



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

APPELLANT: Tanya Stann-McCarthy
DOCKET NO.: 17-03353.001-C-1
PARCEL NO.: 07-35-400-005

The parties of record before the Property Tax Appeal Board are Tanya Stann-McCarthy, the appellant, by attorney Arnold G. Siegel, of Siegel & Callahan, P.C. 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: \$166,737
IMPR.: \$58,328
TOTAL: \$225,065

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 2017 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 an approximately 435,600 square foot parcel¹ or 10-acre site. The parcel is improved with three large cell phone towers, structural caisson and wiring systems along with five auxiliary buildings. The auxiliary buildings present a total building area of 2,495 square feet and were constructed between 1971 and 1998.² The subject has a reported land-to-building ratio of 174.6:1. The property is located in Waukegan, Warren Township, Lake County.

¹ The appellant's appraiser reports a lot size of 426,415 square feet in reliance upon a "Lake County Tax Map." As part of the board of review's evidentiary submission, a copy of the subject's property record card depicts a site size of 10-acres or 435,600 square feet. The Board finds the best evidence of the subject's lot size was presented by the board of review

² The appellant's appraiser reported the auxiliary buildings present a total of 2,664 square feet of building area. The board of review included copies of the subject's multi-page property record card with a schematic drawing for each of the buildings. The Board finds the board of review presented the best evidence of the combined building size.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted a 74-page appraisal report prepared by Gregory Nold, a Certified General Real Estate Appraiser with the MAI designation. The appraisal was prepared for an *ad valorem* assessment appeal using the comparable sales approach to value wherein the appraiser estimated subject property had an "as-is" market value of \$645,000 consisting of a \$470,000 land value along with \$175,000 in depreciated value for improvements, as of January 1, 2016.

The appraiser inspected the subject property on April 13, 2018. The site was described by Nold as having a long-and-narrow shape which diminishes its overall utility and development potential on a per-square-foot basis. Additionally, the parcel's location "in very close proximity to I-94 is considered a detrimental attribute due to noise and light pollution." Nold determined the subject parcel has below average physical features as compared to similar alternatives considering its inefficient shape. He also reported the parcel has below average locational attributes due to being very close to a local tollway and also due to its position off a secondary type of road which carries a fraction of daily traffic compared to alternative sites in the area. (Appraisal, p. 42)

From pages 50 through 59, Nold set forth data and analyses using the sale comparison approach to value. The appraiser analyzed five comparable sales in Waukegan, Gurnee, Mundelein, Wadsworth and Beach Park. The comparables have sites that range in size from 72,607 to 1,173,942 square feet of land area. Comparables #1, #2, #3 and #5 were multi-parcel properties. Comparable #1 was improved with a 14,000 square foot building at the time of purchase and comparable #3 was improved with several buildings at the time of purchase. Nold reported the shape, position, average daily traffic count and zoning of each property along with its sale price and date of sale. The comparables sold from February 2014 to October 2015 for prices ranging from \$130,000 to \$2,032,229 or from \$0.79 to \$1.80 per square foot of land area, including any improvements.

Nold considered necessary adjustments as detailed in pages 56 to 59. Quantitative adjustments were applied to several of the comparables for differences in location, shape, corner/access, size, zoning and site improvements as to comparables #3 and #5 as the site improvements reportedly added contributory value; as part of the analysis for site improvements, Nold asserted that comparables #1, #2 and #4 "reflect land values where the final sales prices with [*sic*] no additional contributing factors." (Appraisal, p. 58). In the sales comparison approach, Nold wrote:

The appraisers are well aware the cited conveyances are less than ideal comparisons. However, sales of more comparable properties were not discovered during our research. Selected transactions were chosen for analysis because they are all proximately located to the subject and have similar potential uses compared to the subject.

(Appraisal, p. 59). Through this process, the appraiser opined adjusted sales prices ranging from \$0.86 to \$1.26 per square foot of land area, including any improvements. As a result, Nold reported that comparable #1 was afforded additional weight for its Waukegan address and comparable #4 for its lower necessary overall adjustments and arrived at an estimated market

value for the subject of \$1.10 per square foot of land area as of January 1, 2017 or an "as-is" land value of \$470,000, rounded, under the sales comparison approach to value.

