FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Mercury Investment Group IV, LLC
DOCKET NO.: 09-21379.001-R-1
PARCEL NO.: 14-30-212-012-0000

The parties of record before the Property Tax Appeal Board are Mercury Investment Group IV, LLC, the appellant, by attorney David S. Martin, of Neal, Gerber & Eisenberg in 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:

LAND:	$ 15,000
IMPR.:	$ 43,856
TOTAL:	$ 58,856

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 2009 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 111-year old, two-story, frame, multi-family dwelling with 2,666 square feet of living area. Features of the home include a full basement and two apartments therein. The property has a 3,125 square foot site and is located in Lake View Township. The subject is classified

as a class 2 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant's appeal is based on overvaluation. In support of this argument, the appellant submitted evidence disclosing the subject property was purchased on April 8, 2011 for a price of $529,000. The appellant attached a copy of the sales contract as well as the closing statement.

Moreover, the appellant submitted copies of the subject's Federal IRS supplemental income and loss statements for tax years 2007 through 2009. Based on this evidence, the appellant requested a reduction in the subject's assessment to reflect the purchase price.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of $58,856. The subject's assessment reflects a market value of $661,303 or $248.05 per square foot of living area, land included, when using the 2009 three year average median level of assessments for class 2 property of 8.90% under the Cook County Real Property Assessment Classification Ordinance as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted descriptive and assessment data on four suggested equity comparables as well as information regarding the subject's sale on January 1, 2007 for a price of $680,000 or $255.06 per square foot of living area.

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). The Board finds the appellant has not met this burden of proof and a reduction in the subject's assessment is not warranted.

The Board finds the best evidence of market value to be both of the purchases of the subject property which frame the 2009 tax year. The subject first sold in January, 2007, for a value of $680,000 and then sold in April, 2011, for a value of $529,000.

The Board finds that the subject’s two sales either prior to the lien date or after the lien date set the market for the subject property reflecting a downward trend in market values from 2007 through 2011. Therefore, the Board finds that the subject’s 2009 market value as established by the county at $661,303 is supported by the two recent sales of the subject.

Furthermore, the Board finds the appellant's argument that the subject's assessment is excessive when applying an income analysis based on the subject's actual income and expenses or estimates of business value, cash flow, and personalty value unconvincing. 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" 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, which 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 at 430-431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate that the subject’s actual income and expenses were reflective of the market. To demonstrate or estimate the subject’s market value using an income approach, as the appellant 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. 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 failed to follow this procedure in developing an income analysis. Therefore, the Board gives this argument no weight.

As a result of this analysis, the Board finds the appellant has not met their burden and that a reduction is not 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.

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: December 19, 2014

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.