of the property by a preponderance of the evidence. 86 Ill. Admin. Code §1910.63(e); Winnebago County Bd. of Review v. Property Tax Appeal Bd., 313 Ill. App. 3d 1038, 1043 (2d Dist. 2000). 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.

The Board finds that the best evidence of the subject's market value was the appraisal submitted by the appellant, although there were some flaws in the appraisal. For one thing, the appraisal determined the subject's market value as of January 1, 2018, rather than January 1, 2019, the applicable valuation date. Because of this, one of the comparable sales relied on by the appraiser, which took place on March 26, 2015, was too old to serve as an indicator of the subject's market value in 2019. Nevertheless, the other suggested sales comparables from the appraisal support the appraiser's determination of the subject's market value, as does the appraisal's income approach. In contrast, the board of review presented only two suggested comparable sales, and there are substantial differences between those suggested comparables and the subject, especially regarding building area. Accordingly, appellant has shown by a preponderance of the evidence that the subject property is overvalued, and a reduction is therefore 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: March 26, 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

AGENCY

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

APPELLANT

MLC Associates, Inc., by attorney:
Steven J. Field
Field and Goldberg, LLC
10 South LaSalle Street
Suite 2910
Chicago, IL 60603

COUNTY

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