

The Elliotts

Making a Difference in Complex Practice of Property Tax Law

by Mike Bailey



DES PLAINES — Michael J. and Joanne P. Elliott can see the results of their successes in nearly every village and municipality in Cook County and across Illinois. Their results are quantifiable, with clear, tangible benefits. The property tax relief they secure for their clients can be dramatic and, sometimes, life-changing.

“One hotel owner told us after we were able to successfully challenge his property tax bill that we allowed him to stay in business in Illinois for another year,” says Joanne.

The Elliotts, of **Elliott & Associates**, have successfully challenged property tax assessments and the resulting tax bills for thousands of property owners and condominium associations across Illinois, earning a reputation as a go-to firm for this service.

Tax appeals are a specialized practice involving legal knowledge and valuation theory, Joanne explains, saying that many real estate lawyers are often not versed in the intricacies of tax appeals. Even though the Elliotts typically work on behalf of commercial and industrial property owners

and condominium associations, about 10 percent of their business is on behalf of single-family homeowners.

The Elliotts have built their practice to a seven attorney, 30-person firm filing tax appeals all over the state, but mostly in Cook County. Their success, the couple says, is a product of their legal knowledge, valuation experience, tenacity and Mike’s technological ability, which has streamlined the processes and simplified keeping track of all their cases.

Joanne says she came to the law at an early age, “about 10 years old I think.” Attorney Martin Cohn, a friend of her family and a role model growing up, influenced her greatly.

She and Cohn remain close. “I’ve known her since she was born,” Cohn says. “I use them to handle real estate matters because they are very diligent and honest (in their approach). One time I was at a banquet seated next to the assessor and he told me (the Elliotts) were the nicest and most efficient attorneys his office sees.”

Joanne and Mike were dating when she went to Indiana University and Mike went to Purdue University. They both gravitated toward law. Joanne studied at John Marshall and Mike attended Loyola.

The couple got married after law school. Mike went to work for a private firm while Joanne worked for about 10 years at a title company. Those associations proved invaluable to the ultimate development of their practice. Through her title work, Joanne met hundreds of attorneys and business executives. Mike honed his skills as an attorney and learned the value of technology in a law firm.

“My dad was a developer, so I became experienced with property valuation and property tax work,” Mike says. “I was a transactional lawyer out of law school, but I knew the hourly billing wasn’t for me.”

Tax Appeals Now Commonplace

Years ago, the Elliotts say, it was somewhat rare for a single-family

homeowner or a condo association to file a tax appeal. Today, it would be rare for a condo association not to file an appeal in a reassessment year. The grounds for an appeal generally center on the market value of the property, meaning the assessor has valued it too high. The Elliotts regularly conduct data analytics that give them benchmarks of what commercial properties should be valued at. When the property is reassessed, the Elliotts can quickly determine whether the value placed on the property is too high.

Another basis for relief might be tax incentives available for particular properties. Commercial and industrial properties are often eligible for tax incentives, offering owners relief for which they may not know they qualify. Because of their familiarity with those incentives, the number of incentive-based appeals they file, and the quality of their work, Joanne Elliott was recently appointed to a Cook County working group on property tax incentives.

Before an appeal can be considered, they say, they must first understand the client's property. For example, "Hotels are businesses that include real estate," Mike says, meaning that when valuing a hotel, it is important to determine what portion of the value is attributable to the taxable real estate and what portion is attributable to the non-taxable assets, such as furniture, fixtures, equipment and goodwill of the hotel business.

For hotels, the appeal will center on the value of the hotel business and what each component part is worth. If the hotel business is booming, more of the value may be attributed to non-taxable "good will" and vice versa. Therefore, the Elliotts approach the appeal differently, depending on whether business is slumping or robust.

Ravi Patel, president of Hawkeye Hotels, has used the Elliotts for hotels he owns and operates in Illinois. "We have been associated about 10 years. Right now we have four hotels in Illinois, all mid-sized hotels of 100 to 135 rooms with branded names like Hilton, Marriott and InterContinental," he says.

Some of the hotels Patel's business purchased are in "special situations" and were purchased at a discount. "We engage the Elliotts when we feel the property is highly over-assessed and where no one has tried to appeal the valuation for several years. The market no longer matched the valuation. We and the Elliotts do revenue and profit comparisons, as well as comparisons to what

other comparable properties are paying to arrive at a conclusion as to what the actual assessment should be."

Patel's company has properties in 20 states, and he uses several different companies to appeal tax assessments across his portfolio. "The Elliotts' costs are in line with everyone else, and we get exceptional value in every case. They provide us with a really comprehensive proposal, which is an estimate of what our savings would be if we appealed. Their proposals are realistic. Every time, the results fall in the range of what they estimated."

"We get very good results for our hotel clients," Mike says. "We thoroughly evaluate hotel operations and compare our client's assessments to similar hotels. The hotel owners are amazed at how much we know about their business. Sometimes we're like doctors — the patient presents the symptoms, and we provide the diagnosis."

He recounts one recent case in which a suburban motel owner with three properties in Cook County was growing increasingly frustrated. He was paying what

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he felt was an exorbitant amount of taxes and was not getting sufficient relief.

"He came to us," Mike says, "and said his tax bill had doubled and he couldn't get it reduced (with previous counsel). We looked it over and were able to obtain for him what's called a walk-through certificate of error (meaning his outstanding high tax bill was corrected and reduced so he could pay the reduced amount).

"We were able to get his huge tax bill adjusted down to what it had been in the prior year, or even a little lower. Ultimately, following future appeals, his property was assessed about 15 to 20 percent lower."

