



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

APPELLANT: Midwest 8, LLC
DOCKET NO.: 16-04184.001-C-1
PARCEL NO.: 08-18-324-015

The parties of record before the Property Tax Appeal Board are Midwest 8, LLC, the appellant, by attorney David Lavin, of Schiller Strauss & Lavin PC, 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 **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:

| | |
|---------------|----------|
| LAND: | \$31,504 |
| IMPR.: | \$0 |
| TOTAL: | \$31,504 |

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 consists of a vacant site (out-lot) that contains 47,261 square feet of land area or a 1.09-acre site. The parcel has frontage along Grand Avenue and North Green Bay Road with access to Grand Avenue that is shared with adjacent parcels. The subject parcel is zoned B-3 General Commercial District and located in the Grandview Court shopping center in Waukegan Township, Lake County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal prepared by Andrew G. Hartigan, MAI, of Inland Real Estate Brokerage & Consulting, Inc., estimating the subject property had a market value of \$60,000 or \$1.27 per square foot or \$55,046 per acre as of January 1, 2016.

As part of the appraisal, Hartigan reported that the subject property last sold in December 2014 for \$4,000,000, but based upon investigation with the owners, "this transfer included several land parcels through several states. The ownership stated that this transfer did not give individual contributory value of each property but valued the multi-property portfolio as a whole." Additionally, Hartigan wrote that when the subject property was observed in August 2016, the property was listed for sale; Hartigan did not set forth the listing price in the report. (Appraisal, p. 5)

As to the subject property, the appraiser opined that access to the site was average and visibility was also considered to be average. The site is level at grade of the surrounding street and overall utility was deemed to be average for commercial uses. (Appraisal, p. 17)

Using the sales comparison approach, Hartigan analyzed four sales and two listings of parcels located in either Waukegan, Wadsworth, or Zion. The comparable properties range in size from 41,330 to 128,066 square feet of land area or from .95 of an acre to 2.94-acres. The four comparables sales had been on the market for 31 to 331 days. The four sales occurred between April 2013 and January 2016 for prices ranging from \$45,000 to \$170,000 or from \$0.62 to \$1.49 per square foot of land area or from \$27,211 to \$64,885 per acre. The two listings had been on the market for 292 and 118 days, respectively, with asking prices of \$59,900 and \$54,900, respectively, or \$0.71 and \$0.49 per square foot or \$30,876 and \$21,362 per acre.

Hartigan reported that all of the sales sold in fee-simple estate and were deemed to be arms'-length transactions which did not require an adjustment for property rights conveyed. He further noted that the comparables that were reported as REO properties "were considered to have been exposed to the market long enough to warranting minimal if any adjustment for their REO status." (Appraisal, p. 30)

The appraiser considered each comparable individually for adjustments related to market conditions, location, exposure, zoning, size, shape and/or corner location. Each comparable was inferior to the subject in exposure requiring upward adjustment; only sale #1 required an upward adjustment for date of sale and "pre-foreclosure" status; four comparables that had larger sites and required upward adjustments; and five rectangular or corner parcels required downward adjustment. Overall, Hartigan concluded that, but for sale #3 with the highest sale price of \$1.49 per square foot, the other five comparables required an overall upward adjustment. (Appraisal, p. 30-32) From this process, the appraiser opined the subject had a unit value \$1.25 per square foot or \$60,000, rounded. (Appraisal, p. 32)

Based on the foregoing appraisal evidence, the appellant requested an assessment reflective of the value conclusion in the appraisal.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$31,504. The subject's assessment reflects a market value of \$95,006 or \$2.01 per square foot of land area or \$87,161 per acre, 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.

In response to the appeal, the board of review submitted a memorandum outlining various arguments and issues. As reported by the board of review, the subject parcel and another adjacent parcel (1,965 square feet identified as PIN # 08-18-324-018) sold in December 2017 for \$150,000 or \$3.05 per square foot of land area or \$132,743 per acre.

As to the subject parcel, the board of review noted properties adjacent to the subject parcel include a bank branch, a Mexican restaurant, a fitness center, an urgent care facility, a coffee shop, a fast food restaurant and a grocery store. The subject parcel was described by the board of review as "a pad for a future storefront, and shares roadway access with other storefronts in the Grand View Court shopping center."

The board of review disagreed with appraiser Hartigan's description on page 5 of the appraisal report that the subject property transferred in 2014 with "several parcels in several states." According to the board of review, the subject parcel actually transferred with several adjoining parcels; the parcels had all been part of a site operated as Frank's Nursery when obtained by the appellant and were subsequently sold to various developers for the coffee shop and bank branch.

As to the comparable sales utilized in the appellant's appraisal report, the board of review contends appraisal sale #1 was a foreclosure sale of a property located on a secondary street in a small neighborhood shopping district dissimilar to the subject's location on a more significant retail corridor in Waukegan. Appraisal sale #2 is located in an area of farms and small residential estates which is not a significant retail corridor. Parcels identified as appraisal sale #3 are landlocked property that was acquired by the neighboring college prep high school for a future athletic field. Appraisal sale #4 is located in a secondary residential neighborhood shopping district dissimilar to the subject's location. Listing #5 in the appellant's appraisal report is a corner parcel in a residential area with no significant nearby commercial development; the current asking price of this property is \$250,000 or \$2.97 per square foot of land area. Appraisal listing #6 is also in a residential area with no nearby commercial development; this property sold as an REO property in May 2017 for \$15,000.

In summary, the board of review noted the appraiser's concluded value for the subject parcel of \$1.27 per square foot was lower than appraisal sale #3, a landlocked parcel with no commercial development potential. The board of review also questioned the per square foot unit value conclusion for the subject in light of appraisal sale #1 of \$1.09 per square foot which Hartigan asserted was an inferior property when compared to the subject.

In support of its contention of the correct assessment the board of review submitted information on five comparable properties with data on four sales and two listings of these properties as vacant or with a structure that needed demolition. The comparables were located within 2.86-miles from the subject. The parcels range in size from 39,365 to 166,208 square feet of land area or from .9 of an acre to 3.82-acres of land area. The sales occurred between August 2011 and February 2016 for prices ranging from \$120,000 to \$1,060,000 or from \$2.37 to \$5.26 per square foot of land area or from \$113,333 to \$277,487 per acre. Comparables #1 and #5 with listing data reflect asking prices of \$895,000 and \$295,000, respectively, or \$9.13 and \$6.30 per square foot of land area or \$397,778 and \$275,701 per acre.

Based on the foregoing evidence and arguments, the board of review requested confirmation of the subject's assessment, particularly in light of the December 2017 sale of the subject parcel for \$3.05 per square foot of land area.

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 appellant submitted an appraisal of the subject property and the board of review submitted comparable sales along with the December 2017 sale of the subject parcel to support their respective positions before the Property Tax Appeal Board.

In light of the record evidence, the Property Tax Appeal Board finds the best evidence of market value to be the December 2017 sale of the subject parcel for \$3.05 per square foot of land area. The subject's 2016 assessment reflects a market value of \$95,006 or \$2.01 per square foot of land area, which is below the recent 2017 sale of the subject property. Furthermore, the subject's estimated market value as reflected by its assessment is also supported by board of review sale #1 that occurred in February 2016 for \$2.37 per square foot of land area.

The Board further finds the appellant's appraiser used sales that were inferior to the subject property, as explained by the board of review, detracting from the credibility of the appraisal report and the resulting value conclusion.

Based on the foregoing evidence, the Property Tax Appeal Board finds a reduction in the subject's assessment is not justified in light of the subject's 2017 sale price.

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: February 18, 2020



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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