



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

APPELLANT: J & M 1527, LLC  
DOCKET NO.: 09-33391.001-C-1  
PARCEL NO.: 17-08-100-010-0000

The parties of record before the Property Tax Appeal Board are J & M 1527, LLC, the appellant(s), by attorneys James Cerone, of Erbacci & Cerone in Des Plaines and Vincent Vidmer 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:** \$17,397  
**IMPR:** \$216,594  
**TOTAL:** \$233,991

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a 6,396 square foot parcel of land improved with two buildings. Building #1 is an 80 year-old, four-story, masonry, mixed-use building containing approximately 15,912 square feet of building area and building #2 is a 146 year-old, coach house containing 1,800 square feet of building area. The appellant, via counsel, argued that the fair market value of the subject was not accurately reflected in its assessed value.

In support of the market value argument, the appellant submitted an appraisal undertaken by David Barros and Mitchell J. Perlow, MAI of Property Valuation Services. The report indicates Barrow and Perlow are State of Illinois certified general appraisers and Perlow has the designation of a MAI. The appraisers indicated the subject has an estimated market value of \$880,000 as of January 1, 2009. The appraisal report utilized the income and sales comparison approaches to value to estimate the market value for the subject property. The appraisal finds the subject's highest and best use as improved to be its existing use as

remedied of short lived physical deterioration for the remainder of its economic life.

In the income approach to value, the appraisers analyzed the subject's residential rental rates along with four retail rental comparables and six residential rental comparables. The appraisal indicates all the comparables are current offerings and a downward adjustment was made for this. After adjustments, the appraisers estimated a potential gross income at \$174,800. Vacancy and collection loss of 10% was deducted to arrive at an effective gross income of \$157,320. Projected expenses were estimated at \$58,969 for a net operating income of \$98,351. A review of market surveys and the band of investment were utilized to establish a capitalization rate of 9% that was then loaded to 11.30% for an estimate of value under the income approach of \$870,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of five properties described as masonry, three or four-story, mixed-use or residential buildings. The properties contain between 5,938 and 23,800 square feet of building area. The comparables sold from June 2006 to January 2010. The appraisal indicates the properties sold for prices ranging from \$32.56 to \$53.01 per square foot of building area, including land. The appraiser adjusted each of the comparables for pertinent factors. Based on the similarities and difference of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales comparison approach of \$52.00 per square foot of building area, including land or \$885,040, rounded.

In reconciling the two approaches to value, the appraisal gave greatest emphasis to the sales comparison approach with secondary emphasis on the income approach to arrive at a final estimate of value for the subject as of January 1, 2009 of \$880,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$233,991 was disclosed. The subject's final assessment reflects a fair market value of \$1,582,567 when the Cook County Real Property Assessment Classification Ordinance levels of assessment of 13% for Class 3 property and 16% or Class 2 property are applied. In support of the commercial portion of the property, the board submitted raw sales information on five properties suggested as comparable. The properties are described as masonry, three or four-story, retail/residential buildings. The properties range in age from 3 to 116 years-old and in size from 12,800 to 14,400 square feet of building area. The properties sold from October 2004 to April 2009 for prices ranging from \$2,000,000 to \$3,750,000 or from \$133.70 to \$295.19 per square foot of building area, including land. The board also submitted the property characteristic printout for the subject's coach house. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appellant's attorney argued that the appraisal valued only the real estate and used sales in the subject's area that were similar to the subject.

The board of review's representative, Colin Brady, rested on the evidence previously submitted by the board and argued that the validity and credibility of the appellant's appraisal was questionable. Brady asserted: sale #1 was over 6,000 square feet larger than the subject, over 43 years older and located over five miles away; sale #2 has no record of the sale with the Recorder of Deeds Office; sale #4 has no record of the sale for this property identification number; sale # 4 is much larger than the subject; and sale #5 is much smaller.

The board of review submitted *BOR's Group hearing Exhibit #1*, recorder of deeds website printouts of the five sales comparables used in the appellant's appraisal. These printouts show for four properties a judicial sale, no sale occurring during the time period reflected in the appraisal or no record of a property with the property identification number listed in the appraisal.

In response, the appellant's attorney submitted *Appellant's Hearing Exhibit #1*, an assessor's printout for the address listed as sales comparable #3 in the appraisal which shows a different property identification number than listed in the appraisal, but the same picture and a recorder of deeds printout listing the sale. The appellant's attorney acknowledged the appraisal is sloppy with correlating the property identification numbers and that there were multiple mistakes within the appraisal. He did not have any documentation as to sale #2. He also argued that the board of review's evidence was insufficient to invalidate the appraisal.

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 this appeal. The Board further finds a reduction in the subject's assessment is not warranted.

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the PTAB concludes that the evidence indicates a reduction is warranted.

In determining the fair market value of the subject property, the PTAB finds appellant's appraisal places the greatest weight for establishing the subject's market value on the sales comparison approach to value. However, the PTAB finds this portion of the

appraisal is riddled with errors. In several instances the property was misidentified or, based on the hearing exhibits, did not reflect the proper sales information. Without the witness at hearing to testify regarding these discrepancies, how these mistakes affect the estimate of value, what data was analyzed and how adjustments were made, the PTAB gives this appraisal no weight.

Therefore, the PTAB finds the appellant submitted insufficient evidence to show the subject property was overvalued a reduction in the subject's assessment 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.

*Donald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*J. R.*

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: August 28, 2012

*Allen Castrovillari*

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.