



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

APPELLANT: Learning Resources
DOCKET NO.: 12-02691.001-C-1 through 12-02691.013-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Learning Resources, the appellant, by attorney Brian P. Liston of the Law Offices of Liston & Tsantilis, P.C. in Chicago, and the Lake 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 **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
12-02691.001-C-1	15-04-202-016	21,303	860,493	\$881,796
12-02691.002-C-1	15-04-202-017	21,348	0	\$21,348
12-02691.003-C-1	15-04-202-018	21,365	0	\$21,365
12-02691.004-C-1	15-04-202-019	21,381	0	\$21,381
12-02691.005-C-1	15-04-202-020	21,399	0	\$21,399
12-02691.006-C-1	15-04-202-021	21,414	0	\$21,414
12-02691.007-C-1	15-04-202-022	21,431	0	\$21,431
12-02691.008-C-1	15-04-202-023	21,448	0	\$21,448
12-02691.009-C-1	15-04-202-024	21,442	0	\$21,442
12-02691.010-C-1	15-04-202-025	21,399	0	\$21,399
12-02691.011-C-1	15-04-202-026	21,332	0	\$21,332
12-02691.012-C-1	15-04-202-027	21,234	0	\$21,234
12-02691.013-C-1	15-04-202-028	21,103	0	\$21,103

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from decisions of the Lake County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2012 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 is a one-story industrial warehouse building of masonry construction with 67,272 square feet of building area which was constructed in 1992. An addition was built in 1995. Features include 11,000 square feet of office space and one drive-in door along with four interior docks. The subject property has a land-to-building ratio of 2.20:1. The property consists of thirteen parcels with a total of 148,119 square feet of land area which is located in Vernon Hills, Vernon Township, Lake County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$3,150,000 or \$46.82 per square foot of building area, land included, as of January 1, 2011. The appraisal was prepared by Neil J. Linehan, Staff or Associate Appraiser and Joseph M. Ryan, a State Certified General Real Estate Appraiser who also has the MAI designation from the Appraisal Institute. Both appraisers are employed by LaSalle Appraisal Group, Inc. and prepared both the sales comparison and income approaches to value in this report arriving at conclusions under the approaches of \$3,030,000 and \$3,250,000, respectively.

For the sales comparison approach, the appraiser analyzed five comparable sales of one-story masonry or concrete tilt up buildings that were located in Vernon, Fremont, Libertyville and Warren Townships. The comparables were built between 1986 and 2007 with one having an addition in 2000. The buildings range in size from 56,640 to 84,000 square feet of building area with two of the comparables having office areas of 3,962 and 6,938 square feet. The buildings have clear ceiling heights ranging from 18 to 32 feet and land-to-building ratios ranging from 2.22:1 to 3.88:1. The comparables sold between August 2010 and August 2011 for prices ranging from \$34.34 to \$44.72 per square foot of building area, land included.

The appraisers made adjustments to the comparables for condition of sale, location, land-to-building ratio, size, age and/or

ceiling height differences. After adjustments the appraisers opined an estimated market value for the subject of \$45.00 per square foot of building area or a final value conclusion of \$3,030,000 under the sales comparison approach to value.

For the income approach to value, the appraiser estimated market rent for the subject of \$6.00 per square foot resulting in a potential gross income of \$403,632. The appraisers applied a vacancy and collection loss of 12.5% or \$50,454 to the potential gross income resulting in an effective gross income of \$353,178. Expenses of property management of \$10,000 and reserves for replacements of \$8,500 were both estimated resulting in a net operating income of \$334,678.

The appraiser then researched published sources and opined a capitalization rate of 10% plus a tax load of .29 resulting in an overall capitalization rate to be applied to the net operating income of 10.29% resulting in an indicated value by the income approach of \$3,250,000, rounded.

In reconciliation, the appraiser gave primary weight to the sales comparison approach and secondary weight to the income approach in arriving at a final value conclusion for the subject of \$3,150,000.

Based on this evidence, the appellant requested a total assessment for the subject parcels reflective of the appraised value at the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject parcels which combined is \$1,138,094. The subject's combined assessments reflect a market value of \$3,478,282 or \$51.70 per square foot of building area, land included, when using the 2012 three year average median level of assessment for Lake County of 32.72% as determined by the Illinois Department of Revenue.

The board of review submitted a memorandum from Martin P. Paulson, Clerk of the Lake County Board of Review, along with additional data. Paulson asserted that none of the comparable sales in the appellant's appraisal report are located in Vernon Hills like the subject property and appraisal sale #5 is 17.4 miles from the subject. Additionally, four of the five sales have from 6% to 20% greater building areas. Lastly, the final value opinion on a square-foot basis is greater than the unadjusted comparable sales in the appraisal which range from \$34.34 to \$44.72 per square foot of building area, including

land. Therefore, the board of review is of the opinion that the appraisal is not reasonable estimated of the subject's market value.

In support of its contention of the correct assessment the board of review submitted information on five comparable sales located from 1.23 to 3.27-miles from the subject. The comparables consist of one-story masonry buildings that were located in Vernon Hills, Lincolnshire or Mundelein. The comparables were built between 1984 and 1996. The buildings range in size from 40,009 to 82,268 square feet of building area with office areas ranging from 3,781 to 31,368 square feet. The buildings have clear ceiling heights ranging from 19 to 24 feet and land-to-building ratios ranging from 2.31:1 to 3.84:1. The comparables sold between October 2010 and March 2013 for prices ranging from \$52.27 to \$68.45 per square foot of building area, land included.

Based on this evidence and argument, the board of review requested confirmation of the subject's assessment.

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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill. App. 3d 207 (2nd Dist. 1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill. App. 3d 9 (5th Dist. 1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach.

The Board has given little weight to the value conclusion of the appellant's appraisal. The Board finds appraisal comparable #5 is much newer and larger than the subject property and is also distant from the subject property. However, more importantly, the appraisal's value conclusion of \$46.82 is above the range of the adjusted comparable sales prices that ranged from \$34.34 to \$44.72 per square foot of building area, land included, which does not reflect giving primary weight to the sales comparison approach to value.

In light of the applicable case law, the Board finds there are credible market sales contained in this record. Thus, the Board placed most weight on this evidence of ten comparable sales of similar buildings. The comparables had varying degrees of similarity to the subject in location, age, size, office area, clear ceiling heights and/or land-to-building ratio. These comparables sold for prices ranging from \$34.34 to \$68.45 per square foot of building area, including land, with reduced weight going to appraisal sale #5. The subject's assessment reflects a market value of \$51.70 per square foot of building area, including land, which is within the range established by the comparable sales in the record and well-supported by these recent sales.

Based on this evidence the Board finds a reduction in the subject's assessment is not justified.

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.

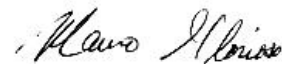
Chairman



Member



Member



Member



Acting 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 21, 2015



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.