



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

APPELLANT: Lightfoot Estates LLC
DOCKET NO.: 16-02675.001-R-1
PARCEL NO.: 14-20-100-068

The parties of record before the Property Tax Appeal Board are Lightfoot Estates LLC, the appellant, by attorney Nora Devine of Steven B. Pearlman & Associates in Chicago; and the Lake County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds a reduction 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:

LAND:	\$55,327
IMPR.:	\$0
TOTAL:	\$55,327

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision 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 2016 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 an unimproved wooded rectangular-shaped site containing 82,977 square feet of land area.¹ The parcel is located in a residential district approximately two blocks from the lake in Lake Zurich, Ela 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 \$166,000 as of January 1, 2015. The appraisal was prepared by Scott R. Kling, Peter D. Helland and Edward V. Kling, MAI, MRICS. The purpose of the appraisal was to estimate the market value of the subject property as of the January 1, 2015 assessment date. The property rights appraised

¹ The board of review's grid analysis stated the parcel contained 84,186 square feet of building area. The property record card and the appraisal both stated that the parcel contained 82,977 square feet of building area. At the hearing, the parties agreed to use the latter measurement.

are the fee simple interest. The intended use of the appraisal was to serve as an estimate of market value of the fee simple interest in order to arrive at an equitable assessed valuation for purposes of real estate taxation. The appraiser determined the highest and best use of the subject property as vacant would be to hold the property for future residential development in conformance with applicable zoning and building codes and consistent with the surrounding land uses.

Mr. Helland, a licensed Illinois Certified General Appraiser, was present at the hearing and was accepted as an expert witness. In estimating the market value of the subject property, the appraiser developed the sales comparison approach to value using five comparable sales of unimproved parcels. Helland testified that he selected the best sales in the area that were most comparable to the subject in size, zoning, and improvements, which in this case, meant wooded lots. In the appraisal, Helland noted that the area appears to be 90% developed and that the subject parcel is one of the very few remaining undeveloped lots in the neighborhood. The comparables consist of five residentially zoned parcels located within the subject's market area and range in size from 43,969 to 124,146 square feet of land area. The parcels are located in Lake Zurich, Libertyville and North Barrington. These properties sold from May 2013 to July 2015 for prices ranging from \$81,000 to \$200,000 or from \$1.29 to \$2.14 per square foot of land area. The appraiser made qualitative adjustments to the comparables for differences from the subject property resulting in an adjusted range of \$1.74 to \$2.20 per square foot of land area. The appraiser estimated the subject property had a market value of \$2.00 per square foot of land area resulting in a total market value of \$166,000, rounded.

Helland testified that the subject property is zoned R-4 and is surrounded by parcels that are zoned R-4 or R-5. On cross-examination, Helland testified that he was aware the subject is located within the downtown redevelopment overlay district which means that the owner may exercise the option to develop the property under the downtown redevelopment guidelines for uses including offices or multi-family buildings. Helland asserted that he appraised the property as of its value and use as the January 1, 2015 assessment date and did not look at what hypothetically could be there but rather at what was actually there as of that date. As of the assessment date, the subject was zoned R-4 and surrounded by other similarly zoned properties. His opinion was that the highest and best use of the land was to hold for future residential development. He also testified that the owner was being pressed by "tree-huggers" to save certain trees located on the parcel and to file redevelopment plans, etc., and that these factors could be impediments to alternative development of the property.

Based on this evidence, the appellant requested the subject's assessment be reduced to \$55,327 to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$108,866. The subject's assessment reflects a market value of \$328,305 or \$3.96 per square foot of land area, when using the 2016 three-year average median level of assessment for Lake County of 33.16% as determined by the Illinois Department of Revenue.

John Paslawsky appeared on behalf of the board of review. In support of its contention of the correct assessment, the board of review submitted information on five comparable sales of

unimproved parcels located in the Lake Zurich area. One parcel is characterized as residential vacant and four parcels are characterized as commercial vacant. The sites range in size from 22,272 to 374,180 square feet of land area. Four of the comparables sold from March 2012 to October 2015 for prices ranging from \$225,000 to \$1,025,000 or from \$4.29 to \$11.65 per square foot of land area. One comparable, comprised of four parcels totaling 374,180 square feet of land area, was listed in July 2017 for \$2,690,000 but the listing expired, and the property did not sell. Based on this evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant's counsel argued that board of review comparable sale #1, being the only residential parcel submitted by the board, was purchased with two other parcels not under common ownership and developed as a senior living facility; comparable #2 was a 2012 sale that was listed again in 2015 but has not sold; comparable #3 was conveyed by Special Warranty Deed, indicating this may not have been an arm's length transaction, and the PIN became inactive in 2014 when commercial improvements were constructed; comparable #4 was sold through foreclosure in 2014 along with another parcel containing 118,483 square feet of land area, bringing the price per square foot down to \$2.33; and comparable #5 was a multi-parcel listing that did not sell and the listing expired in October 2017.

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 met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant estimating the subject property had a market value of \$166,000 as of January 1, 2015. The appellant's appraiser developed the sales comparison approach to value using five sales of unimproved residential parcels located in the subject's market area. The appellant's appraiser adjusted the comparables for differences from the subject property, which appear reasonable. The subject's assessment reflects a market value of \$328,305, which is considerably more than the appraised value. Less weight was given the board of review sales. Board of review comparables #1, #2, #4 and #5 differ considerably in size when compared to the subject property. Comparable #5 was listed but did not sell. Furthermore, four of the board of review comparables were commercial sites and the only residential site was purchased in tandem with two other parcels which further detracts from the weight that can be given to these sales. Based on this evidence, the Board finds a reduction to the subject's assessment is appropriate.

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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.

Chairman



Member

Member



Member

Member

DISSENTING: _____

CERTIFICATION

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: October 15, 2019



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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

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