FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: 3700 Iron Partners LLC
DOCKET NO.: 21-48952.001-C-2
PARCEL NO.: 17-32-300-196-0000

The parties of record before the Property Tax Appeal Board are 3700 Iron Partners LLC, the appellant(s), by attorney Paul K. Lee, of The Law Office of Paul K. Lee 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:

LAND:	$36,243
IMPR.:	$456,064
TOTAL:	$492,307

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 2021 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 101-year-old, four-story, mixed-use office loft, co-working, event space, and flex industrial building of masonry construction containing 45,050 square feet of gross building area. The subject is located on a 20,920 square foot site. The subject was initially constructed in 1920 and therefore has a chronological age of 101 years. The property is in Chicago, South Township, and is a Class 5 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends that overvaluation is the basis of the appeal. In support of this argument, the appellant submitted an appraisal estimating the subject property had a market value of $1,310,000 as of January 1, 2021. The appellant requested a total assessment reduction to $327,500.

The board of review submitted its "Board of Review Notes on Appeal," disclosing the total assessment for the subject of $492,307. The subject's assessment reflects a market value of $1,969,228 when applying the 2021 level of assessment of 25.00% for Class 5 property under the Cook County Real Property Assessment Classification Ordinance.

In support of its contention of the correct assessment, the board of review submitted information on four sales comparables. The purchase prices ranged from $3,350,000 to $6,182,488 or $70 to $138 per square foot of building area. The sales occurred between June 2023 and August 2023.

Appellant's appraisal report, evidence, and hearing testimony

Cole Consulting of Appraisal Development, Incorporated, prepared an appraisal of the subject for *ad valorem* tax purposes in support of the appellant's appeal. They developed a valuation by the sales comparison and income approaches, but not the cost capitalization approach. Ibi Cole was qualified at the hearing as an expert in the theory and practice of real estate appraisal.

The subject site is located on the southwest corner of South Iron Street and West 37th Street amidst the Stockyards Manufacturing District. The site is located on Iron Road. It is located on a 20,920 square foot site. The subject was initially constructed in 1920 and therefore, has a chronological age of 101 years. The building has a flat composition covering over tar roof. The subject property features painted, polished, or concrete floors. Cole Consulting opined that the subject's highest and best use of the site, as vacant, was for commercial use; the highest and best use of the subject, as improved, was for commercial use.

Cole researched six improved comparable properties to develop the sales comparison approach. She characterized the comparables as mixed-use office/loft/industrial buildings located in Chicago. They sold from March 2019 through November 2021. They ranged in age from 88 to 119 years, of age compared to the subject at 101 years old. They sold for prices ranging from $704,000 to $1,900,000 or from $23.66 to $59.38 per square foot of gross building area. After adjusting these properties for various key property characteristics, Cole concluded the subject property had a value of $33.00 per square foot of gross building area, or $1,325,000 total value.

Under the income approach, the appraiser analyzed five commercial comparables to arrive at a blended rental rate of $14.64 per square foot for a potential gross income of $587,615. The appraiser applied a vacancy and collection rate of 15% to arrive at an effective gross income of $194,414. Expenses were estimated at $198,006, resulting in a net operating income (NOI) of $301,467.

The appraiser testified she used immediate area market surveys, the band of investment, and overall national market surveys when capitalizing the NOI. She opined a capitalization rate of 9%, which she then loaded to 15.04%, accounting for the taxes. This resulted in an estimate of value under the income approach to value of $2,000,000, rounded.

The appraiser then developed a lease-up discount value for the subject and estimated the costs to cure the space to a rentable position and the up-front costs to lease the subject. The appraisal makes $685,000 adjustment, which equates to the subject's stabilized rental rate of $14.64 per square foot of net rentable area. Applying this discount to the income approach results in a as-is value of

$1,310,000. The appraiser testified that the leased-up model is a consideration of your typical buyer for a fee simple acquisition of the subject property as it exists as of the date of value. She clarified that this is the value of the property to have if fully occupied and running at its highest and best use. Cole went on to state that the subject property at the time of her observation and at the time of the date of value was half occupied, meaning the average buyer would not spend or would not purchase the subject as if it were operating optimally. They would require a discount to bring the subject from its current condition to optimal performance. Cole further testified that the lease-up model is what the buyer will anticipate they will need to deduct from the purchase price, as occupied and in optimal condition, and to what it is at the time that they are purchasing it. She described the costs included and stated many of the expenses normally listed in the expense portion of an income approach or depreciation from the cost approach. The appellant then asked Cole whether this method of adjustment is widely used in the appraisal practice. Cole then responded with the answer, "yes", but provided no supportive testimony or other testimony to elaborate on her answer. The appraiser provided no testimony on vacancy and collection. Cole testified to the lease-up section and only included the level of vacancy to arrive at the fee simple value of the subject. In the appraisal report, Cole indicated that the vacancy rate was 15%. However, the appraiser never deducted the vacancy and collection rate from the effective gross income. Furthermore, the appraisal discloses a list of expenses and states the following is a brief description of key expense line items and some of the rationale for establishing some of the expenses seen under the heading, "Expense per square foot," in cash flow, but there is no explanation. In the appraisal report, it appears the appraiser is adding costs after applying the cap rate for vacancy and collection, which is termed occupancy, by deducting the average rental rate.

