

MARK  
DAVIS

LIZ  
GRACIE

## Law Partners Share Intellectual Curiosity of Property Tax Appeals

by Allison E. Beatty

Behind every successful law firm are exceptional attorneys whose names don't necessarily appear on the door. Such is the case for O'Keefe Lyons & Hynes, LLC, a well-respected, 80-year-old property tax law firm that advises the owners of some of the most prominent properties in the Chicago area.

Mark R. Davis and Elizabeth L. Gracie are two members of this highly collaborative firm. The two partners—who have worked together now for more than 28 years despite taking different paths to the firm—underscore the work ethic that continues to shape the firm.

### DAVIS RISES THROUGH THE RANKS

As a young lawyer in the Cook County state's attorney's office, Davis rose through the ranks quickly, successfully managing complex cases and developing a keen understanding of Illinois' intricate property tax laws.

His tenure was shaped by his tenacious approach to understanding all facets of the law and his ability to dig deep into complex legal issues and find successful resolutions. His aptitude for the law and eagerness to delve into detailed legal matters made him a natural for many of the multi-faceted property tax cases handled by that office.

"Most people would think that the field of property taxation and disputes over property taxation are as exciting as watching paint dry," Davis says. "I've found that is not the case. The field is fascinating, as it involves economics and the value of property, and many intricacies of the law."

Early in his career there, he was asked to assist a team working on civil litigation related to a bribery scandal at the entity now known as the Board of Review. That high-profile scandal resulted in millions of dollars recouped through the civil litigation, following on numerous federal criminal prosecutions through the U.S. Attorney's office, including



some under the RICO statute.

This early baptism by fire laid the foundation for Davis' career moving through the state's attorney's office, where he rose to the position of supervisor of the tax division in 1983. In that role, he represented the county government in every type of legal work related to the tax system.

"I took the position because I was young and didn't know any better," Davis says with a laugh.

### MOVING TO THE PRIVATE SECTOR

In 1989, he left the government world for the private sector, accepting an offer to lead the litigation team of O'Keefe Lyons & Hynes,

LLC, an established Chicago firm known for its property tax representation. Kevin O'Keefe, the lead partner of the firm, approached Davis about joining.

"I was well aware of the O'Keefe firm and the reputation it had established, especially as a firm that worked on cases and situations that often were outside the norm," says Davis. "When Kevin O'Keefe approached me, I was intrigued at the prospects of entering into private practice, leveraging the expertise I had already developed, and helping to further establish the firm's litigation capabilities."

Along with overseeing client work, Davis was actively involved in the Civic Federation, where he ultimately was chairman from 2012

to 2014 and remains active on its board. In his early work with the Federation, he was part of an organized effort to reform the law and allow taxpayers wider parameters for bringing property tax appeals. This led to changes in the Illinois Property Tax Code in the mid-1990s and his successful Illinois Supreme Court defense of those changes.

#### DAVIS ROLLS UP HIS SLEEVES

This type of dedicated approach to legal work is clearly evident to the firm's clients. Mike Larson, a vice president with Indianapolis-based Simon Property Group, characterizes his relationship with Mark Davis and O'Keefe Lyons & Hynes, LLC as symbiotic, one that successfully brings together critical legal and valuation skill sets for the greater good. He also points to the preparedness and the active, hands-on involvement of Davis.

"You have to do the work to understand the unique nuances of each appeal, to be able to articulate the essential facts, and to respond to any questions or objections an assessor or opposing counsel may have," Larson says. "Mark Davis is one of those 'roll up your sleeves and get involved' kind of people. That's critical."

Those qualities were particularly evident when, on behalf of Simon, O'Keefe Lyons & Hynes LLC was challenging the valuation and subsequent assessment of a significant property in Cook County. The execution of a detailed and thorough strategy "ensured all ducks were in a row" and resulted in a fair and reasonable outcome.

"If not for that level of preparation, the outcome would not have been so successful," Larson says.

Throughout his legal career, Davis has always focused on pursuing fairness and equality in the law, a mindset that is a hallmark of the O'Keefe firm and its attorneys.