Next in the appraisal report, Nold engaged in a "Reconciliation of Market Value 'As Is' for Land and Site Improvements" commencing on page 60 to address the current improvements on the subject parcel. Using the cost approach to value, Nold estimated the replacement cost new of the subject's five auxiliary outbuildings and the three towers with support systems to have a total base cost of \$713,034 using the *Marshall & Swift Cost Manual* and applying a local multiplier of 1.24 resulted in \$884,162 to which Nold added \$50,000 for direct cost site preparation for a total of \$934,162. Next, he added soft costs of 10% or \$93,416 for a total replacement cost new of \$1,027,578. Next, Nold applied a deduction for depreciation of 50% for physical depreciation, 25% for functional obsolescence and 10% for economic obsolescence as described on pages 60 and 61. Thus, on page 61 of the appraisal where Nold performed each of the necessary calculations, he applied depreciation of 85% or \$873,441 resulting in a depreciated replacement cost of site improvements of \$154,137. Although on page 61, Nold wrote that, "Considering the poor local market conditions as of the effective date of this analysis, no entrepreneurial incentive was considered for the subject." However, in the calculations, Nold then added "depreciated" entrepreneurial incentive of \$20,000 for an indicated value of depreciated site improvements of \$174,137 which were rounded to \$175,000.

From the foregoing data, Nold opined the subject's combined "as is" market value for land and site improvements to be \$645,000 or \$1.48 per square foot of land area, including improvement, using a lot size of 435,600 square feet, as of January 1, 2016. Based on the foregoing evidence, the appellant requested a reduction to \$225,065 which would reflect a market value of \$675,263 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 of \$325,064. The subject's assessment reflects a market value of \$980,585 or \$2.25 per square foot of land area, including improvements, when using the 2017 three year average median level of assessment for Lake County of 33.15% as determined by the Illinois Department of Revenue.

As to the appellant's appraisal report, the board of review submitted a two-page memorandum criticizing various aspects of the report and noted that the value conclusion was for January 1, 2016, one year prior to the assessment date at issue in this matter. Appraisal sale #1 was noted to be an assemblage of three parcels including part of an auto dealership out-lot with interior parcels that were landlocked, but adjacent to a high school that was seeking to develop an athletic field "in a flood prone area." Appraisal sale #2 was located within an office park and was resold in May 2018 for \$3,327,500 or \$2.95 per square foot of land area. Appraisal sale #3 was more than six miles from the subject property and consists of a landscaping/greenhouse facility with wetlands and ponds in the rear portion of the parcel. Appraisal sale #4 was described as having irregular topography with ponds and the board of review was unable to confirm this dated sale as set forth in the appraisal. Appraisal sale #5 was zoned for business and with an existing building was converted to an insurance office after purchase. Given these observations of the appellant's appraisal report, the board of review contends that the report is "not relevant or adequate, and the concluded value is not reasonable."

In support of its contention of the correct assessment, the board of review submitted information on four comparable sales and argued that the subject is "located in near major arteries, near desirable residential sub-divisions consisting of semi-custom and custom homes." The comparables are located from 2.11 to 3.59-miles from the subject in the communities of Libertyville, Gurnee and Waukegan. The comparables are classified as either residential, commercial or farmland parcels that range in size from 37,026 to 106,983 square feet of land area or from .83 to 2.6-acres of land. Three of the comparables have improvements of a dwelling and/or outbuildings and garages. The comparables sold from May 2015 to May 2018 for prices ranging from \$180,000 to \$425,000 or from \$2.60 to \$5.47 per square foot of land area, including any improvements. Based on the foregoing evidence and argument, the board of review requested confirmation of the subject's assessment.

In written rebuttal, counsel for the appellant reiterated the merits of the appraisal report and waived the request for a hearing in this matter.

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 appellant submitted an appraisal of the subject property and the board of review submitted four suggested comparable sales to support their respective positions before the Property Tax Appeal Board. The Board has given little weight to the comparable sales presented by the board of review as none of the comparables are similar to the subject parcel in lot size where the largest of the four properties is roughly ¼ the size of the subject property. Thus, the Board finds, without substantial adjustments to the raw sales data presented by the board of review, these suggested comparable sales do not present an adequate set of comparable data for comparison to the subject property in order to support the subject's current estimated market value as reflected by its assessment.

Therefore, given the limited market value data in the record and despite the fact that the appellant's appraisal report presents an opinion of value as of January 1, 2016, the Board finds the best evidence of market value as of January 1, 2017 to be the appellant's appraisal report with an estimated market value of \$645,000. The Board finds that questions raised by the board of review fail to overcome the appraisal report which presents five suggested comparables with adjustments for differences when compared to the subject property. The subject's assessment reflects a market value of \$980,585 or \$2.25 per square foot of land area, including improvements, which is above the appraised value. Therefore, the Board finds the subject property is overvalued based upon its assessment and a reduction in the subject's assessment commensurate with the appellant's request is 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. 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:

November 17, 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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