



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

APPELLANT: Sergio Garcia
DOCKET NO.: 20-33460.001-R-1 through 20-33460.002-R-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Sergio Garcia, the appellant, by John W. Zapala, of the Law Offices of John Zapala, 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 **No Change** 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:

| DOCKET NO | PARCEL NUMBER | LAND | IMPRVMT | TOTAL |
|------------------|--------------------|-------|---------|----------|
| 20-33460.001-R-1 | 18-13-428-014-0000 | 2,193 | 16,239 | \$18,432 |
| 20-33460.002-R-1 | 18-13-428-013-0000 | 2,193 | 372 | \$2,565 |

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 2020 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 two-story multi-family building of masonry exterior construction with 2,842 square feet of gross building area. The building is approximately 100 years old. Features include a full unfinished basement, central air conditioning and a two-car garage. The two-parcel property has a combined 7,020 square foot site and is located in Summit, Lyons Township, Cook County. The subject is classified as a class 2-11 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends both lack of assessment equity concerning the improvement and overvaluation as the bases of the appeal. In support of the inequity argument, the appellant submitted information on five suggested comparable properties located in the same neighborhood code as the subject and in Summit within .57 of a mile from the subject. The comparables consist of class 2-11 buildings of masonry exterior construction which are 57 to 92

years old. The comparables range in size from 2,486 to 3,360 square feet of gross building area. Each building has a full basement, two of which are finished as apartments and one of which has a recreation room. Comparable #4 has two fireplaces and each comparable has a two-car garage. The comparables have improvement assessments ranging from \$13,162 to \$17,123 or from \$4.73 to \$5.46 per square foot of gross building area.

In support of the overvaluation argument, the appellant submitted information on five comparable sales located in Summit, in the same neighborhood code and within .71 of a mile from the subject. The parcels range in size from 3,125 to 7,440 square feet of land area which are improved with class 2-11 buildings of masonry exterior construction. The buildings range in age from 19 to 102 years old and range in size from 1,267 to 3,600 square feet of gross building area. Each comparable has a full basement, one of which is finished as an apartment. Comparable #4 has central air conditioning and four comparables each have a two-car garage. The comparables sold from May 2017 to February 2020 for prices ranging from \$148,000 to \$180,000 or from \$49.97 to \$142.07 per square foot of gross building area, including land.

In addition, as part of the brief, counsel set forth an income analysis prepared "using data from the appellant's 2017, 2018, and 2019 1040-Schedule-Es." Counsel asserts that the 2019 property tax expense of \$9,752 paid in 2020 represents 47.26% of net operating income, after allowable expenses, collected in that year. Counsel further reported that the actual expense data was derived as well from the appellant's tax returns. Based on the data, counsel set forth an overall capitalization rate of 12.0974% for a total fair market value of \$168,940.

Based on the foregoing evidence, the appellant requested a reduced combined improvement assessment of \$12,508 or \$4.40 per square foot of gross building area and a reduced combined total assessment of \$16,894, including land, which would reflect a market value of \$168,940 or \$59.44 per square foot of gross building area, including land, when applying the level of assessment for class 2 property of 10% under the Cook County Real Property Assessment Classification Ordinance.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$20,997. The subject property has a combined improvement assessment of \$16,611 or \$5.84 per square foot of gross building area. The subject's combined assessment reflects a market value of \$209,970 or \$73.88 per square foot of gross building area, including land, when applying the level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance.

As to the appellant's market value evidence, the board of review asserted the suggested comparables were too small when compared to the subject and three of five sales occurred in 2017.

In support of its contention of the correct assessment, the board of review submitted information on four equity comparables and a second grid analysis with four sales comparables. The equity comparables are located in Summit, in the same neighborhood code as the subject and within ¼ of a mile from the subject. The comparables consist of class 2-11 two-story buildings of masonry exterior construction which range in age from 71 to 98 years old. The buildings range in size from 2,404 to 2,644 square feet of gross building area. Each comparable has a full

basement, two of which have finished area and each comparable has a two-car garage. The comparables have improvement assessments ranging from \$15,211 to \$16,971 or from \$5.71 to \$6.63 per square foot of gross building area.

As to the overvaluation argument, the board of review submitted information on four comparable sales located in Summit, in the same neighborhood code and within ¼ of a mile from the subject. The parcels range in size from 3,510 to 7,500 square feet of land area which are improved with class 2-11 either one-story or two-story buildings of frame or masonry exterior construction. The buildings range in age from 54 to 96 years old and range in size from 2,330 to 3,136 square feet of gross building area. The comparables have full or partial basements, two of which are finished with an apartment. Two comparables have one and two fireplaces each and three comparables each have a two-car garage. The comparables sold in June or October 2020 for prices ranging from \$240,000 to \$367,500 or from \$80.43 to \$119.51 per square foot of gross building area, including land.

Based on this evidence, the board of review requested confirmation of the subject's assessment both based upon equity and market value.

Conclusion of Law

As an initial matter, the Board shall address the purported income approach to value presented in the brief filed herein by counsel on behalf of the appellant. "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). As the appellant through counsel purported to develop an income approach to value using the subject's actual income and expenses. 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 and purported evidence no weight.

The taxpayer contends in part assessment inequity concerning the improvement 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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted based on lack of equity.

The parties submitted a total of nine equity comparables to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to appellant's comparables #1 and #2 due to its larger building sizes when compared to the subject. The Board has given reduced weight also to appellant's comparable #5 due its age of 57 years when compared to the subject this is 100 years old.

The Board finds the best evidence of assessment equity to be the appellant's comparables #3 and #4 along with the board of review comparables which are most similar to the subject in location, age, design, building size and some features. These comparables have improvement assessments ranging from \$13,162 to \$16,971 or from \$5.29 to \$6.63 per square foot of gross building area. The subject's combined improvement assessment of \$16,611 or \$5.84 per square foot of gross building area falls within the range established by the best comparables in this record both in terms of overall assessment and on a square foot basis. After considering adjustments to the best comparables for differences in building size and/or age when compared to the subject, the subject's assessment appears to be justified given that the subject is larger than all but one of the best comparables. Based on this record and after considering adjustments to the best comparables for differences when compared to the subject property, the Board finds the appellant has failed to establish inequity in the assessment by clear and convincing evidence and therefore a reduction in the subject's assessment is not justified as to an equity argument.

In the alternative, the appellant also asserted overvaluation as a basis of the appeal. 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 justified on grounds of overvaluation.

The parties submitted a total of nine comparable sales to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to appellant's comparables #3, #4 and #5 as each of these buildings sold in 2017, a date more remote in time to the lien date at issue of January 1, 2020 and thus less likely to be indicative of the subject's market value

given other sales in the record. The Board has given reduced weight to appellant's suggested comparables #1 and #2 which differ substantially in size when compared to the subject. The Board has given reduced weight to board of review comparables #2 and #3 which are each much newer than the subject building.

The Board finds the best evidence of market value on this record consists of board of review comparables #1 and #4 which are each similar to the subject in location, age, size and other features. These comparables sold in June and October 2020 for prices of \$240,000 and \$250,000 or for \$80.43 and \$107.30 per square foot of gross building area, including land, respectively. The subject property has a combined market value of \$209,970 or \$73.88 per square foot of gross building area, including land, which is below the best comparable sales in this record both in terms of overall value and on a per-square-foot basis. Therefore, the Board finds that the subject is not overvalued based on its assessment and no 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: June 18, 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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