



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

APPELLANT: International Village Care Center
DOCKET NO.: 06-31466.001-C-1 through 06-31466.006-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are International Village Care Center, the appellant, by attorney Terry L. Engel of Deutsch Levy & Engel, Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, 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
06-31466.001-C-1	20-07-104-001-0000	80,189	1,304,636	\$1,384,825
06-31466.002-C-1	20-07-104-003-0000	9,172	2,179	\$11,351
06-31466.003-C-1	20-07-104-004-0000	6,949	2,179	\$9,128
06-31466.004-C-1	20-07-104-005-0000	2,501	766	\$3,267
06-31466.005-C-1	20-07-104-009-0000	22,670	433,607	\$456,277
06-31466.006-C-1	20-07-104-011-0000	52,615	29,272	\$81,887

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a 218-bed, three-story skilled-care facility constructed in 1999 and 2000. The building is of masonry construction with 67,435 square feet of above grade area and 23,845 square feet of basement area. The building was constructed with three wings of residential rooms on each floor. The first floor also has administrative offices. The basement has maintenance offices, a kitchen, resident services, employee lockers and break rooms. Each floor also has a dining room, lounge, central bath and showers and a nurse station. The building has a full sprinkler system. The subject property also has asphalt paved parking as well as a combination of wrought iron and chain link fencing. The subject property has an 84,366 square foot site. The property is located in Chicago, Lake Township, Cook County. The subject property is classified as a class 5-97 property under the Cook County Real Property

Assessment Classification Ordinance and is to be assessed at 38% of market value.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a complete appraisal report transmitted in a summary format prepared by real estate appraisers Arthur J. Murphy and Timothy R. O'Keefe of Urban Real Estate Research, Inc. (hereinafter "Urban").

The report indicated the purpose of the appraisal was to estimate the fair market value of the subject property as of January 1, 2006. The property rights appraised were the fee simple interest. The appraisers also determined the highest and best use of the subject property as improved was the current use.

In estimating the subject property's market value the appraisers developed the three traditional approaches to value. The estimated value using the cost approach was \$5,250,000.

The appraisers also estimated the subject property had an estimated value under the income approach of \$5,250,000. The appraisers stated in the appraisal that under the income approach the stabilized income and expenses for the subject property are estimated through the analysis of past operating information and/or by direct market comparison, to arrive at the net operating income imputable to the subject property. The report further stated the net income was converted into a value indication using an appropriate rate which would attract investors to the property investment.

Under the sales comparison approach the appraisers used four comparables that were improved with multi-story nursing facilities that had from 99 to 300 beds and ranged in size from 22,200 to 75,808 square feet of above grade building area. The comparables were older than the subject being built from 1974 to 1982. The comparables sold from February 2005 to March 2006 for prices ranging from \$1,408,000 to \$7,441,000 or from \$11,355 to \$33,518 per bed or from \$63.42 to \$133.23 per square foot of building area. The appraisers estimated the subject had an indicated value of \$24,000 per bed or \$5,232,000 or alternatively \$78.00 per square foot of building area or \$5,259,930. Considering both estimates the appraisers estimated the subject property had a market value of \$5,250,000 under the sales comparison approach.

In conclusion the appraisers estimated the subject property had a market value of \$5,250,000 as of January 1, 2006.

In the written submission the appellant's counsel asserted that based on the Urban appraisal the subject property would have an assessment of \$1,995,000 and a reduced assessment based on a 25% vacancy factor for 2006.

The board of review submitted its "Board of Review Notes on Appeal" wherein the final assessment of the subject property

totaling \$1,946,735 was disclosed. The subject's assessment reflects a market value of \$5,122,987 or \$75.97 per square foot of above grade building area, including land, when applying the 38% Ordinance level of assessment for class 5-97 property.

In support of the assessment the board of review submitted information on five comparables improved with health care/nursing facilities that ranged in size from 30,000 to 151,200 square feet of building area. The comparables were improved with 3 to 9 story buildings constructed from 1921 to 1974. The sales occurred from December 2001 to May 2007 for prices for the real property ranging from \$2,000,000 to \$11,916,268 or from \$46.25 to \$152.58 per square foot of building area, including land.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal. The Board further finds a reduction in the subject's assessment is not supported by the evidence in the record.

The appellant argued overvaluation as the 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. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). 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 evidence in the record demonstrates the subject's total assessment is reflective of the property's market value and a reduction in the assessment is not justified.

The subject's assessment of \$1,946,735 reflects a market value of \$5,122,987 or \$75.97 per square foot of above grade building area, including land, when applying the 38% Ordinance level of assessment for class 5-97 property. The appellant submitted an appraisal estimating the subject property had a market value of \$5,250,000 as of January 1, 2006, which is greater than the market value reflected by the assessment. Furthermore, the board of review submitted raw sales data on five comparables that sold for prices ranging from \$2,000,000 to \$11,916,268 or from \$46.25 to \$152.58 per square foot of building area, including land. The subject's assessment reflects market value within the range established by these comparables on a square foot basis.

The Board gives no weight to the appellant's counsel's assertion that the appraised value of \$5,250,000 should be reduced based on a 25% vacancy factor for 2006. The appellant's attorney offered no support for this argument. Furthermore, the appellant's own appraisal experts used a stabilized occupancy rate of 80% or a 20% vacancy factor in valuing the subject property using the income approach to value in arriving at an estimated value of \$5,250,000. (See appraisal page 71.) The appellant's attorney's request to apply a 25% vacancy factor for 2006 fails to recognize

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its own experts have applied a market derived vacancy factor and no additional adjustment is justified.

Based on this record the Property Tax Appeal Board finds the assessment of the subject property as established by the board of review is correct and a reduction is not justified.

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.



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: March 23, 2012



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 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 the subsequent year 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.

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.