Mike says they took a hard look at what was going on with the property. It had been deteriorating, lowering its true value, another important factor that assisted them in obtaining the reduction.

"He would have lost the property because he could not have paid those high property taxes. It would have gone to tax sale, and no one would likely have purchased the taxes at those high rates, so the taxpayer

and the county would have lost out." In the end, successful appeals over a few years saved this owner over \$400,000.

John Timmer, president of the Bank of Brookfield, says the Elliotts have been extremely beneficial to the bank. "We were referred to them by an attorney in 2009 after the real estate crash," he recalls. "We are a small bank and we had a number of real estate foreclosures we needed to manage. They were recommended as a firm that could help us challenge the high taxes.

"At that time, we had about 20 to 25 properties, and in most cases, they were very successful. They were on top of all the court dates and we were very satisfied with their work."

Some of the clients the Elliotts see are driven to the brink of ruin by high property taxes. "We had a client who was a physician who owned an office building. The building was substantially vacant, and he had received vacancy relief through prior counsel. The vacancies were growing, and he deferred maintenance. The office market was very weak, and it did not make sense to invest more money into the property. The client had already borrowed money from his 401(k) to cover the losses, and his taxes were still quite high. He was on a downward spiral."

The Elliotts looked at the underlying value of the 43,000-square-foot building and determined it had been significantly over-assessed. "We were able to get the underlying market value corrected and then got the assessment further reduced because of vacancies. We got him \$380,000 in tax savings and refunds over a few years," Mike says.

Technology Skills Pay Dividends

Technology has greatly enabled the firm to operate efficiently and keep track of the many cases it has filed.

Last year, the Cook County Board of Review began requiring attorneys to upload all tax appeal documents to the board's website. This created a logistical nightmare for busy tax appeal firms as the upload process was very time-consuming. Over a three-week period, Mike's team developed a custom barcode solution that allows all Elliott documents to be uploaded to the site in a fraction of the time it took to do this manually.

"Based on our conversations with the board, we believe we are the first and only firm to develop this barcode solution. This gives our people the time to think about their client's files rather than wasting time shuffling through and processing

paperwork,” Mike says.

In addition, the firm’s custom database system keeps track of each individual case, hearings that may be upcoming, or anything filed that affects the property. Additionally, it allows them to track the property’s history, download the assessor’s data, and weave all the information into one file. “We are essentially paperless,” Mike says.

“Those systems saved us over the last five years (when the recession caused property values to plummet),” Joanne says. “We were so busy with people appealing their taxes. But as soon as clients contacted us, we were able to process the information and file appeals quickly.”

All material is stored online, making retrieval nearly instantaneous. “The systems we put in place include procedures to follow and make the filing and follow-up easy to do,” says Joanne.

Those systems have also allowed them to track the many appeals they file through the various hearings without missing a beat.

Avni Patel has used the Elliotts for the past five years for appeals on industrial properties she owns. She has never thought about going anywhere else.

“If I’m interested in an industrial property, I call Joanne first and tell her I believe the taxes are too high and ask her what we can do. The number she gives me is always accurate. And sometimes, even if the taxes have been contested before, she can get relief others were not able to. (The Elliotts) keep track of all the filings and deadlines and have never missed a date. I’ve gotten refunds I wasn’t even expecting.”

But even so, the appeal process is not always smooth. Re-review is often requested if the initial appeal is denied or the result is not good enough. Then, an appeal can be filed with the Property Tax Appeal Board or the Circuit Court. “We often take five bites at the apple,” Mike explains, counting off the various appeals possible. When available, they will review the file notes of the assessing officials, which might give a clue on how best to receive additional relief.

Avni Patel says the Elliotts will stay with an appeal until they get everything they believe the client has coming. She says she received a very large refund that was extremely difficult to obtain. “I got them on it, and they pushed it through the system. It took a while to get Cook County to approve it, but they stayed with it for nearly two years. They wouldn’t give up until they got what they thought I wanted.”

Like most successful married couples who operate a business, each brings strengths to

the firm. Joanne has a vast network of attorney contacts and Mike has a knowledge of property valuation and technology. Even with those complementary attributes, it would not be uncommon for some friction to develop between spouses who work and live together.

Not so with the Elliotts. They say their work duties keep them both extremely busy with little time for interaction. Their free time is spent enjoying the family, far away from the hectic pace of work. In fact, their whole firm emphasizes the importance of family.

Family First at Elliott & Associates

“Family is a core value for the firm,” Joanne says. While work is important, it can’t be your whole life, she says.

The couple has three children. Danielle, 29, graduated with a business background and then worked for Groupon and a consulting firm before joining Elliott & Associates in 2014; Lauren, 27, joined the Elliotts’ firm this year after working for two well-respected litigation firms in Chicago; Louis will graduate college this year and begin work at a consulting firm.

The couple also owns and renovates real estate, a key selling point to clients who need to know that their lawyers understand what they are going through. Additionally, they have a home in Naples, Florida, and own a boat docked in Chicago for those times when they need to get away.

Joanne serves on the Illinois State Bar Association’s real estate tax section council. That group meets with assessing officials and lawyers to discuss issues and solutions related to property taxes. “It’s a good chance to build rapport and respect among assessors and peers and also affect policy,” she says.

Mike was a founding member of the Illinois Property Tax Lawyers Association. Both sometimes travel to Springfield to offer opinions and guidance on legislation affecting the field, he says.

“This process (of tax appeals) is available to everyone,” she says. “Not just the wealthy. If you can’t afford to hire an attorney, you can file an appeal online. If you think you are paying more than your fair share, you should appeal, and if the facts justify the appeal, you can get those taxes reduced. Today, (a significant number) of the public appeal their own taxes.” ■