Davis and Jason T. Shilson, another firm partner and litigator, have aggressively litigated a group of cases that challenge assessment levels—the countywide ratios of assessed values to market values—that determine whether comparable properties are treated equally. The firm has spent well over 10 years and invested considerable internal resources pursuing these cases. This includes using sophisticated tax modeling and an extensive study by an economics professor, among other efforts.

"The assessment level cases address the most fundamental element that should drive the whole tax assessment process—uniformity," Davis says.

#### GRACIE TAKES A DIFFERENT PATH

This mindset and attention to detail is also shared by Elizabeth Gracie, who joined

the O'Keefe firm in 1983. While she took a different path, starting at the firm right out of law school, she also rose quickly to partnership and now handles many of the firm's most complex matters before the assessor and the Board of Review.

One of Gracie's most notable achievements is the creation and oversight of the firm's complex archive of data, including purchase prices and the detail underlying the assessments of thousands of office, retail, hotel and apartment properties throughout Cook County. Not only is this information useful in appealing assessments and evaluating outcomes, it is essential in projecting taxes in cases of acquisition and new development.

"I am grateful to have found a niche in which my particular gifts seem to fit the needs of the firm and our clients," Gracie says. "I have strong affinity for spreadsheets. I like to track factors over time and to observe trends and relationships. This particular area of the law seems to lend itself to this, to tracking what's happening with the real estate market and taxes over 30 years."

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#### CHANNELING HER SPREADSHEET MIND

Recently, with all of the uncertainty around the budgets of local government agencies, Gracie has turned her "spreadsheet mind" toward the projection of the tax rate factor of the tax equation. Even in years between triennial reassessments, when assessments remain constant, taxes now vary significantly because of the volatility of the tax rates.

"The historical patterns no longer hold." So, Gracie has begun tracking the levies of all the taxing bodies affecting property in Chicago, totaling approximately \$6 billion. She monitors the proposed changes in their budgets and models the likely tax rate. "In the past couple of years, this has been a helpful tool for the firm as we work with clients to provide a realistic projection of tax liability," Gracie says. "Rather than guess based on historical trends or use some arbitrary percentage, we provide a much more detailed view of what is likely to happen."

Clients have come to rely on Gracie for her ability to use detailed financial modeling to project tax levels when buying or developing properties.

One business that has benefitted from those abilities is Golub & Company, a client of O'Keefe Lyons & Hynes, LLC since 1985. Initially, the O'Keefe firm was part of a broader team already in place on a large multi-use property that Golub became increasingly involved in over time. The relationship between the firms grew and expanded, and it developed even further in part through the work done by Gracie.

"The property tax scenario in Chicago and Cook County is very complicated, and, whether we are buying or selling property, taxes are a material part of the deal process," says Paula Harris, a principal and senior vice president of Golub & Company. "Liz gets the very complicated and breaks it all down. She tells us the way it is. We rely on that; we trust her."

Harris points out that above and beyond the traditional and straightforward property tax work, Golub recently turned to Gracie for help in determining the most effective treatment for real estate tax proration on its local condominium projects. "Liz brought us the data we needed to make sense of it all, determine a solution, and get to a decision," she adds. "Not every real estate tax person would have done that."

#### A LOVE OF THE HISTORICAL

Gracie's love of detail is also evident in the work she does with historical landmarks and the Class L property tax incentive. She has developed a niche working with owners, architects and preservationists to examine how the historical nature of properties factors into tax appeals, particularly when buildings are renovated.

"Aesthetically, I appreciate historic buildings—the quality of the construction and the architectural details," Gracie says. "I like to see how iconic buildings can be repurposed while still retaining their unique attributes—and how those new spaces can then be used for the next generation."

While they arrived at O'Keefe Lyons & Hynes LLC from different paths, Davis and Gracie share an intellectual curiosity regarding the law, an intense desire to understand each client's unique objectives, and a deep appreciation of the firm's lasting relationships with clients.

"We have the privilege of working with some of the most visionary leaders in the real estate industry and on some of the most innovative projects in the market," Gracie says. "All of us at O'Keefe Lyons & Hynes thrive on the challenge of working with clients who set a high standard for themselves and the members of their teams." ■