



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

APPELLANT: Surf Apartments LLC
DOCKET NO.: 20-35114.001-R-2
PARCEL NO.: 14-28-117-024-0000

The parties of record before the Property Tax Appeal Board are Surf Apartments LLC, the appellant(s), by attorney Kevin B. Hynes, of O'Keefe Lyons & Hynes, 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: \$98,500
IMPR.: \$207,500
TOTAL: \$306,000

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 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 an approximately 19,700 square foot parcel of land improved with an approximately 41-year-old, three-story, masonry, apartment building containing 51-units and approximately 32,825 square feet of net rentable area. The property is located in Chicago, Lake View Township, Cook County and is classified as a class 3 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 submitted an appraisal which estimated the subject's market value as of January 1, 2018 of \$3,060,000. The appraiser utilized the income and sales comparison approach to value to estimate the subject's market value.

Under the income approach, the appraiser analyzed six rental comparables and surveys to arrive at a potential gross income of \$832,800. A vacancy and collection rate of 10% was deducted and

laundry income was added to arrive at an effective gross income of \$757,520. Total expenses were estimated for two net operating incomes of \$361,122. A loaded capitalization rate was applied to arrive at a value for the subject under the income approach of \$3,060,000, rounded.

Under the sales comparison approach, the appraiser analyzed four sales. After making adjustments for pertinent factors, the appraiser estimated a value under the sales comparison approach of \$3,060,000.

In reconciling the approaches, the appraiser gave primary emphasis to the income approach to estimate a value for the subject as of January 1, 2018 of \$3,060,000.

The appellant argued that this value should be reduced further based on the Covid-19 pandemic and uniformity. The appellant's brief asserts that the subject suffered from 20% vacancy and recalculated the income approach to value based on this vacancy. The appellant also submitted tax returns, rent rolls, and vacancy affidavits to support this reduced vacancy.

The board of review did not submit its "Board of Review Notes on Appeal." The subject has a 2020 assessment of \$360,800 which reflects a market value of \$3,608,000 using the Cook County Real Estate Classification Ordinance level of assessment for class 3 property of 10%. In support of the current assessment, the board of review submitted six sales unadjusted comparables.

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).

As a preliminary matter, the appellant requests that the Board grant it relief based on the COVID-19 pandemic. The Board distinguishes between a request for relief just because the pandemic occurred ("COVID Relief") and a request based on the pandemic's effect on market conditions or the income-producing capacity of a given property. The former would only require the appellant to show that the pandemic occurred -not that the pandemic affected or contributed to changes in the relevant market or other factors related to the property's assessment. The latter would require the appellant to meet its burden to provide substantive evidence or legal argument sufficient to challenge the property's assessment.

As an administrative agency, the Property Tax Appeal Board only has the authority that the General Assembly confers on it by statute. *Spiel v. Property Tax Appeal Bd.*, 309 Ill. App. 3d 373, 378 (2d Dist. 1999). Consequently, to the extent that the PTAB acts outside its statutory authority, it acts without jurisdiction. See *Bd. of Educ. of City of Chicago v. Bd. of Trustees of Pub. Sch. Teachers' Pension & Ret. Fund of Chicago*, 395 Ill. App. 3d 735, 739-40 (1st Dist. 2009). The Board has no statutory authority to reduce assessments solely because the pandemic occurred (i.e., to grant "COVID Relief").

In the instant appeal, the appellant submitted income and vacancy documentation to show the subject's actual vacancy and collection losses by the end of the lien year in question. The appellant's attorney then applied his own analysis to alter the appraisal's income approach to suggest a new value for the subject. The Board give little weight to this evidence which lists the subject's vacancy but provides no market data. 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 428 (1970). The appellant failed to have an appraiser analyze the market conditions based on the pandemic and provide an estimate of value using this market data but, instead, relied on the attorney to submit an argument for a reduced value in the guise of a vacancy analysis. Moreover, the documentation shows that as of January 1, 2020, the date the assessor is required to value the property, the subject had only one vacant unit.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant. The appellant's appraiser utilized the income and sales comparison approaches to value in determining the subject's market value. The current assessment reflects a market value above this value. The Board finds this appraisal to be persuasive because the appraisal discloses that the appraiser inspected the subject, reviewed the property's history, and used similar properties in the sales comparison approach. Therefore, the Board finds the subject property's market value of \$3,060,000 as of the assessment date at issue. Since market value has been established the Cook County Real Estate Classification Ordinance level of assessment for class 3 property of 10% shall apply.

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: April 16, 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

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