In reconciling the approaches to value, the appraiser testified she gave dominant weight to the income approach with 80% weight, and the sales comparison approach was given 20% weight for a final estimate of value as of January 1, 2021, of $1,310,000.

On cross-examination, the board of review representative, Ms. De La O, asked the appraiser whether she had taken into account at the initial valuation, or whether the lease-up costs are being accounted for in the chronic vacancy. The appraiser stated that the lease-up costs account for the chronic vacancy and the level of vacancy at the time of the effective date of value. De La O also asked the appraiser why she didn't just do the initial valuation at $31.33? The appraiser responded that the sales do not always represent the exact condition of the subject property and that most of them were occupied at the time of sale. Furthermore, Ms. De La O states that she saw at the beginning that the subject property was gutted and rehabbed in 2017, also stating that she believes there was some mechanical work in 2019. After making the statement, De La O asked the appraiser why, in 2021, would she deduct the lease-up cost. The appraiser stated that the property's condition in 2021 was similar to its condition in 2017, as it was vacant and still in need of electrical, plumbing, gas, and drywall work.

On direct examination, the appellant asked the board of review representative, Ms. De La O, if she personally prepared the evidence submitted by the board of review. Ms. De La O replied that she did not prepare the evidence submitted by the board of review. The appellant then requested that the Board provide no weight to the evidence submitted by the board of review, as it is hearsay. The Administrative Law Judge presiding over the hearing reserved ruling on the appellant's hearsay objection.

Ms. De La O, with the board of review, testified in their case in chief that the original appraisal value coming in at $50 is fair. The board of review did not provide further evidence in their case in chief other than the statement made and the comparable sales submitted into evidence.

In the closing argument, the appellant testified that the basis of the appeal, the value of the property, must be proven by a preponderance of the evidence. In this case, the appellant has provided an appraisal report for the subject property, which states that the fair market value is $1,310,000. The appellant further testified that the subject property is in a subpar location and experienced significant vacancies throughout 2021. The appellant also testified that they experienced difficulties filling their office space due to the remaining effects of the COVID pandemic, which occurred in 2020. The appellant further testified that the appraisal report submitted by the appellant is clearly the best and only evidence of value presented in this record. The appellant requested a reduction in its assessment. In closing, the board of review affirmed that the appraisal at $50 per square foot is fair

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 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 has not met this burden of proof, and a reduction in the subject's assessment is not warranted.

Witness credibility and evidence reliability are major considerations in determining whether a change of assessment is warranted. Weighing evidence "requires the trier of fact to find whether the greater amount of credible evidence presented sustains the issue that is to be established." *Kraft Foods, Inc. v. Illinois Property Tax Appeal Board*, 2013 Il App. (2d) 121031, ¶48. Appraisers are market valuation experts whose opinions may vary in good faith. See, *Board of Education of the City of Chicago v. Gorenstein,* 179 Ill.App.3d 388, 394 (1st Dist. 1989). 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).

The Board finds it problematic that the vacancy and collection rate were not included until after the deductions. The appraiser never deducted the vacancy and collection rate from the effective gross income. As indicated on page 108 of the appraisal, the appraisal disclosed a list of expenses and stated the following is a brief description of key expense line items and some of the rationale for establishing some of the expenses seen under the heading, "Expense per square foot," in cash flow, but does not elaborate any further. In the appraisal report, it appears the appraiser is adding costs after applying the cap rate for vacancy and collection, which is termed as occupancy, by deducting the average rental rate.

The Board does not understand why the appraiser made a deduction after the lease fee deductions and after the fact in order to find a fee simple value. The Board finds that the appraiser did not use a valid methodology. Therefore, the Board gives the appraisal no weight. 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). Therefore, the Board will give comparable sales more weight than the income approach.

The appellant made a hearsay objection to the board of review's evidence submitted because the evidence was not prepared by the board of review representative, Ms. De La O, who represented the board of review at the hearing. The Board overrules the appellant's hearsay objection because the comparable sales and the notes on appeal submitted by the board of review are evidence in the record.

The Board considers the weight and credibility of the documentary and testimonial evidence, and of the arguments made. The best evidence of market value is the comparable sales submitted by the board of review. The comparable sales submitted by the board of review ranged in price per square foot from $70 to $138, which is above the subject property's price per square foot of $44. The subject's price per square foot of $44 is below the sales comparables submitted by the board of review. The Board finds the subject property had a market value of $1,969,228 with a taxable assessed value of $492,307 as of the assessment date at issue. Since market value has been established, the 2021 level of assessment of 25.00% for Class 5 property under the Cook County Real Property Assessment Classification Ordinance 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: ____________ ____________

C E R T I F I C A T I O N

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: July 21, 2026

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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