



Oak Park Township OPRF High School Oak Park Elementary District 97

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Schools Join Village, Township in Challenge to Medical Building Assessment

The voices challenging Oak Park Hospital's efforts to reduce its property tax contribution to the community grew even louder Thursday morning as the boards of both School District 97 and School District 200 voted unanimously to join the Village and Township in filing an underassessment complaint with the Cook County Board of Review.

Votes by both school boards came just days after the Village Board had passed a similar resolution directing the Village Manager to "take all reasonable and necessary steps" to pursue an undervaluation complaint by the Oak Park Township against the hospital which is seeking to reduce the assessment of its medical office building at Maple and Wisconsin avenues. The deadline for filing an official challenge is today.

"By joining the Village and Township in this effort to ensure an equitable distribution of the tax burden, the school districts have helped to create a united front exemplifying the spirit of intergovernmental cooperation that is so necessary in today's complex public service funding environment," said Village President Joanne E. Trapani. "By joining forces and resources in the pursuit of the common good of the community, we can better protect the interests of our residents who depend on the services provided by their property tax dollars."

District 97 President Adekunle Onayemi called the action of his board critical to preserving important funding for the elementary and middle school programs that have made Oak Park schools such a valuable contributor to the community's quality of life.

"Property taxes are the only local funding source available to District 97 and it is vital that we do everything within our power to ensure that support of the schools is shared fairly by all property owners in the community," Onayemi said. "The hospital's efforts to reduce its responsibility to our school children needs to be closely examined – especially in light of fact that the medical office building's supporters used property tax revenue as one of the most important reasons they should be allowed to build."

School District 200 President Valerie Fisher agreed. "We would be remiss if we did not seek a way to recoup these lost revenues that not only reduced our revenue by \$500,000 this school year alone, but had the additional effect of shifting the remaining tax burden from commercial property owners onto residential owners."

"This complaint may be a first step toward addressing a flaw in the property tax appeals system," Ms. Fisher said. "We hope this under-valuation complaint can begin to change the appeals process in a way that will give us a voice at the table."

The taxing bodies learned of the hospital's efforts to reduce its tax contributions after an investigation by Oak Park Township Assessor Ali ElSaffar. ElSaffar discovered the hospital was seeking an assessment reduction based on occupancy of the office building, a claim that directly contradicts statements made to the Village Plan Commission in 1999 when approval to build was sought. The developers had told the Plan Commission that under a master lease program with the hospital, the building would be fully leased and thus fully taxable from the day the doors opened. The hospital argued strongly that this building would greatly benefit local taxing entities such as the school districts and cited the monetary benefits the new building would bring.

“Based on the original public testimony that led to approval of the project, the developers are acting contrary to their original stated intent,” said Township Supervisor F. David Bolinger. “Ali ElSaffar is to be commended for his efforts to gather the facts that we believe will provide powerful evidence to support our complaint against the property owners.”

The hospital is asking the Board of Review to apply a reduced occupancy formula to the office building to keep the 2003 assessment well below the original assessment made when the new facility first opened. The hospital had success with a similar appeal for the 2002 tax year that reduced the property's assessment to \$2.2 million, down from the original \$7 million assessment. At the same time, the hospital won approval of a “certificate of error” for the 2001 tax year, a victory that required all taxing bodies to refund about \$1.8 million, a demand that most affected the school districts which, together, represent about two-thirds of all property tax collections in Oak Park.

“The impact of such a tax reduction is significant for all taxing bodies,” Trapani said. “But to the school districts it can be devastating. Property taxes are their only significant source of income. In our community, assessment reductions of this magnitude also are especially hard on residential property owners who must make up the difference as the burden is shifted from commercial property. Unless and until the state addresses in a meaningful way tax reform, schools must rely on property tax. Due to its home rule status which permits tax options other than the property tax, the Village has successfully kept its portion of the property tax stable over the past several years. Schools do not have that option. Illinois ranks 49th out of 50 states in terms of its contribution to funding schools; that must change in order to fundamentally address the property tax situation in Cook County and across the state.

All of the local officials agreed that a property owner has a right to challenge what is believed to be an incorrect assessment. But in the case of the hospital, they said seeking an assessment reduction ran counter to public statements which were fundamental assumptions that led to their support of the project.

Filing an underassessment complaint is a relatively new way to challenge efforts by owners of large commercial properties to reduce their property taxes. Taxing bodies are typically vigilant to track assessment appeals, however, the three-step Cook County appeals process does not require notification of those governmental entities whose collections will be affected. If property owners appeal only to the County Assessor or Board of Review, taxing bodies are not notified of any actions. Taxing bodies are only notified about the outcome of assessment changes when property owners also petition the Property Tax Appeal Board. In past assessment appeals filed by the hospital, the property owners chose to stop at the Board of Appeals.

While the underassessment complaints filed against the hospital today applies only to the 2003 tax year, pursuing legal challenges to the earlier assessment reductions have not been ruled out, officials said.